

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

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 (Shenzhen) Co., Ltd. providing guarantee for the bank loans of the Company

(I) Overview of the guarantee condition

Due to operation needs, China Merchants Property Development Co., Ltd. (hereinafter referred to as “Property Holding” or “the Company”)

- 1) Borrowed RMB 0.87 billion Yuan from China Construction Bank Co., Ltd. Shenzhen Branch, and the period of validity of the loan is three years.
- 2) Borrowed RMB 0.35 billion Yuan from Industrial and Commercial Bank of China Limited Shenzhen Shekou Sub-Branch, and the period of validity of the loan is five years.
- 3) Borrowed RMB 1 billion Yuan from Bank of Beijing Co., Ltd. Shenzhen Branch, and the period of validity of the loan is two years.

The wholly owned subsidiary company of the Company China Merchants Property (Shenzhen) Co., Ltd. (hereinafter referred to as “China Merchants Property (Shenzhen)”) provides joint liability guarantee for the above-mentioned loans of the Company, and the guarantee amounts do not exceed RMB 0.87 billion Yuan, RMB 0.35 billion Yuan and RMB 1 billion Yuan respectively.

The Board of Directors of China Merchants Property (Shenzhen) examined and

approved the above-mentioned guarantee matter with three affirmative votes, 0 dissenting vote and 0 abstention vote, and the capital contributing shareholders of Directors of China Merchants Property (Shenzhen) examined and approved the guarantee matter.

(II) Basic condition of the guaranteed party

The Company was established on September 1990. Registered address: F4, Building 3, Nanhai Yiku, No.6 Xinghua Road, Shekou, Nanshan District, Shenzhen. Legal representative: Sun Chengming. Registered capital: RMB 1,717,300,503 Yuan. Scope of Business: Property development and operation, scientific research technical services.

Main financial indexes of the Company (non-consolidated caliber): Up till December 31, 2013, the total amount of assets is RMB 45,342.68 million Yuan, the total amount of liabilities is RMB 28,183.61 million Yuan, and the net assets is RMB 17,159.07 million Yuan. In 2013, the operating income of the Company is RMB 24.52 million Yuan, and the net profit is RMB 1,057.34 million Yuan. The external guarantee of the Company is RMB 1,122.11 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 following loans of the Company:

1) Provides joint liability guarantee for the loan of the Company from China Construction Bank Co., Ltd. Shenzhen Branch, the guarantee amount does not exceed RMB 0.87 billion Yuan, and the guarantee term is two years after the day when the implementation period of liabilities under the main contract items is due from the day when the guarantee contract comes into force.

2) Provides joint liability guarantee for the loan of the Company from Industrial and Commercial Bank of China Limited Shenzhen Shekou Sub-Branch, the guarantee amount does not exceed RMB 0.35 billion Yuan, and the guarantee

term is two years after the day when the liabilities under the main contract items are due.

3) Provides joint liability guarantee for the loan of the Company from Bank of Beijing Co., Ltd. Shenzhen Branch, the guarantee amount does not exceed RMB 1 billion Yuan, and the guarantee term is two years after the day when the liabilities under the main contract items are due.

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

The Property Holding supplemented capital through bank loan due to operation need, which is good for strengthening capital management and promoting the operation development 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.

We hereby publish the announcement.

China Merchants Property Development Co., Ltd.

Board of Directors

July 1, 2014