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Announcement No.: 【CMPD】2014—027

China Merchants Property Development Co., Ltd.

The 1st Quarterly Report 2014 (Main Text)

§ 1 Important Declaration

1.1 The Board of Directors, the Supervisory Committee, the directors, supervisors and executives of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Report.

1.2 All of the directors presented the board meeting at which this Quarterly Report was examined.

1.3 The 1st Quarterly Financial Statements 2014 were not audited by a CPA.

1.4 Mr. Sun Chengming - the legal representative, Ms. Wu Zhenqin - the chief financial officer, and Ms. Li Shifang - the manager of accounting department declare: the financial reports carried in this report are secured for its truthfulness and completeness.

1.5 This report is prepared both in English and Chinese. When there is any conflict in understanding, the Chinese version shall prevail.

§ 2 Financial Highlights and Change of Shareholders

2.1 Main accounting data and financial index

Was there any retrospective adjustment or restatement for the previous year accounting data?

☐ Yes ☒ No

	This report period	The same period of last year	Increase/decrease (%)
Operating income (RMB)	7,250,648,108.95	6,144,504,542.89	18.00%
Net profit attributable to shareholders of the listed company (RMB)	755,433,248.27	810,701,084.56	-6.82%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	794,757,195.17	801,556,684.90	-0.85%
Net cash flow from operating activities (RMB)	-4,330,633,173.95	790,021,934.12	-648.17%
Basic earnings per share (RMB/share)	0.44	0.47	-6.38%
Diluted earnings per share (RMB/share)	0.44	0.47	-6.38%

Weighted average net income/asset ratio (%)	2.79%	3.41%	Down by 0.62%
	End of this report period	End of last year	Increase/decrease (%)
Total asset (RMB)	134,967,470,187.77	134,040,446,989.65	0.69%
Net asset value attributable to shareholders of the listed company (RMB)	27,480,935,215.51	26,725,501,967.24	2.83%

As of the trading day before disclosure, the total share capital of the company is 1,717,300,503 shares. From the period-end to the disclosure day of the quarterly report, the company did not change or influence the amount of owner's equity through issue of new shares, issue of additional stock, allotment of shares, equity-based incentive and buyback.

Non-recurring gain/ loss items and amounts

☒ Applicable ☐ Not Applicable

Unit: RMB

Non-recurring gain and loss items	Amount from beginning of year to the end of report period
Gain/loss of non-current assets	-19,616.60
Government subsidies	518,000.00
Other non-operating income/expenditure net of the items above	-1,125,144.84
Other items in line with definition of non-recurring gain/loss	-38,732,418.92
Influences on minority shareholders' gains/ losses	43,143.89
Impact on income tax	-7,910.43
Total	-39,323,946.90

Note: The Shenzhen China Merchants Overseas Chinese Town Investment Co., Ltd (SCMOCTI) was a subsidiary of the Company, and a change of control occurred on April 1, 2013. According to Interpretation No. 4 of the Accounting Standards for Business Enterprises, the change of control of SCMOCTI is deemed as the disposal of equity by our company. The remaining equity is re-measured at fair value. The difference between the fair value and the original book value of the remaining equity is recognized as the investment income of the year totaling RMB339,878,500. As the fair value of the remaining equity is the assessment appreciation of inventory, the company carried back RMB38,732,418.92 of long-term equity investment appreciation confirmed by assessment appreciation according to the ratio of inventory area actually carried forward during January-March of the year to the available area for sale in the inventory to be carried forward on the assessment day.

☒ Applicable ☐ Not Applicable

2.2 Total of shareholders and top-10 holders of current shares

Unit: Shares

Total number of shareholders at the end of the report period	66,588 (including 56,747 A-share holders and 9,841 B-share holders)				
Shareholding of top 10 shareholders					
Name of shareholder	Class of shareholder	Share proportion	Amount of holding shares	Restricted shares	Pledged or lock-up shares

		(%)			Share state	Amount
China Merchants Shekou Industrial Zone Co., Ltd.	State-owned legal person	40.38%	693,419,317	693,419,317	None	None
FULL SPACE INVESTMENT LIMITED	Overseas legal person	5.48%	94,144,050	94,144,050	None	None
China Merchants Securities Hong Kong Co., Ltd.	Overseas legal person	2.91%	49,898,818	49,242,245	None	None
FOXTROT INTERNATIONAL LIMITED	Overseas legal person	1.61%	27,720,000	27,720,000	None	None
ORIENTURE INVESTMENT LTD	Overseas legal person	1.55%	26,603,145	26,603,145	None	None
Full Goal Tianfu Innovative Theme Equity Securities Investment Fund	Domestic none state-owned legal person	1.11%	19,009,918	None	None	None
China Pacific life insurance Co., Ltd.—Traditional—General Insurance Products	Domestic none state-owned legal person	1.08%	18,501,423	None	None	None
China Pacific life insurance Co., Ltd.—Dividends - Personal Dividends	Domestic none state-owned legal person	0.76%	12,965,823	None	None	None
GOLDEN CHINA MASTER FUND	Overseas legal person	0.75%	12,873,191	None	None	None
National Social Insurance Fund 102 Combination	Domestic none state-owned legal person	0.73%	12,546,211	None	None	None
Top 10 holders of unconditional shares						
Name of the shareholder		Amount of shares without trade limited conditions	Category of shares			
			Category of shares	Amount		
Full Goal Tianfu Innovative Theme Equity Securities Investment Fund		19,009,918	A shares	19,009,918		
China Pacific Life Insurance Co., Ltd.—Traditional—General Insurance Products		18,501,423	A shares	18,501,423		
China Pacific Life Insurance Co., Ltd.—Dividends - Personal Dividends		12,965,823	A shares	12,965,823		
GOLDEN CHINA MASTER FUND		12,873,191	B shares	12,873,191		
National Social Insurance Fund 102 Combination		12,546,211	A shares	12,546,211		

New China Life Insurance Co., Ltd - Dividends - Personal Dividends – 018L - FH002 Shen	11,850,000	A shares	11,850,000
VALUE PARTNERS CLASSIC FUND	11,121,713	B shares	11,121,713
GF Small-capitalization Growth Equity Securities Investment Fund	10,552,812	A shares	10,552,812
Huaxin Trust Co., Ltd	9,767,652	A shares	9,767,652
BOCI SECURITIES LIMITED	9,483,400	B shares	9,483,400
1. In the Company shares held by China Merchants Securities Hong Kong Co., Ltd., 49,242,245 shares were bought in by Top Chief in the previous year through entrustment; 2. Shekou Industrial Zone and its subsidiaries Full Space Investment, Top Chief International, FOXTROT INTERNATIONAL LIMITED, and ORIENTURE INVESTMENT LTD are persons acting in concert. 3. China Pacific Life Insurance Co., Ltd.—Traditional—General Insurance Products and China Pacific Life Insurance Co., Ltd.—Dividends - Personal Dividends belong to the same fund management company.			

Do the shareholders of the Company have the agreement repurchase transactions during the report period?

☐ Yes ☒ No

§ 3 Significant Events

3.1 Situation and causations of major change in accounting items and indices

Assets and liabilities items	March 31, 2014	December 31, 2013	Increase/ Decrease (±%)	Major Change Reasons
Accounts receivable	12,192	7,686	0.03%	Increase of receivables from sale of real estate
Accrued employee compensation	16,702	38,589	-0.16%	Payment of accrued payroll
Interest payable	23,595	15,236	0.06%	Increase of interests payable on bank borrowings
Dividends payable	512	12,093	-0.09%	Payment of accrued dividends
Gain/ loss items	Jan-Mar, 2014	Jan-Mar, 2013	Increase/ Decrease (±%)	Major Change Reasons
Operating cost	457,655	303,870	51%	Increase of sales of real estate carried forward during the period
Operating tax and additional expenses	73,277	107,257	-32%	As the margin of the items carried forward is low, the land appreciation tax decreased.
Financial cost	21,683	6,255	247%	The interest payment and foreign exchange losses of the period increased on the year-over-year basis.
Investment income	11,944	231	5082%	The investment income increased due to the changes of the equity act of affiliated company.

Cash flow items	Jan-Mar, 2014	Jan-Mar, 2013	Increase/ Decrease ($\pm\%$)	Major Change Reasons
Sub-total of cash outflow from business activities	1,458,050	925,954	57%	The land and infrastructure expenses increased than one year earlier.
Net cash flow generated by business operation	-433,064	79,003	-648%	The growth of operating cash outflow is larger than that of the operating cash inflow.
Sub-total of cash outflow due to investment activities	7,150	4,374	63%	The cash paid for acquisition of equity increased.
Net cash flow generated by investment	-7,150	-4,361	64%	Cash outflows year-on-year increased, but cash inflows year-on-year decreased in the investment activities.
Subtotal of cash inflow from financing activities	348,257	710,170	-51%	New borrowings of the period decreased.
Subtotal of cash outflow due to financing activities	374,651	203,812	84%	Repayment of borrowings increased.

3.2 Progress of major issue and their influences and solutions

Overview of Major Issue	Disclosure Date	References of Disclosure Websites of Interim Report
At the second extraordinary general meeting of shareholders in 2013, the Company has discussed and passed the proposal in which shares will be issued to buy assets and raise money for the associated transactions. On Nov 28, 2013, the company received the notice on processing application for administrative approval. That means the China Securities Regulatory Commission has accepted the application of administrative approval the company has filed for the issue of new shares to buy assets and raise money for the associated deal. The application remains in the stage of review.	Nov 29, 2013; Nov 8, 2013; Oct. 23, 2013; Oct. 16, 2013; Sep 17, 2013	For more information, please refer to <i>China Securities News</i> , <i>Securities Times</i> , <i>Shanghai Securities News</i> , <i>Hong Kong Commercial Daily</i> , <i>Securities Daily</i> and www.cninfo.com.cn .

3.3 Commitment issues made by the Company or shareholders with over 5% of shares in the report term or carried down from the previous terms.

Commitments	Party of commitment	Content of Commitments	Date of commitment	Term of commitment	Status of fulfilling
Commitment in share equity relocation	CMSIZ	Will input properties including high quality lands to support the Company's development after the share equity relocation.	Dec 9 2005	Due at the day after two years upon stop	In the report term, CMSIZ was

				holding of the Company's shares	fully acting as committed.
Other commitments to mid-small shareholders	CMSIZ	CMSIZ, the controlling shareholder of the Company, promised not to conduct or participate with 3 rd parties in any business or activities possibly competing with the Company in terms of business, new commodities and new technology in any forms (including but not limited to direct operation, indirect operation, joint investment). Never use the information obtained from the Company to conduct or participate in and competitive activities against the Company.	Mar 19 2008	Due at the day after two years upon stop holding of the Company's shares	In the report term, CMSIZ was fully acting as committed.

3.4 Non-operating capital occupying conditions of controlling shareholders and their related parties for listed company

Unit: 0,000 RMB

Names of shareholders or related persons	Holding time	Reasons	Opening balance	Amount of newly increased occupying during report period	Total repay amount during report period	Closing balance	Predicted repay way	Predicted repay amount	Predicted repay time (month)
Shanghai New Nanshan Real Estate Development Co., Ltd	September, 2011 to now	Fund borrowing	14,934	2,070	-	17,004	Cash pay off	17,004	December, 2014
Jones Tech Limited	December, 2012 to now	Reinvestment fund	6,243	-	6,243	-	-	-	-
Holly Profit Limited	December, 2012 to now	Reinvestment fund	9,255	-	9,255	-	-	-	-
Blue Cove International Ltd	December, 2013 to now	Reinvestment fund	4,481	-	4,481	-	-	-	-
Powerwise International Ltd	December, 2013 to now	Reinvestment fund	8,903	-	8,903	-	-	-	-
Total			43,816	2,070	28,882	17,004	-	17,004	-

3.5 Business forecast for January-June in 2014

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

☐ Applicable ☒ Not applicable

3.6 Securities investment

☐ Applicable ☒ Not applicable

Explanation of holding stock rights of other listed companies

☐ Applicable ☒ Not applicable

3.7 Investment of derivate instruments

Derivate instruments in stock at the end of period

☐ Applicable ☒ Not applicable

3.8 Table about investigations, communications and interviews received by the Company during the report period

Reception date	Reception place	Reception way	Received object type	Received object	Content discussed and information provided
January 4, 2014	Shenzhen	Telephone communication	Institutional investor	China Securities	① Introducing operation of the Company ② Discussing the industry development; ③ Providing the information announced and brochure for projects of the Company. ④ Visiting the Company on-sale
January 7, 2014	Shenzhen	Telephone communication	Institutional investor	Orient Securities	
January 8, 2014	Shenzhen	Telephone communication	individual investor	individual investor	
January 8, 2014	Shenzhen	Telephone communication	individual investor	individual investor	
January 8, 2014	Shanghai	Project investigation	Institutional investor	Everbright Securities	
January 9, 2014	Shenzhen	Field investigation	Institutional investor	Runhui Investment	
January 14, 2014	Suzhou, Shanghai	Field investigation	Institutional investor	Runhui Investment	
January 15, 2014	Nanjing, Suzhou	Field investigation	Institutional investor	William Blair、CICC	
January 16, 2014	Shenzhen	Telephone communication	individual investor	individual investor	
January 17, 2014	Shenzhen	Field investigation	Institutional investor	Harvest Fund	
January 24, 2014	Shenzhen	Field investigation	Institutional investor	China Asset Management, Haitong Securities	
January 29, 2014	Shenzhen	Telephone communication	Institutional investor	Hillhouse Capital Management	
February 8, 2014	Shenzhen	Field investigation	Institutional	Fullgoal Fund	

			investor	
February 10, 2014	Shenzhen	Telephone communication	Institutional investor	Ping An Securities, GF Securities, Schroders Fund
February 12, 2014	Shenzhen	Field investigation	Institutional investor	GF Securities, China Asset Management, Yinhu a Fund, Penghua Fund, etc
February 12, 2014	Shenzhen	Telephone communication	individual investor	individual investor
February 12, 2014	Shenzhen	Telephone communication	Institutional investor	CICC
February 12, 2014	Shenzhen	Telephone communication	individual investor	individual investor
February 14, 2014	Shenzhen	Telephone communication	individual investor	individual investor
February 17, 2014	Shenzhen	Telephone communication	Institutional investor	Huatai Securities
February 20, 2014	Shenzhen	Telephone communication	individual investor	individual investor
February 27, 2014	Shenzhen	Telephone communication	individual investor	individual investor
March 5, 2014	Shenzhen	Telephone communication	individual investor	individual investor
March 13, 2014	Shenzhen	Telephone communication	individual investor	individual investor
March 17, 2014	Shenzhen	Field investigation	Institutional investor	40 institution s such as Guotai Junan Securities, CITIC Securities, China Jianyin Investment Securities, Fullgoal Fund, Citic-prudential Fund、 Penghua Fun, etc.
March 24, 2014	Hong Kong	Strategic seminar	Institutional investor	Baring Asset Management Limited, Norges Bank, Capital Research Global Investors, Manulife, Morgan Stanley Investment

				Management Company, Three Corner
March 31, 2014	Shenzhen	Telephone communication	Institutional investor	GF Securities
March 31, 2014	Shenzhen	Telephone communication	Institutional investor	China Securities
March 31, 2014	Shenzhen	Telephone communication	Institutional investor	Runhui Investment