

China Merchants Property Development Co., Ltd. Announcement on the Resolutions of the 10th Temporary Meeting in 2014 of the 7th Board of Directors

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 10th 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 August 25, 2014. On August 28, 2014, the Meeting was held through communication, 11 Directors shall have attended the Meeting and 11 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 following proposals:

I. Proposal on Revising the *Company Statute*

In consideration of the work need of the Board of Directors of the Company, the Company plans to revise the related provisions on the sending time of the notices of the Board of Directors in the Company Statute, and the revised draft is as follows:

Before the revision:

Article 116 The notification mode of the Board of Directors holding the Temporary Meeting of the Board of Directors is: written notice. The notification time limit is: three days before the Meeting is held.

After the revision:

Article 116 The notification mode of the Board of Directors holding the Temporary Meeting of the Board of Directors is: written notice, **fax or email**. The notification time limit is: three days before the Meeting is held. **If special condition**

arises and it is necessary for the Board of Directors to make the Resolutions instantly, for the purpose of the Company interest, under the condition of notifying one day in advance, the Chairman of the Board of Directors holding the Temporary Meeting of the Board of Directors cannot be limited by the previous notification mode and notification time limit.

Before the revision:

Article 164 The profit distribution policy of the Company is:

(1) Decision-making procedures of profit distribution

The Board of Directors make the Company Profit Distribution Preplan combining the factors such as profit making level of the Company, capital arrangement and expected return of the shareholders etc. During the formation of the preplan, the Company shall communicate with the shareholders, especially the medium and small shareholders through telephone, fax or investor communication platform etc., and shall fully listen to the opinions and appeals of the medium and small shareholders. The Independent Directors shall air clear opinions on if the Profit Distribution Preplan complies with the provisions of the Statute.

If the Company really needs to adjust or change the profit distribution policy according to the production operation, investment planning and long-term development need, The Independent Directors shall air clear opinions on the Proposal on Adjusting the Profit Distribution Policy, which shall be submitted to the Shareholders' Meeting for approval after the examination and approval of the Board of Directors of the Company, and shall be approved by over 2/3 of the voting right held by the shareholders attending the Shareholders' Meeting. At the same time, the Company shall provide the network voting mode, so as to fully listen to the opinions and appeals of the medium and small shareholders.

(2) Profit distribution mode and time

The Company can adopt the cash or stock mode to distribute the dividend.

When meeting the following conditions, the Company can distribute the cash dividend: The distributable profit that the Company realizes in the year (i.e. the after-tax profit after the Company makes up for the loss and draws the public reserve funds) is positive value. The audit institution presents standard audit report without qualified opinions for the financial report of the Company in the year. The Company does not have significant investment plan or significant cash expenditure (except the capital raising projects).

Significant investment plan or significant cash expenditure refers to: the accumulative expenditure of the Company making investment, purchasing assets or purchasing equipment in a year reaches or exceeds 30% of the total assets of the Company audited in the latest period.

While implementing the cash dividend distribution, according to the need of the development of the Company, the Board of Directors can bring forward stock dividend distribution preplan, and execute after the examination and approval of the Shareholders' Meeting.

The Company shall keep the continuity and stability of the profit distribution policy. When meeting the cash dividend distribution conditions, the profit distributed in the cash mode annually shall not be lower than 10% of the distributable profit realized in the year, and the profit accumulatively distributed in the last three years shall not be less than 30% of the annual average distributable profit realized in the last three years.

When meeting the profit distribution conditions, the Company can perform annual or mid-term cash dividend distribution. The foreign exchange conversion rate of the dividend of the foreign shares listed in China is calculated by the standard price of HKD to RMB announced by the People's Bank of China on the first working day after the resolution day of the Shareholders' Meeting.

After the revision:

Article 164 The profit distribution policy of the Company is:

(1) Decision-making procedures of profit distribution

The Board of Directors make the Company Profit Distribution Preplan combining the factors such as profit making level of the Company, capital arrangement and expected return of the shareholders etc. During the formation of the preplan, the Company shall communicate with the shareholders, especially the medium and small shareholders through telephone, fax or investor communication platform etc., and shall fully listen to the opinions and appeals of the medium and small shareholders. The Independent Directors shall air clear opinions on if the Profit Distribution Preplan complies with the provisions of the Statute.

If the Company really needs to adjust or change the profit distribution policy according to the production operation, investment planning and long-term development need, The Independent Directors shall air clear opinions on the Proposal on Adjusting the Profit Distribution Policy, which shall be submitted to the Shareholders' Meeting for approval after the examination and approval of the Board of Directors of the Company, and shall be approved by over 2/3 of the voting right held by the shareholders attending the Shareholders' Meeting. At the same time, the Company shall provide the network voting mode, so as to fully listen to the opinions and appeals of the medium and small shareholders.

(2) Profit distribution mode and time

The Company can adopt **cash, stock, or combination of cash and stock** mode to distribute the dividend, and **the Company adopts the cash mode with priority to distribute the dividend.**

When meeting the following conditions, the Company can distribute the cash dividend: The distributable profit that the Company realizes in the year (i.e. the after-tax profit after the Company makes up for the loss and draws the public reserve funds) is positive value. The audit institution presents standard audit report without qualified opinions for the financial report of the Company in the year. The Company does not have significant investment plan or significant cash expenditure (except the capital raising projects).

Significant investment plan or significant cash expenditure refers to: the accumulative expenditure of the Company making investment, purchasing assets or

purchasing equipment in a year reaches or exceeds 30% of the total assets of the Company audited in the latest period.

While implementing the cash dividend distribution, if the Board of Directors of the Company thinks that the stock price of the Company does not match the capital stock scale of the Company and distributing stock dividend is good for the overall interest of all the shareholders of the Company, it can bring forward stock dividend distribution preplan, which is executed after the examination and approval of the Shareholders' Meeting. When the Company ascertains the specific amount of distributing the profit in the stock mode, it shall have the authentic and reasonable factors such as Company growth and dilution of the net asset value per share etc., fully consider if the total capital stock after distributing the profit in the stock mode suits the current operation scale and profit-making growth speed of the Company, and consider the impact on the future creditor's rights financing cost, so as to ensure that the distribution scheme complies with the overall interest of all the shareholders.

The Company shall keep the continuity and stability of the profit distribution policy. When meeting the cash dividend distribution conditions, the profit distributed in the cash mode annually shall not be lower than 10% of the distributable profit realized in the year, and the profit accumulatively distributed in the last three years shall not be less than 30% of the annual average distributable profit realized in the last three years.

Under the precondition of complying with the profit distribution principle and guaranteeing the normal operation and long-term development of the Company, in principle, the Company conducts cash distribution once a year, and the Board of Directors of the Company can propose to the Company to conduct mid-term profit (cash) distribution according to the profit-making condition and capital demand condition of the Company. The foreign exchange conversion rate of the dividend of the foreign shares listed in China is calculated by the standard price of HKD to RMB announced by the People's Bank of China on the first working day after the resolution day of the Shareholders' Meeting.

If the Company adopts cash and stock dividend at the same time to distribute profit, the Board of Directors of the Company shall comprehensively consider the industry characteristics, development stage, operation mode, profit-making level and if there is significant capital expenditure arrangement etc., distinguish the following conditions, and bring forward differentiated cash dividend distribution policy according to the procedures prescribed in the Company Statute:

(1) If the development stage of the Company is in the maturity period and there is no significant capital expenditure arrangement, when conducting profit distribution, the lowest proportion of the cash dividend distribution accounting for in the profit distribution shall reach 80%.

(2) If the development stage of the Company is in the maturity period and there is significant capital expenditure arrangement, when conducting profit distribution, the lowest proportion of the cash dividend distribution accounting for in the profit distribution shall reach 40%.

(3) If the development stage of the Company is in the growth period and there is significant capital expenditure arrangement, when conducting profit distribution, the lowest proportion of the cash dividend distribution accounting for in the profit distribution shall reach 20%.

If it is not easy to distinguish the development stages of the Company but there is significant capital expenditure arrangement, the Company can handle according to the previous provision.

The other articles of the *Company Statute* remain unchanged.

II. Proposal on Revising the *Rules of Procedure for the Board of Directors*

In consideration of the work need of the Board of Directors of the Company, the Company plans to revise the related provisions on the sending time of the notices of the Board of Directors in the *Rules of Procedure for the Board of Directors*, and the revised draft is as follows:

Before the revision:

Article 15 The holding time, site, main agendas and the attending personnel etc. of the Meeting of the Board of Directors are determined by the Chairman of the Board of Directors or the agent appointed by the Chairman of the Board of Directors. For each Meeting, the Secretariat of the Board of Directors shall deliver or fax the Meeting Notice to all the Directors and the attending personnel 10 days before the Meeting is held, and the Meeting documents shall be delivered to all the Directors and the attending personnel three days before the Meeting. For the emergency Meeting or Meeting held temporarily, the Secretariat of the Board of Directors can notify three days in advance, and the Meeting documents can be delivered one day in advance.

After the revision:

Article 15 The holding time, site, main agendas and the attending personnel etc. of the Meeting of the Board of Directors are determined by the Chairman of the Board of Directors or the agent appointed by the Chairman of the Board of Directors. For each Meeting, the Secretariat of the Board of Directors shall deliver, fax **or email** the Meeting Notice to all the Directors and the attending personnel 10 days before the Meeting is held, and the Meeting documents shall be delivered to all the Directors and the attending personnel three days before the Meeting. For the Meeting held temporarily, the Secretariat of the Board of Directors can notify three days in advance and deliver the Meeting documents one day in advance. **If special condition arises and it is necessary for the Board of Directors to make the Resolutions instantly, under the precondition that the notification is made one day in advance, the Chairman of the Board of Directors holding the Temporary Meeting of the Board of Directors cannot be limited by the previous notification mode and notification time limit.**

The other articles of the *Rules of Procedure for the Board of Directors* remain unchanged.

III. Proposal on Examining and Approving the *Shareholder Return Planning in the Next Three Years (2014-2016)* of the Company

For the details of the content, see the *Shareholder Return Planning in the Next Three Years (2014-2016)* published today.

IV. Proposal on Examining and Approving the *Stock Option First Grant Plan (Revised Draft) and Its Abstract* of the Company

The Company disclosed the *Stock Option First Grant Plan (Draft) of China Merchants Property Development Co., Ltd.* and its abstract on May 21, 2014, and now the draft and its abstract are revised and updated. For the details of the content, see the *Explanations on the Revision of the Stock Option First Grant Plan (Draft) and Its Abstract* published today.

V. Proposal on Holding the 1st Temporary Shareholders' Meeting in 2014

The Board of Directors decided to hold the 1st Temporary Shareholders' Meeting in 2014 at Meeting Room 404, Building 3, Nanhai Yiku, Shekou, Shenzhen at 2:30 PM on September 16, 2014, and the Meeting will adopt the mode of combination of on-site voting and network voting. For the detailed arrangement of holding the Shareholders' Meeting this time, see the *Notice on Holding the 1st Temporary Shareholders' Meeting in 2014* published today.

The Board of Directors examined and approved the above-mentioned Proposal 1 to 3 and Proposal 5 with 11 assent votes, 0 negative vote and 0 abstention vote. As the related Directors, Sun Chengming, Fu Gangfeng, Yang Tianping, He Jianya, Hu Yong, Wu Zhenqin and Chen Gang avoided the voting for the above-mentioned Proposal 4 as it involves the Company stock option incentive objects, and the Meeting examined and approved the Proposal with 4 assent votes, 0 negative vote and 0

abstention vote. The above-mentioned Proposal 1 to Proposal 4 shall be submitted to the 1st Temporary Shareholders' Meeting in 2014 held on September 16.

China Merchants Property Development Co., Ltd.

Board of Directors

August 29, 2014