

China Merchants Property Development Co., Ltd.
Announcement on the implementation of Scheme of Annual
Profit Distribution 2013 and Capital Reserve Transferred
into Equity

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 scheme of annual profit distribution 2013 and capital reserve transferred into equity has been examined and adopted by the annual shareholders' meeting 2013 held on April 14, 2014, and the implementation issues of the scheme are announced as follows:

I Scheme of annual profit distribution 2013 and capital reserve transferred into equity

The scheme of annual profit distribution 2013 and capital reserve transferred into equity: the general capital 1,717,300,503 shares at the end of 2013 is taken as cardinal number, RMB 4.80 yuan (tax included) is sent every 10 shares, and cash dividend RMB 824,304,241.44 yuan is sent in total; the general capital 1,717,300,503 shares at the end of 2013 is taken as cardinal number, the capital reserve is transferred into 5 ordinary shares very 10 shares, 858,650,251 shares can be transferred in total, and the general capital is increased to 2,575,950,754 shares after transferring.

After tax, A shares QFII and RQFII send RMB 4.32 yuan every 10 shares; for individual shareholders of A shares and securities investment fund dividend bonus tax, differential tax rate collection is implemented according to the provisions of *Notice on Related Issues of Implementation of Listed Company Dividends Differential Personal Income Tax Policy* (finance and tax [2012] No. 85) of ministry of finance and state administration of taxation, namely, RMB 4.56 yuan is sent firstly every 10 shares; after equity registration date, according to the reducing shareholding condition of an investor, an overdue tax bill is paid according to actual shareholding period (according to the principle of first-in first-out, the shareholding period is calculated by

taking the security account of the investor as unit, and the overdue tax bill of RMB 0.72 yuan is paid every 10 shares under the condition the shareholding period is within 1 month (including 1 month); the overdue tax bill of RMB 0.24 yuan is paid every 10 shares under the condition the shareholding period is longer than 1 month and shorter than 1 year (including 1 year); the overdue tax bill is not needed to be paid if the shareholding period is longer than 1 year;) for other non-resident enterprises except QFII and RQFII, the Company does not withhold income tax, and the income tax is paid by the taxpayer at the income place.

After tax, B shares non-resident enterprises send RMB 4.32 yuan every 10 shares; differential tax rate collection is carried out on dividends tax of domestic individual shareholders; RMB 4.56 yuan is sent firstly every 10 shares; after equity registration date, according to the reducing shareholding condition of the investor, the overdue tax bill is paid according to actual shareholding period. The Company is a sino-foreign joint venture, so that B shares overseas individual shareholders do not need to pay the dividend income tax temporarily according to the provisions of *Notice on Related Issues of Implementation of Listed Company Dividends Differential Personal Income Tax Policy* (finance and tax [2012] No. 85) of ministry of finance and state administration of taxation.

According to the provisions of articles of association, B shares cash bonus is paid by Hong Kong dollars according to the middle rate (1 Hong Kong dollar= RMB 0.7941 yuan) at which RMB is exchanged into Hong Kong dollars, wherein the middle rate is published by People's Bank of China in the first workday (On April 15, 2014) after the resolutions of shareholders' meeting of the Company.

II Equity registration date and ex dividend date

1. The equity registration date of A shares is June 5, 2014 (R date), and the ex dividend date of A shares is June 6, 2014 (R+1 date);

2. The last trading day of B shares is June 5, 2014 (T date), and the ex dividend date of B shares is June 6, 2014 (T+1 date); the equity registration date of B shares is June 10, 2014 (T+3 date). In order to guarantee profit distribution to be smoothly carried out, transmission of shares of B shares of the Company between Shenzhen and Singapore is stopped from June 4, 2014 to June 10, 2014.

III Implement object

1. Up to Shenzhen stock exchange is closed in the afternoon on June 5, 2014, the shareholders of A shares of the Company registered in Shenzhen company are registered in Chinese securities.

2. Up to Shenzhen stock exchange is closed in the afternoon on June 10, 2014 (the last trading day is June 5, 2014), the shareholders of B shares of the Company registered in Shenzhen company and Singapore stock exchange are registered in Chinese securities.

IV. Implementation method

(1) Profit distribution implementation method

1. Shareholders of A shares

The company commissioned the China securities to register cash dividend sent by Shenzhen company, and the cash dividends will be directly remitted into the fund accounts of shareholders on June 6, 2014 by a shareholder hosting securities company (or other custodian institutions).

The cash dividend of the following shareholder is sent by the Company:

Account number of shareholder	Name of shareholder
08*****073	China Merchants Shekou Industrial Zone Co., Ltd.

2. Shareholders of B shares

The cash dividends will be directly remitted into the fund accounts of shareholders on June 10, 2014 by a shareholder hosting securities trader or custodian bank.

If the shareholders have transaction of China merchants B custody on June 10, 2014, the cash dividends are still got in the original hosting securities trader or custodian bank.

3. Shareholders of B shares in Singapore

The shareholders of the Company with shares registered in Singapore's central registration co., Ltd. are expected to receive the cash dividends (Singapore dollars) sent by the Company from June 17, 2014, and the convert exchange rate between RMB and Singapore dollars is calculated according to the convert rate (1 Singapore

dollar= RMB 4.9576 yuan) which is published by Bank of China in the first workday (On April 15, 2014) after the resolutions of shareholders' meeting of the Company.

(2) Capital reserve into equity implementation method

1. Shareholders of A shares

The capital reserve into equity is registered in Chinese securities and is directly remitted into accounts of the shareholders of A shares according to the transferring proportion that 5 shares are transferred every 10 shares on the basis of shareholding numbers of the shareholders registered in Shenzhen company at the equity registration date.

2、 Shareholders of B shares

The capital reserve into equity is registered in Chinese securities and is directly remitted into accounts of the shareholders of B shares according to the transferring proportion that 5 shares are transferred every 10 shares on the basis of shareholding numbers of the shareholders registered in Shenzhen company at the equity registration date.

3. Shareholders of B shares in Singapore

The capital reserve into equity is directly remitted into accounts of the shareholders of B shares in Singapore according to the transferring proportion that 5 shares are transferred every 10 shares on the basis of shareholding numbers of the shareholders registered in Singapore's central registration co., Ltd. at the equity registration date.

V. Capital stock change structural table

Share class	Before the change	Change number	After the change	Share proportion
A shares with conditional subscription	693,723,282	346,861,641	1,040,584,923	40.40%
A shares with unconditional subscription	684,233,931	342,116,965	1,026,350,896	39.84%
B shares with	197,867,990	98,933,995	296,801,985	11.52%

conditional subscription				
B shares with unconditional subscription	141,475,300	70,737,650	212,212,950	8.24%
Total shares	1,717,300,503	858,650,251	2,575,950,754	100.00%

VI. Earnings per share calculated according to new equity dilution

After the scheme of capital reserve into equity is implemented, the earnings per share in 2013 are RMB 1.63 yuan which is calculated by equity dilution according to the total new capital stock 2,575,950,754 shares.

VII. Other matters

If needing to obtain duty-paid proof, the non-resident enterprise shareholders should fill in the form shown in attachment on August 30, 2014 at the latest (including) and fax to the Company; after being signed and sealed, the master copy is posted to the secretariat of the board of directors of the Company.

VIII. Consulting agency: secretariat of the board of directors of the Company

1. Consulting place: 4F, No.3 Building, Nanhai E Cool Park, No.6 Xinghua Road, Shekou Industrial Zone, Nanshan District, Shenzhen
2. Consulting telephone: 0755-26819600
3. Fax: 0755-26818666
4. Contact persons: Huang Rui, Luo Yuan

We hereby publish the announcement.

China Merchants Property Development Co., Ltd.
Board of Directors
May 30, 2014

Attachment: Withholding duty paid matter table implemented in 2013 annual dividend payout scheme of China Merchants Property

Information of shareholder	Chinese (in case)	English
Name in resident country (region)		
Name within the territory of China (n case)		
Address in resident country (region)		
Country (region)		
Security account number		
Number of shareholding (shares) at equity registration date		
Amount of taxable income tax (RMB: yuan)		
Information of contact person		
Name		
Phone number		
Fax		
Contact address		

Signature:

Date: