

China Merchants Property Development Co., Ltd.
Announcement on the Wholly Owned Subsidiary Company
of the Company Providing Guarantee for the Loans of 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 (Shenzhen) Co., Ltd. providing guarantee for the bank loan of Foshan Kaida City Investment Development Co., Ltd.

(I) Overview of the guarantee condition

The holding subsidiary company of the wholly owned subsidiary company of the Company China Merchants Property (Shenzhen) Co., Ltd. (hereinafter referred to as “China Merchants Property (Shenzhen)”) Foshan Kaida City Investment Development Co., Ltd. (hereinafter referred to as “Foshan Kaida City”) borrowed RMB 0.6 billion Yuan from China Merchants Bank Co., Ltd. Foshan Lecong Branch (hereinafter referred to as “China Merchants Bank Foshan Lecong Branch”) due to project development need, and the period of validity of the loan does not exceed 3 years. China Merchants Property (Shenzhen) provided full-amount guarantee for the loan, the guarantee amount does not exceed RMB 0.6 billion Yuan, and the rest shareholders provided joint liability guarantee for the loan according to the equity ratio.

The Board of Directors of China Merchants Property (Shenzhen) examined and approved the related guarantee matter with 3 affirmative votes, 0 dissenting vote and 0 abstention vote. Whereas the asset-liability ratio of Foshan Kaida City exceeds 70%, the capital contributing shareholders of China Merchants Property

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

(II) Basic condition of the guaranteed party

Foshan Kaida City was established on October 18, 2012. Registered address: Store 609, Building 1, Baoli Shuicheng, No.20 Denghu West Road, Guicheng Street, Nanhai District, Foshan. Legal representative: Xian Yaoqiang. Registered capital: RMB 10 million Yuan; the holding subsidiary company of China Merchants Property (Shenzhen) China Merchants Property (Guangzhou) Co., Ltd. holds 51% equity of it, Guangdong Xinnanda Cable Industries Co., Ltd. holds 35% equity of it, and Foshan Jincheng Quick-Frozen Food Co., Ltd. holds 14% equity of it. Scope of Business: Investment, construction and management of urban infrastructures; investment, development, construction, management and consulting of markets (not including the live-bird market); Property development and operation, property management; garden greening, design and construction of garden landscape; design and manufacturing of advertisements; domestic trade. (Excluding the items prohibited by the laws and administrative rules and regulations; the items restricted by the laws and administrative rules and regulations can only be operated after getting the permit).

Main financial indexes of Foshan Kaida City: Up till December 31, 2013, the total amount of assets is RMB 706.92 million Yuan, the total amount of liabilities is RMB 723.14 million Yuan, and the net assets is RMB 16.22 million Yuan. In 2013, the company did not have operating income, and the net loss is RMB 26.16 million 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 full-amount joint liability guarantee for the loan of Foshan Kaida City, the guarantee amount does not exceed RMB 0.6 billion Yuan, and the guarantee term is two years after the due dates of the each loan under the items of the *Credit Extension Agreement* signed between Foshan Kaida City and China Merchants Bank Foshan Lecong Branch or the other financing

or the creditor's rights of the accounts receivable transferred to China Merchants Bank Foshan Lecong Branch or the advance date of each advance since the day when the letter of indemnity comes into force.

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

Foshan Kaida City supplemented capital through bank loan due to project development need, which is good for promoting the operation and development of the company. The shareholders of Foshan Kaida City Guangdong Xinnanda Cable Industries Co., Ltd. and Foshan Jincheng Quick-Frozen Food Co., Ltd. will provide guarantee for this loan according to their share holding proportions.

II. Condition of China Merchants Property (Shenzhen) Co., Ltd. providing guarantee for the bank loan of Foshan Yiyun Zhenyuan Property Co., Ltd.

(I) Overview of the guarantee condition

The holding subsidiary company of the wholly owned subsidiary company of the Company China Merchants Property (Shenzhen) Co., Ltd. (hereinafter referred to as “China Merchants Property (Shenzhen)”) Foshan Yiyun Zhenyuan Property Co., Ltd. (hereinafter referred to as “Foshan Zhenyuan”) borrowed RMB 0.4 billion Yuan from China Merchants Bank Co., Ltd. Foshan Lecong Branch (hereinafter referred to as “China Merchants Bank Foshan Lecong Branch”) due to project development need, and the period of validity of the loan does not exceed 2 years. China Merchants Property (Shenzhen) provided full-amount joint liability guarantee for the loan according to its share holding proportion, and the guarantee amount does not exceed RMB 0.22 billion Yuan.

The Board of Directors of China Merchants Property (Shenzhen) examined and approved the related guarantee matter with 3 affirmative votes, 0 dissenting vote and 0 abstention vote. Whereas the asset-liability ratio of Foshan Zhenyuan exceeds 70%, the capital contributing shareholders of China Merchants Property (Shenzhen) examined and approved the above-mentioned guarantee matter (according to the Company Statute of China Merchants Property (Shenzhen), the

company does not have the Shareholders' Meeting, and the capital contributing shareholders are the highest obligee of the company).

(II) Basic condition of the guaranteed party

Foshan Zhenyuan was established on December 2, 2013. Registered address: Room 823, Jincheng Building, Shangdong Qiteng Road, Jiujiang Town, Nanhai District, Foshan. Legal representative: Xian Yaoqiang. Registered capital: RMB 10 million Yuan, the holding subsidiary company of China Merchants Property (Shenzhen) China Merchants Property (Guangzhou) Co., Ltd. holds 55% equity of it, and Foshan Henglun Property Investment Co., Ltd. holds 45% equity of it. Scope of Business: Development, construction, sales and rental of property as well as provision of the related after-sale service. (For the items that shall be approved according to the laws, operation activities can only be developed after the approval of the related departments.)

Main financial indexes of Foshan Zhenyuan: Up till December 31, 2013, the total amount of assets is RMB 373.62 million Yuan, the total amount of liabilities is RMB 370.63 million Yuan, and the net assets is RMB 2.99 million Yuan. In 2013, the company did not have operating income, and the net loss is RMB 2.51 million 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 full-amount joint liability guarantee for the loan of Foshan Zhenyuan, the guarantee amount does not exceed RMB 0.22 billion Yuan, and the guarantee term is two years after the due dates of the each loan under the items of the *Credit Extension Agreement* signed between Foshan China Merchants Xincheng and China Merchants Bank Foshan Lecong Branch or the other financing or the creditor's rights of the accounts receivable transferred to China Merchants Bank Foshan Lecong Branch or the advance date of each advance since the day when the letter of indemnity comes into force.

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

Foshan Zhenyuan supplemented capital through bank loan due to project

development need, which is good for promoting the operation and development of the company. The shareholder of Foshan Zhenyuan Foshan Henglun Property Investment Co., Ltd. will also provide guarantee for this loan of Foshan Zhenyuan according to its share holding proportion.

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 6,160.07 million Yuan, accounting for 23.05% of the net assets belonging to the shareholders of the parent company after the 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

September 29, 2014