

Annual Report 2012

Announcement No.: 【CMPD】 2013-009

Chapter 1 Important Notice, Content and Paraphrases

Important Notice:

Board of Directors, Supervisory Committee of China Merchants Property Development Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any important omissions, fictitious statements or serious misleading information carried in this report, and shall take all responsibilities, individual and/or joint, for the authenticity, accuracy and integrity of the whole contents.

The preplans for profit distribution and for increasing capital stock transferred from capital reserve during the report period examined by the Board of Directors of the Company are: Taking the report period end shareholding equity 1,717,300,503 shares as the cardinal number, for each ten shares, allot RMB 3.0 cash (including tax), and increasing capital stock transferred from capital reserve is not performed.

Lin Shaobin—Legal Representative, Huang Peikun—Chief Financial Officer, and Xu Yixia—Manager of Accounting Department hereby confirm that the Financial Report enclosed in the Annual Report is true and complete.

Zhang Wei - Independent Director of the Company did not attend the meeting due to business, and Chai Qiang -Independent Director was authorized to attend the meeting and exercised the right to vote on behalf of him. All the rest Directors attended the meeting of Board of Directors examining this report.

This report has been prepared in Chinese and English version respectively. In the occurrence of differences due to interpretations of both versions, the Chinese report shall prevail.

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Paraphrases

Unless specified in the report, the following abbreviations possess the meanings as follows:

Paraphrase item	Refers to	Paraphrase content
CSRC	Refers to	China Securities Regulatory Commission
Shenzhen Securities Regulatory Bureau	Refers to	China Securities Regulatory Commission Shenzhen Regulatory Bureau
SZSE	Refers to	Shenzhen Stock Exchange
The Company	Refers to	China Merchants Property Development Co., Ltd.
China Merchants Group	Refers to	China Merchants Group Ltd.
Top Chief	Refers to	Top Chief Co., Ltd.
Shekou Industrial Zone	Refers to	China Merchants Shekou Industrial Zone Co., Ltd.
Zhangzhou Development Zone	Refers to	China Merchants Zhangzhou Development Zone Co., Ltd.
Shenzhen CMRE	Refers to	Shenzhen China Merchants Real Estate Co., Ltd.
China Merchants Properties and Investment	Refers to	Shenzhen China Merchants Properties and Investment Co., Ltd.
CMPS	Refers to	Shenzhen China Merchants Power Supply Co., Ltd.
China Merchants Property Management	Refers to	China Merchants Property Management Co., Ltd.
Tonic Industries	Refers to	Tonic Industries Holdings Ltd.
Hong Kong Ruijia	Refers to	Ruijia Investment Industrial Co., Ltd.
Full Space Investment	Refers to	Full Space Investment Ltd.

Risk Reminder

In the chapter of Report of the Board of Directors in this report, the risk factors that may exist in the Company and the coping strategies are described in details. The investors please pay attention to the related contents.

Chapter 2. Company Profile

(I) Profile

I. Legal Name of the Company:

In Chinese: 招商局地产控股股份有限公司

Abbr: 招商地产

In English: CHINA MERCHANTS PROPERTY DEVELOPMENT CO., LTD.

Abbr: CMPD

II. Legal Representative: Lin Shaobin

III. Secretary of the Board: Liu Ning

Securities Affair Representative: Zeng Fanyue

Address: No.3 Building, Nanhai E Cool Park, No.6 Xinghua Road, Shekou Industrial Zone, Nanshan District, Shenzhen

Post Code: 518067

Tel: (0755) 26819600

Fax: (0755) 26818666

Email: cmpdir@cmhk.com

IV. Registered Address: No.3 Building, Nanhai E Cool Park, No.6 Xinghua Road, Shekou Industrial Zone, Nanshan District, Shenzhen

Office Address: No.3 Building, Nanhai E Cool Park, No.6 Xinghua Road, Shekou Industrial Zone, Nanshan District, Shenzhen

Post Code: 518067

Company Web site: <http://www.cmpd.cn>

E-mail: investor@cmpd.cn

V. Newspapers selected for Disclosing the Information of the Company: China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily and Hong Kong Commercial Daily

Official Website for Publishing Annual Report authorized by CSRC: <http://www.cninfo.com.cn>

Place Where the Semi-Annual Report is Prepared and Placed: Secretariat of the Board of Directors

VI. Stock listed in: Shenzhen Stock Exchange

Also listed with: Singapore Stock Exchange

Short Form of the Stock: CMPD, CMPD-B

Stock Code: 000024, 200024

VII. Registry Changes of the Company within the Report Period

1. Initial registration date: September 19th, 1990

2. Initial registration place: Shenzhen

3. Registration code for corporate business code: 440301503287841

4. Tax Registration No.: National Tax-Shen Zi 440300618845136

5. Code of Organization: 61884513-6

6. Main business change and all previous controlling shareholder change of the Company since the listing

The company's predecessor is 'Merchants Shekou Port Service Co., Ltd.' and has the main business of port business. June 7th, 1993, A shares and B shares of the Company are listed trading at Shenzhen Stock Exchange.

From 1998 to 1999, the property having nothing to do with the main business of the Company is replaced with stock rights of Shenzhen CMRE, CMPS and other companies held by Shekou Industrial Zone, and accumulative total 70% of the stock rights of the companies is transferred.

July 21st, 2000, the Company is renamed as 'China Merchants Shekou holding Co., Ltd.'

July 13th, 2001, the rest relevant assets of Shekou Port are replaced with 25% of stock rights of Shenzhen CMRE, CMPS and other companies held by Shekou Industrial Zone.

June 24th, 2004, the Company is renamed as 'China Merchants Property Development Co., Ltd.' and becomes a listed company taking real estate development and management as main business.

Since listing, the controlling shareholders of the Company did not change.

VIII. The certified public accountants hired by the Company

Name: Shinewing Certified Public Accountants Ltd.;

Office Address: 8F, Block A, Fuhua Mansion, 8 North Street of Chaoyangmen, Dongcheng District, Beijing

Signature certified public accountants: Guo Jinlong, Wang Yaming

Chapter 3. Financial Summary

I. Main accounting data and financial index

The Company does not make retroactive adjustment or restatement for the previous year accounting data due to accounting policy alternative, correction of accounting error, etc.

(Unit: RMB)

Main accounting data	2012	2011	Year-on-year Change	2010
Operating income (RMB)	25,296,762,15	15,111,366,64	67.40%	13,782,425,23
Net profit attributable to shareholders of the listed company (RMB)	3,318,266,875.59	2,591,781,031.00	28.03%	2,011,397,239.00
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	3,347,473,177.02	2,490,234,506.00	34.42%	2,003,177,128.00
Net cash flow from operating activities (RMB)	5,059,172,766.83	-2,112,339,698.00	339.51%	-4,446,294,010.00
Basic earnings per share (RMB/share)	1.93	1.51	27.81%	1.17
Diluted earnings per share (RMB/share)	1.93	1.51	27.81%	1.17
Return on equity (%)	15.03%	13.39%	Up by 1.64 percentage points	11.66%
	End of 2012	End of 2011	Year-on-year Change	End of 2010
Total assets (RMB)	108,534,533,311.24	79,666,494,368.00	36.24%	59,818,240,763.00
Net asset value attributable to shareholders of the listed company (RMB)	23,393,515,534.23	20,418,214,797.00	14.57%	18,207,431,836.00

II. Influence of IAS Adjustment on Net Profit and Net Asset (unaudited) (Unit: RMB)

	Net profit attributable to the shareholders of the listed company		Net assets attributable to the shareholders of the listed company	
	2012	2011	End of 2012	End of 2011
By IAS	3,318,266,875.5	2,591,781,031	24,733,344,763	21,758,044,026

By Chinese Accounting Standard	3,318,266,875.59	2,591,781,031.0	23,393,515,534.23	20,418,214,797.00
Difference between home& abroad	--	-	1,339,829,229.00	1,339,829,229.00
Of which: Adjustment of goodwill	-	-	1,339,829,229.00	1,339,829,229.00
Notes	<p>For the current year, the net profit attributable to the shareholders of listed company is the same under both Chinese Accounting Standard and International Accounting Standard. The main reason of the adjustment on the net asset attributable to shareholders of listed company according to International Accounting Standard was that according to the Chinese Accounting Standard and relative regulations, the differences generated by consolidation of entities under same control shall be adjusted into capital reserves, whereas the goodwill generated by consolidation shall be recorded individually as assets according to the IAS.</p>			

III. Non-recurring gain and loss items and amount

(Unit: RMB)

Non-recurring gain and loss items	2012	2011	2010
Gains/losses from the disposal of non-current assets	-1,407,797.62	-256,439.00	13,091,826.00
Government subsidies	16,352,111.12	1,876,900.00	3,716,729.00
Other non-operating income/expenditure net amount	-49,804,571.52	100,717,124.00	-5,816,519.00
Influences on minority shareholders' gains/losses	2,887,287.63	-598,846.00	-367,515.00
Impact on income tax	2,766,668.96	-192,214.00	-2,404,410.00
Reversal of any provisions for asset impairment which has been made in prior years	0	0	0
Total	-29,206,301.43	101,546,525.00	8,220,111.00

Chapter 4 Report of the Board of Directors

I. Overview

(I) Analysis on the market trend in 2012

Along with the European Debt Crisis, slow recovery of the American economy and decelerated growth of the new economic entity, the global economy shuddered forward in 2012. Under the complicated and severe big environment, the Chinese economy generally kept stable and fast growth, however, it also faced a series of challenges such as decrease of the growth motive power and slowing down of the growth rate etc.

Under the support of the rigid demands and reasonable improvement demands, in 2012, the

Chinese real estate market walked out of the situation of down first and up later. In the beginning of the year, turnover of the property market dropped greatly, and the developers rapidly adjusted their sales strategies. Later, the market warmed up stably. In the whole year, the sales area of commercial housing in China was 1,113,040,000 square meters, and the sales volume of commercial housing was RMB 6,445.6 billion, increasing 1.8% and 10% respectively. In the land market, turnover was scarce in the first half of the year. While after entering September, the turnover became active gradually. In the whole year, the decrease amplitude of the land purchase area and land turnover price of the development enterprises exceeded 15% compared to the same period of the previous year. Looking in the whole, the real estate regulation and control policy with purchase limit, loan limit and price limit as the representatives was well implemented, effectively restraining the excessive growth of the housing price and promoting the stable and healthy development of the real estate industry.

(II) Review of Company Management

In 2012, adhering to the operation thinking of ‘seek progress in stability and seek opportunity in danger’, China Merchants Property has the strategy of “guarantee sales, guarantee progress and guarantee financing” through the work of the whole year. The company was united and overcame difficulties. In the 140th anniversary of China Merchants Group, simultaneous increase of scale and profit was achieved. In addition, on the foundation of effective enhancement of management in 2011, the Company developed a series of work such as research on strategic management, further reconstruction of processes, ERP construction optimization and comprehensive risk management promotion etc., working hard to build and optimize the management platform to support faster and better development of the Company in the future.

Capture business opportunities in the crisis, explore and make progress in the adversity. Benefited from the accurate judgments on the market entry opportunity and effective grasping of the building release rhythm, the real estate sales business of the Company achieved stride increase. During the report period, 46 projects in 18 cities of the Company were on sale, contract signing sales area of 2,475,200 square meters were realized, contract signing sales volume was RMB 36.386 billion, increasing about 73% compared to the same period of the previous year.

The concepts of ‘time is money, efficiency is life’ and ‘solid work makes the country prosperous, and empty talk is harmful for the country’ motivated China Merchants people to keep up with the times and continuously optimize its own operation mode. The Company deeply knew that only by abandoning the inertial thinking, innovating and seeking changes, the Company can adapt to the market and win the market in the fast changing market. Since comprehensively enhancing the speed and the efficiency, the Company continuously

deepened the related management work to accelerate project construction and sales. In the report period, based on the improved schedule, the Company strengthened patrol inspection, supervision, early warning and error correction on the projects, and enhanced the node completion rate omnidirectionally. In order to accelerate sales, at the beginning of the year, with the 140th anniversary of China Merchants Group as the opportunity, the Company developed brand linked action of ‘China Merchants’ series, planned and implemented a series of sales promotion events, and got a good start. Later, along with the warming up of the market, the project companies followed up victory with hot pursuit, all the employees participated in marketing, effectively enhancing the product sales speed.

The capital-intensive industrial characteristic determines that financing ability is the key factor for measuring the competitiveness of the real estate enterprises. In the report period, the Company demonstrated its unique advantages in terms of integrating the financial resources and controlling the capital risks as before. While the Company opened diversified financing channels and strengthened the innovation of financial products, it continued to deepen the cooperation with the banks. While ensuring that the Company has sufficient operation capital, through optimizing the loan term and its structure and adjusting the loan amount ratios of local and foreign currencies, the comprehensive cost of the capital of the whole year is controlled within 6%.

In June 2012, the Company successfully purchased 70.18% shares (stock code HK.00978) of the Hong Kong main board listed company Tonic Industries Holdings Ltd. through the wholly owned subsidiary Chenghui Investment Co., Ltd., completing the erection of the overseas listing platform. In the report period, the management transition of Tonic Industries Holdings Ltd. was stable, and its operation condition is good at present.

In the report period, the Company grasped market opportunities to actively expand its project resources with regional and cost advantages. IT has 18 new projects in 11 cities such as Shenzhen, Tianjin, Beijing, Shanghai, Foshan and Qingdao etc. through cooperation and purchase etc., getting project resources 3.91 million square meters, including right and interest area 3.04 million square meters. Up till the end of the report period, the building area of the total project resources of the Company exceeded 12 million square meters. It has entered 19 cities including new cities such as Bijie, Changzhou and Haerbin, basically forming the market strategic layout of “three horizontal and two longitudinal”.

In the report period, the product standardization work of the Company achieved break-through progress. Combing of the whole series product lines, research and development of the main product lines and construction of the standardized product base were completed. The product research, development and communication platform with the headquarter as the core were completed. In addition, application of the standardization achievement in the project was actively promoted, effectively enhancing the project development speed.

In recent years, the speed of informatization construction of the Company was comprehensively enhanced. Till the end of 2012, ERP system had realized comprehensive covering in the scope of the Company and went online, effectively enhancing the operation efficiency. In addition, in 2012, the Company successfully released the new version of enterprise culture system, strongly promoting the enhancement of the organizing ability of the Company, and the enterprise culture emphasizing progressing promoted the strong increase of the Company achievement. In 2012, the Company further perfected the assessment index system and the motivation mode, and strengthened process supervision. Through the combination of assessment and motivation, enthusiasm of the first-line operation units to be bigger and stronger was greatly aroused.

In the report period, the Company successfully continued to host the 9th Sino-Foreign Green Property Forum. Creating good ecological environment and lowering the consumption of natural resources is the guarantee for the sustainable development of the future urban construction, and in the real estate market, a ‘green reform’ upsurge was raised. As the initiator of green property in China, China Merchants Property has always been in the front end of the green undertaking. In the many years, the Company has been dedicated to actively promoting the exploration, research and development of green property technology, advocated integrating the green concept into the architecture, and promoted the low-carbon life among the people. In the application of the green technology, the Company strictly followed the principle of ‘act according to circumstances’, and gradually transformed from single body architecture to comprehensive community. At present, 21 projects of the Company are authenticated green architecture by the Ministry of Housing and Urban-Rural Development, and 17 projects are participating in the evaluation. The leading green property technology and mature green human habitat concept has become the unique core competitiveness of China Merchant property.

Depending on its good growth, excellent market performance and outstanding resource integration ability, the achievements of the Company were rich in 2012:

Entitled ‘2012 China Real Estate Development Enterprise Brand Value Top 20’ evaluated by China Real Estate Research Association, China Real Estate Industry Association and China Real Estate Appraisal Center;

Entitled “2012 Hu-Shen Listed Real Estate Companies Comprehensive Strength Top 10” evaluated by the Enterprise Research Institute of the State Council Development and Research Center, Tsinghua University Real Estate Research Institute and China Index Research Institute for a continuous 10 years, entitled ‘2012 Hu-Shen Listed Real Estate Companies Investment Value Top 10’, ‘2012 Hu-Shen Listed Real Estate Companies Wealth Creating Ability Top 10’, and ‘2012 Hu-Shen Listed Real Estate Companies Sound Finance Top 10’;

Entitled ‘2011 Golden Ox Listed Companies Top 100’ evaluated by *China Securities Journal*;

Entitled ‘Hu-Shen A-Share TOP 10’ of the Top Ranking of Listed Companies of 2012 China Real Estate Value Ranking evaluated by *First Financial Daily*;

Entitled ‘2012 China Blue Chip Stock Property Enterprise’ evaluated by *The Economic Observer* and house.sina.com.cn jointly for a continuous eight years;

Won ‘China Listed Company Internal Control Top 100 Enterprise Prize’ evaluated by China Internal Control Research Center;

Entitled ‘Low-Carbon Pioneer Enterprise’ evaluated by Institute for Urban and Environmental Studies Chinese Academy of Social Sciences and *21st Century Business Herald* jointly;

Won ‘Most Trusted by the Consumers Prize’ in the evaluation of ‘Best Chinese Enterprise Citizen’ by 21st Century Media;

Entitled ‘2012 Best Chinese Employer’ evaluated by Peking University Enterprise Social Responsibility and Employer Brand Spreading Center and zhaopin.com.

II. Analysis on the main businesses

1. Overview

In 2012, the down-first-and-up-later real estate market contained opportunities in the crisis. The Company adjusted the development rhythm and sales strategy at proper time, operating income amount of RMB 25.297 billion was realized in the whole year, and net profit belonging to the listed company shareholders was RMB 3.318 billion, increasing 28.03% compared to the same period of the previous year. In the operating income, sales income of commercial housing was RMB 23.124 billion, settlement area was 1.3608 million square meters; investment property rental income was RMB 0.73 billion, and accumulative rental area was 8.759 million square meters; park power supply sales income was RMB0.596, and electricity sold was 804,300,000 kw/h.

2. Income from the main businesses

Composition of the main businesses divided by sector

Unit: RMB'0000

Sector	Operating income	Operating cost	Gross profit margin	Operating income over last year	Operating cost over last year	Gross profit margin percentage points over last year
Real Estate development and sales	2,312,355	1,141,268	51%	76%	99%	-5
Rental property management	72,950	35,511	51%	16%	9%	3
Real Estate intermediary agent	5,142	4,814	6%	-22%	-26%	6
Power supply in the Park	59,630	42,433	29%	-4%	-3%	0
Property management	74,917	65,642	12%	29%	31%	-2
Others	23,496	22,145	6%	47%	41%	4

Composition of the main businesses divided by area

Unit: RMB'0000

Area	Operating	Operating cost	Gross profit	Operating income over	Operating cost over last	Gross profit margin

	income		(%)	last year (%)	year (%)	percentage points over last
Bohai Ring Area	486,222	252,387	48%	55%	49%	-2
Yangtze River Delta Area	303,663	188,563	38%	108%	118%	-3
Pearl River Delta Area	1,471,387	660,646	55%	60%	63%	-1
Other areas	287,218	210,218	27%	99%	208%	-26

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Real estate development and sales

During the report period, 28 new projects were carried out by our company, starting construction areas of 2.35 million square meters; 27 projects were completed in the year, with a completed area of 2.56 million square meters. There were 5 million square meters remaining in construction at the end of the year.

Major Real Estate Development Projects List in 2012

(Unit: '0000 sq m)

No.	Name	Region	Equity ratio	Site area	Floor area ratio counted area	Newly started in 2012	Completed 2012	Accumulative started area	Accumulative completed area	Contract signed area of this period	Carry-over area of this period	Start/planned start time	Completion/planned completion time
1	Shenzhen Yongjing Bay	Shenzhen Shekou	100%	4.93	13.10	-	13.10	13.10	13.10	6.93	11.18	2009.07	2012.08
2	Shenzhen China Merchants Plaza	Shenzhen Shekou	100%	1.66	7.10	-	-	7.10	-	-	-	2010.05	2013.03
3	Shenzhen Woods Apartment	Shenzhen Shekou	100%	1.13	3.23	-	3.23	3.23	3.23	0.85	-	2010.05	2013.06
4	Shenzhen Xicheng	Shenzhen Bao'an	50%	60.00	30.31	3.34	5.10	33.65	30.65	2.83	2.50	2005.09	2013.09
5	Shenzhen China Merchants Green Garden	Shenzhen Bao'an	100%	4.00	18.16	-	18.16	18.16	18.16	11.40	-	2010.05	2013.06
7	Shenzhen China Merchants Guan Garden	Shenzhen Bao'an	100%	14.76	22.22	-	22.22	22.22	22.22	7.79	14.44	2008.08	2012.01
9	Shenzhen Chuanqian Square	Shenzhen Shekou	51%	1.19	1.21	-	-	1.21	-	-	-	2011.03	2013.06
10	Shenzhen Sea World Hotel Square *	Shenzhen Shekou	51%	2.37	4.29	-	-	4.29	-	-	-	2010.12	2013.05
11	Phase 6 of Shenzhen Xicheng	Shenzhen Bao'an	50%	2.34	2.81	-	2.81	2.81	2.81	1.22	1.22	2011.02	2012.09
12	Shenzhen Jingshan	Shenzhen	100%	5.44	10.65	-	-	10.65	-	-	-	2011.05	2013.12

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	JinhaiOriginal Phase 9 of Shenzhen Jingshan)	Shekou											
13	Shenzhen Jinxiu Guan Garden	Shenzhen Bao'an	100%	4.95	15.80	15.80	-	31.60	-	-	-	2011.12	2014.06
14	Shenzhen Yihai City *	Shenzhen Yantian	50%	13.73	34.53	12.53	-	12.53	-	4.50	-	2012.08	2014.01
15	Shenzhen Pingshan Garden City *	Shenzhen Pingshan	100%	15.97	37.94	-	-	-	-	-	-	2013.04	2015.11
16	Shenzhen Sea World Chuanhou Square *	Shenzhen Shekou	100%	1.22	1.24	1.24	-	1.24	-	-	-	2012.12	2013.06
17	Shenzhen Sea World Chuanwei Square *	Shenzhen Shekou	100%	1.54	1.20	1.20	-	1.20	-	-	-	2012.12	2013.06
18	Phase 2 of Sea World Residence *	Shenzhen Shekou	100%	4.28	12.00	-	-	-	-	-	-	2013.07	2016.02
19	Phase 2 of Shenzhen Financial Center *	Shenzhen Shekou	50%	1.87	7.12	-	-	-	-	-	-	2013.01	2015.12
20	Guangzhou Jinshan Valley	Guangzhou Fanyu	100%	83.55	105.15	9.72	23.42	46.89	34.04	5.36	20.81	2008.02	2019.11
21	Guangzhou Fanyu	Guangzhou	51%	86.61	84.34	-	7.51	11.74	10.25	-	-	2008.07	2018.12
22	Guangzhou Donghui City (original Wanshang Project)	Guangzhou Development Zone	34%	10.97	27.44	-		-	-	4.69	-	2012.03	2016.12
23	Foshan Evian Water Bank	Foshan Shunde	50%	26.64	45.94	-	17.51	45.94	45.94	10.28	6.02	2008.04	2012.07
24	Foshan Evian Upper City	Foshan Chancheng	50%	15.04	26.82	-	9.87	26.82	18.94	7.31	0.68	2008.08	2013.10
25	Foshan Evian Xicheng	Foshan Nanhai	50%	14.19	31.01	4.51	-	14.22	-	5.70	-	2010.12	2015.09
26	Foshan Evian Tianhui	Foshan	50%	5.61	22.44	13.22	-	35.66	-	6.50	-	2011.02	2014.07

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		Nanhai											
27	Foshan Evian International *	Foshan Xincheng	100%	2.08	10.38	-	-	-	-	-	-	2013.02	2015.07
28	Phase 1 of Zhuhai ChinaMerchants Garden City	Zhuhai Xiangzhou	51%	6.15	12.42	-	12.42	12.42	12.42	-	7.55	2008.12	2012.03
29	Phases 2 and 3 of Zhuhai China Merchants Garden City	Zhuhai Xiangzhou	100%	10.89	21.98	-	-	21.98	-	10.60	-	2009.12	2013.08
30	Shanghai China Merchants Yonghua Yuan	Shanghai Minhang	100%	13.42	13.75	-	-	13.75	13.75	0.20	4.35	2008.07	2011.08
31	Shanghai Hyde Park	Shanghai Baoshan	60%	38.54	24.34	4.17	-	13.28	9.11	1.65	0.27	2006.05	2014.12
32	Shanghai China Merchants Bay Garden	Shanghai Fengxian	100%	33.54	10.62	1.27	3.97	7.87	6.60	2.23	0.75	2008.10	2014.06
33	Shanghai Sheshan Longyuan	Shanghai Songjiang	55%	13.10	10.48	-	2.93	2.95	2.93	-	-	2010.10	2014.12
34	Shanghai Hongyue Huating *	Shanghai Qingpu	100%	4.82	7.23	7.23	-	7.23	-	-	-	2012.12	2014.08
36	Nanjing Zijinshan No.1	Nanjing Qixia	100%	6.66	14.03	-	-	12.89	10.62	5.19	2.42	2010.08	2013.08
37	Nanjing Yonghuaifu (original Longyuan Project)	Nanjing Hexi New City	100%	4.85	14.54	7.93	-	7.93	-	-	-	2012.12	2015.05
38	Suzhou Small Stone City	Suzhou	60%	66.37	92.18	13.02	28.57	67.23	43.66	19.57	10.10	2008.04	2015.11
39	Suzhou Yongjing Bay	Suzhou Industrial Park	50%	18.36	16.89	9.63	4.47	16.85	4.47	2.74	1.50	2011.03	2014.12
40	Suzhou Yonghuaifu *	Suzhou	100%	6.83	17.63	-	-	-	-	-	-	2013.03	2014.12

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		Mudu											
41	Zhenjiang China Merchants Beigu Bay	Zhenjiang Jingkou	100%	31.95	55.00	3.02	1.71	16.61	1.71	7.73	-	2011.05	2015.12
42	Changzhou Park 1872 *	Changzhou Wujin	100%	19.87	53.64	-	-	-	-	-	-	2013.02	2015.05
43	Beijing Park 1872	Beijing Chaoyang	100%	10.42	30.34	6.51	-	36.85	16.80	5.93	1.12	2006.01	2014.07
44	Beijing Xicheng Homestead and Long Yuan	Beijing Changping	50%	26.80	52.33	-	9.31	44.46	34.56	12.15	11.29	2008.01	2015.06
45	Beijing Conrad Hotel	Beijing Chaoyang	60%	0.78	3.50	-	3.50	3.50	3.50	-	-	2009.04	2013.01
46	Beijing Zhen Yuan *	Beijing Chaoyang	34%	7.77	18.88							2013.05	规划中
47	Tianjin Star City	Tianjin Nankai	100%	14.52	31.00	7.02	7.94	31.00	18.47	7.76	2.63	2007.01	2014.07
48	Tianjin Yonghuaifu	Tianjin Hedong	50%	4.75	12.31	-	12.02	12.02	12.02	3.95	9.11	2010.03	2012.10
49	Tianjin Evian *	Tianjin Jinghai	77%	4.75	5.70	5.70	-	5.70	-	3.60	-	2012.03	2015.02
50	Tianjin Beiken Hill *	Tianjin Beinhai	60%	25.03	38.59	7.04	-	7.04	-	0.14	-	2012.08	2015.10
51	Harbin Notting Hill *	Harbin Xiangfang	50%	18.83	60.86	8.35	-	8.35	-	2.11	-	2012.08	2015.04
52	Qingdao LAVIE Commune (original Chengyang District Project)	Qingdao Chengyang	51%	32.15	29.46	9.31	-	9.31	-	0.41	-	2012.04	2014.07
53	Qingdao Hyde Park *	Qingdao Hi-tech	51%	6.17	8.03	-	-	-	-	-	-	2013.05	2014.10

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		Zone											
54	Chongqing China Merchants Bay City	Chongqing Jiangbei	100%	13.49	44.91	-	19.55	44.91	41.82	11.46	7.41	2007.01	2013.02
55	Congqing China Merchants Garden City	Chongqing North New Zone	100%	24.04	51.93	19.46	5.28	24.74	5.28	11.53	2.08	2011.08	2015.06
56	Chongqing Changjiahui	Chongqing South Bank	50%	33.66	150.00	11.64	-	21.10	-	8.61	-	2011.05	2019.12
57	Chengdu East City International Square	Chengdu Chenghua	100%	1.12	6.38	-	6.38	6.38	6.38	2.25	5.72	2011.01	2012.09
58	Chengdu China Merchants Yonghuaфу	Chengdu Chenghua	100%	12.27	36.26	13.24	9.84	23.69	9.84	11.92	9.14	2011.05	2015.07
59	Wuhan China Merchants Yonghuaфу	Wuhan Hongshan	100%	4.39	13.18	-	-	13.18	-	4.00	-	2011.07	2013.09
60	Wuhan China Merchants Park 1872 (original Moshui Lank South Bank Blocks A, B, C)	Wuhan Hanyang	100%	51.97	109.27	3.40	-	3.40	-	-	-	2012.03	2019.12
61	Xiamen Hyde Park	Xiamen Jimei	100%	9.12	22.51	-	2.02	14.52	2.02	8.24	0.08	2011.05	2013.10
62	Xiamen Sea May Flower	Xiamen Jimen	50%	14.40	33.95	6.10	2.15	29.72	2.15	10.50	-	2011.03	2014.06
63	Zhangzhou China Merchants Garden City	Zhangzhou Development Zone	51%	8.25	13.71	-	-	13.71	9.23	3.17	0.37	2008.07	2013.04
64	Zhangzhou Holiday 365	Zhangzhou Development Zone	51%	3.84	10.37	-	-	10.37	2.53	2.92	0.55	2010.06	2014.12
65	Zhangzhou Cadaques	Zhangzhou Development	51%	38.99	67.80	6.91	-	23.84	2.56	4.17	1.61	2010.05	2020.12

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		nt Zone											
66	Zhangzhou Cadaques Hotel and Business	Zhangzhou Development Zone	51%	5.37	4.29	-	0.93	3.98	0.93	1.13	-	2011.07	2013.06
67	Bijie China Merchants Garden City *	Guizhou Bijie	100%	20.48	71.73	22.30	-	22.30	-	5.40	-	2012.04	2014.12
	Total:			1054.78	1868.45	234.81	255.92	959.32	472.70	246.62	134.90		

Notes:

1. In the above table, the start and completion areas are calculated according to the caliber of floor area ratio counted area, and the contract signing and carry-over areas can be calculated according to the caliber of rentable and salable area;
2. In the above table, the projects marked with * are new projects. During the report period, 9 projects were newly added, floor area ratio counted area was 3.91 million square meters, and rights area was 3.04 million square meters.
3. During the report period, the contracted area was 2,475,200 square meters, and except the data in the above table, other remaining building projects were not listed.
4. During the report period, the settlement area was 1,360,800 square meters, and except the data in the above table, other remaining building projects were not listed.
5. Except Fanyu Science and Technology Park and Beijing Zhenyuan, the other jointly operated projects were not listed in the above table.

Management of investment property

In 2012, the Company continued to intensify the propaganda and business invitation of investment properties, and lease of properties was better than the same period of the previous year, in which the newly added properties such as Phase 2 of Science and Technology Building and Meilun Apartment were more outstanding in recent years. The accumulative leased area of investment properties increased by 0.52 million square meters compared to the same period of the previous year, and leasing rate increased by 5% compared to the same period of the previous year.

Property class	Area available for leasing (10000 m ²)	Accumulative leased area (10000 m ²)		Leasing rate	
		2012	2011	2012	2011
Of which:					
Apartment	14.23	126.27	106.02	74%	62%
Villa	6.46	57.32	60.59	74%	78%
Office building	19.29	185.30	183.3	80%	79%
Shop	19.45	216.59	213.5	93%	89%
Workshop and others	30.19	290.41	260.06	80%	71%
Total	89.63	875.90	823.47	81%	76%

Power supply in the Park

Due to the change to structure of power use, power consumption during the report period decreased.

Business name	Unit	2012	2011	Year-on-year increase or decrease
Power supply amount	'0000kWh	80,430	81,021	-0.73%

Property Management

On the basis of serving customers, the Company insisted on the concept of property serving the real estate and property management matching real estate business, and client satisfaction continuously increased. In 2012, property management area and management revenue increased.

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Business class	Unit	2012	2011	Year-on-year increase or decrease
		Entrusted management	'0000 square meters	
Consultant management	'0000 square meters	453	424	7%

Information on first 5 clients of the Company

Unit: RMB

Client name	Business revenue	Proportion in total business revenue
Client 1	428,460,376.00	1.69
Client 2	121,972,352.10	0.48
Client 3	102,511,920.00	0.41
Client 4	64,870,754.90	0.26
Client 5	47,991,537.00	0.19
Total	765,806,940.00	3.03

3. Cost of major operation

Unit: 0,000 RMB

Industry class	2012		2011		Increase or decrease year-on-year (%)
	Amount	Proportion in operating cost (%)	Amount	Proportion in operating cost (%)	
Development & sales for real estate	1,141,268	90%	574,774	80%	99%
Rental property operation	35,511	2%	32,445	4%	9%
Property agency service	4,814	0%	6,548	1%	-26%
Power supply	42,433	3%	43,777	6%	-3%

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Property management	65,642	5%	50,202	7%	31%
Others	22,145	1%	15,738	2%	41%

Note: the increase in total cost mainly derives from the increase of development and sales cost of real estate.

About major suppliers of the Company

In view of the operation features of the Company, a supplier mainly means the power source supplier - CLP Holdings Limited

4. Condition of Cash flow

Unit: 0,000 RMB

Item	2012	2011	Increase year-on-year (%)
Net cash flow from operating activities	505,918	-211,234	339.51%
Net cash flow from investment activities	-67,394	-16,803	-301.08%
Net cash flow from financing activities	15,324	706,124	-97.83%

III. Analysis of assets and liability

1. Major changes to asset liability projects

Unit: 0,000 RMB

	End of 2012		End of 2011		Increase decrease (±%)	Main change reason
	Amount	Proportion in total assets (%)	Amount	Proportion in total assets (%)		
Tradable financial assets	0	0%	42	0%	-	NDFcontract completion
Inventories	7,363,794	68%	5,144,018	65%	Increase by 3%	Increase in real estate project
Other current assets	281,827	3%	175,230	2%	Increase by 1%	Increase in pre-paid taxes
Long-term equity	108,325	1%	81,454	1%	-	Added joint investment

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investment						
Goodwill	15,956	0%	0	0%	-	Due to acquisition of equity of Tonic Holding
Transactional financial debt	0	0%	200,2312	0%	-	NDF contract completion
Bills payable	4,761	0%	371,4276	0%	-	Increase in acceptances for projects
Accounts payable	1,179,690	11%	455,932	6%	Increase by 5%	Increase in construction cost payable
Advance receipts	2,846,397	26%	1,688,230	21%	Increase by 5%	Increase in advances from the sale
Expenses and taxes payable	195,158	2%	127,250	2%	-	Due to the increase in revenue
Dividends payable	29,017	0%	4,958	0%	-	Dividends of minority shareholders payable by subsidiaries
Non current debt due in one year	738,099	7%	360,805	5%	Increase by 2%	Increase in long-term loans due within one year
Other current debt	425,674	4%	317,960	4%	-	Increase in withholding land VAT
Estimated debt	1,402	0%	0	0%	-	Expected loss provision for pending litigation

2. Assets and debts measured in fair value

Unit: 0,000 RMB

Item	Amount at the	Fair value change	Accumulative fair value	Impairment	Purchase	Sales amount	Amount at the
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	beginning of the period	loss and profit of this period	change accounted into the rights and interests	provided of this period	amount of this period	of this period	end of this period
Financial assets							
1. Financial assets measured with fair value and with their changes accounted into the loss and profit of this period (excluding derivative financial assets)	42	-42	-	-	-	-	-
Among them: Derivative financial assets	42	-42	-	-	-	-	-
2. Financial assets for sale	-	-	-	-	-	-	-
Subtotal of financial assets	42	-42	-	-	-	-	-
Financial debt	200	-200	-	-	-	-	-

VI. Analysis of Core Competition

1. Distinct corporate culture, sustainable human caring

On the basis of inherit of the century history and culture of China Merchants, in combination with its own characteristics, it has further refined and formed the corporate culture specific to China Merchants Property, that is, with the “sense of historical mission, social responsibility and humane care” as the basic elements of the corporate culture, it has established a cultural system in which the “Century China Merchants, home is where the heart is” is the vision, ‘Building green homes to promote social progress’ is the mission and the ‘people-orientation, responsibility, excellence, and win-win’ is the core value. Over 20 years of development, the Company pays attention to the combination of cultural construction with strategy and business management, and makes efforts to incorporate the corporate culture into the production and business activities and into employee actions, enabling it to become a soft power to promote the development of the Company. Furthermore, the Company is committed to passing the concept of ‘home is where the heart is’ to the customers through the brand, make it profoundly perceived and widely recognized by customers. Thus, the distinctive corporate culture has become one of the core competencies of China Merchants.

2. Strong capital accumulation, sound financial management

The Company has grasped the refinancing opportunities since its listing, had reasonably sufficient capital, and continued to stabilize the capital structure to lay a solid base for the further expansion of the Company. Moreover, the Company continues the sound financial management system of China Merchants, and always gives

top priority to control of capital risk. Over the years, the Company's asset-liability ratio and the comprehensive cost of capital maintains a low level in the industry. This provides plenty of leverage space for the Company to continue to enlarge its scale in future, and also becomes one of important core competitive strengths of the Company at this stage.

3. Unique business model, supporting the scale development

Based on market demand, through years of operation and accumulation, the Company has successfully built three unique business models, 'simultaneous development of residence and commerce', 'green real estate' and 'integral development of communities' to support the expansion of the size of the Company.

While carrying on the business of real estate development and sales, the Company increases commercial lease of property year by year, and currently has approximately 900,000 square meters of held property, most of which is concentrated in the Shenzhen Shekou Sea World commercial circle. With the deepening of the integration of Shenzhen-Hong Kong cooperation and the further implementation of Qianhai planning, and Shekou, only separated by a mountain from Qianhai, will have a huge space of asset appreciation, which will drive the increased value of the Company's commercial property. In addition, the Company will continue effectively complement the commercial real estate resources in other cities to provide a new space for financial innovation and diversification of financing channels. China Merchants Business Property, the business real estate operation platform, established by the Company recently, also becomes specialized ever increasingly.

Early in 2002, the Company proposed the concept of 'green real estate' and first brought green path to practice from experiments. While promoting the concept of green real estate, the Company has actively applied green technologies, and in exploration, created a group of green buildings with high comfort and low power consumption, such as Shenzhen Taige Apartment, Guangzhou Golden Valley and Shenzhen Nanhai Yiku, which have gained access to extensive industry recognition. Currently, the Company is actively popularizing the application of the green technology in individual projects around the country, and focusing on building and generalizing a more standardized and more standard green building system to help the construction of beautiful China.

As the comprehensive solution most suitable for community development, integral development of communities advocates overall integration of space and function, addresses the overall circulation problems with diverse needs of the residents living, and gives the community a true vigor and development power for healthy functioning. Development of the Shenzhen Shekou by the Company is one of the most successful examples for integral development of communities. Nowadays, Shekou mode has been popularized and copied gradually in a number of cities across the country, and in many projects of the Company, communities covering a large area, with various types of products, are being formed. The experience advantage of regional tract development and cosmopolitan city concept gradually become the core competitiveness of the Company for off-site expansion.

V. Analysis of Investment Condition

1. Use of raised proceeds

(1) Overall use of raised proceeds

2008 public share offering raised fund of the Company was 5,777,220 yuan and already used up before December 31, 2011, and the concrete using condition is as follows:

(2) Project committed for raised proceeds

Unit: 0,000 RMB

Total proceeds raised		577,722		Total raised proceeds used in this year			5,526			
Total raised proceeds for which its use is changed during report period		-		Total raised proceeds accumulatively used			577,722			
Total raised proceeds for which its accumulative use is changed		-								
Proportion of total raised proceeds for which its accumulative use is changed		-								
Commitments and direction of super raise proceeds	Whether change projects	Total commitment of raised proceeds	Total investment after adjustment (1)	Investment amount of this year	Accumulative input amount at the end of period (2)	Investment progress at the end of period (%) (3)= (2)/(1)	Date on the project reaches planned usable state	Benefit achieved in this year	Whether reach planned income	Whether project feasibility experiences major changes
Commitment										
1. Shenzhen Garden City Cyber Port	No	22,722	22,722		22,722	100	2009.11	1,142	Yes	No
2. Shenzhen China Merchants Garden City Phase 5	No	22,000	22,000		22,000	100	2010.12	498	Yes	No
3. Technology Building Phase 2	No	16,000	16,000		16,000	100	2010.3	1,541	Yes	No
4. Shenzhen China Merchants	No	44,000	44,000		44,000	100	2012.11		N/A	No

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Square										
5. Shenzhen Woods Apartment	No	34,000	34,000		34,000	100	2012.12		N/A	No
6. Shenzhen Yongjing Bay	Yes	130,000	134,762	5,526	134,762	100	2012.08	114,065	Yes	No
7. Shenzhen CM Guanyuan	No	40,000	40,000		40,000	100	2012.06	7,831	Yes	No
8. Shenzhen CM Lanyuan	No	70,000	70,000		70,000	100	2010.06	667	No	No
9. Tianjin Star City	No	60,000	60,000		60,000	100	2014.09	12,434	Yes	No
10. Chongqing CM Jiangwan City	No	40,000	40,000		40,000	100	2012.12	16,259	Yes	No
11. Suzhou Evian Water Bank Phase 3	Yes	26,000	21,238		21,238	100	2012.12		No	No
12. Shanghai CM Nanqiao Yayuan	No	35,000	35,000		35,000	100	2010.04		Yes	No
13. Shanghai CM Yong Hua Yuan	No	38,000	38,000		38,000	100	2010.06	29,417	Yes	No
Subtotal of commitments		577,722	577,722	5,526	577,722	100		183,854		

<p>Failure to reach the planned progress or expected proceeds and reason (specify the projects)</p>	<p>Up till December 31, 2012, profit condition of the above-mentioned projects is as follows:1. Garden City Cyber Port is all used for rent, the investment recovery period is about 14 years (including the construction period), the promised internal profit rate is 8.93%. Garden City Cyber Port has been for rent since November 2009, and has made profit for a continuous three years.</p> <p>2. Shenzhen CM Garden City Project has been 100% carried over, realizing accumulative profit of 214.26 million RMB, more than the expected profit. 3. Technology Building Phase 2 Project is all used for rent, the investment recovery period is about 14 years (including the construction period), and the promised internal profit rate is 8.88%. Technology Building Phase 2 has been for rent since March 2011, made profit of 15.41 million RMB in 2012, and the estimated internal profit rate can reach the expectation.</p> <p>4. Carried over sales area of Shenzhen Yongjingwan Project is 91%, realizing net profit of 1140.65 million RMB, more than the expected profit.</p> <p>5. Accumulative carried over sales area of CM Guanyuan Project is 71%, realizing net profit of 78.31 million RMB, and it is estimated that the expected profit can be reached after all is carried over.6. Accumulative carried over sales area of CM Lanyuan is 99.6%, realizing net profit of 338.15 million RMB, and the actual profit is slightly lower than the expected profit.</p> <p>7.Accumulative carried over residence sales area of Tianjin Star City Project is 40%, realizing net profit of 410.49 RMB, and it is estimated that the expected profit can be reached after all is carried over.</p> <p>8.Accumulative carried over residence sales area of Chongqing CM Jiangwan City project is 60%, realizing net profit of 450.30 RMB, and it is estimated that the expected profit can be reached after all is carried over.</p> <p>9. Accumulative carried over sales area of Suzhou Evian Water Bank Phase 3 is 100%, realizing net profit of 76.1 million RMB. Evian Water Bank Phase 3 was opened for sale in August 2008, because the economic situation in 2008 was on the contrary to the expectation, the actual profit did not reach the expected profit.</p> <p>10. Accumulative carried over residence sales area of CM Nanqiao Yayuan Project is 100%, realizing net profit of 184.24 million RMB, and basically reaching the expected profit.</p> <p>11. Accumulative carried over residence sales area of CM Yong Hua Yuan Project is 79%, realizing net profit of 576.82 million RMB, and already reaching the expected profit.</p>
<p>Reason for major changes to project feasibility</p>	<p>No</p>
<p>Amount, use and use progress of super raise proceeds</p>	<p>No</p>
<p>Change to raised fund investment</p>	<p>No</p>

project implementation place	
Adjustment of raised fund investment project implementation mode	No
Up-front investment and replacement of raised fund investment project	The Company, by means of self-financed capital, invested RMB 1,415.65 million RMB in the raised fund investment project, which was replaced in 2009. The above replacement of self-financed funds with the raised funds has already been approved in the resolution of the Fifth Interim Meeting 2008 of the Sixth Board of Directors of the Company. With regard to this issue, CITIC Securities Co., Ltd. issued the Opinion on Sponsorship of Replacement of Invested Self-financed Funds with Raised Funds by China Merchants Property Development Co., Ltd.; Kaiyuan Shun Tak CPA Limited gave an special auditing of raised fund investment project invested with self-financed funds, and issued K Y X D S Z S Z (2008) No. 161 Special Audit Report on Raised Fund Investment Project Invested by Merchants Property Development Co., Ltd.
Temporary replenishment of current capital with idle raised proceeds	No
Amount of and reason for balance of raised proceeds in project implementation	Due to optimization of design and other reasons, for the Evian Water Bank Phase 3, balance of actual raised funds is 47.62 million RMB. Adopted by the fourth meeting of the Seventh Session of the Board of Directors of the Company, the Company has transferred the balance of funds to Shenzhen Yongjing Bay Project.
Purpose and destination of the raised proceeds not used yet	No
Problems and other situation in use and disclosure of raised proceeds	No

2. Analysis of major subsidies and joint-stock companies

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About major subsidiaries and joint-stock companies

Unit: 0,000 RMB

Company name	Industry	Major product or service	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen China Merchants Property	Real estate	Real estate	30,000	1,654,825	365,217	582,573	267,950	223,669
Shenzhen China Merchants Business Property	Real estate	Real estate	20,000	515,543	256,442	67,567	30,357	22,921
China Merchants Power Supply	Power supply in park	Power supply in park	5,700	688,903	120,125	59,629	19,924	13,744
Shenzhen China Merchants OCT Investment	Real estate	Real estate	10,000	343,273	77,525	245,612	82,833	62,124
Shenzhen Vanke Binhai Real Estate	Real estate	Real estate	100,000	381,151	98,470	-	-1,966	-1,488
Beijing China Merchants Property	Real estate	Real estate	2,000	382,294	1,632	11,591	-1,219	-1,368
China Merchants (Jiaming) Beijing Real Estate	Real estate	Real estate	35,000	506,324	120,456	279,765	98,994	74,242
Chongqing China Merchants Property	Real estate	Real estate	\$53,400	521,341	351,725	-	-2,954	-1,625
Guangzhou China Merchants Property	Real estate	Real estate	5,000	495,793	137,156	257,154	118,975	93,185
Foshan Xincheng Real Estate	Real estate	Real estate	\$12,700	460,119	135,527	105,450	42,446	31,855
Zhenjiang Yingsheng Real Estate	Real estate	Real estate	\$9,300	402,537	57,707	3	-1,695	-1,685

Information on subsidiaries obtained during the report period

Unit: 0,000 RMB

Company Name	Shareholding proportion	Registered Capital	Business scope
Shenzhen Haitao Hotel Co., Ltd.	85%	600	Hotel consulting services and training of a variety of hotel employees, operation of rooms, Chinese and Western restaurants, laundries, entertainments and buffets
Harbin China Merchants Jitian Real Estate Development Co., Ltd.,	50%	5,000	Real estate development, property management, real estate agents, interior decoration, investment in business and education, and housing lease
Shenzhen China Merchants Runde Real Estate Co., Ltd.	51%	300	Real estate development and management; real estate brokerage
The Shenzhen Vanke Binhai Real Estate Co., Ltd.	50%	100,000	Real estate development and management on plots with legal land use rights
Tianjin Zhaojiang Investment Co., Ltd.	77%	3, 000	Using its own funds, investing in real estate, high-tech industries, construction industry, and landscaping industry
Tonic Industries Holdings Limited	70%	HK 1,068.5	Investment holding; subsidiaries are engaged in the manufacturing, processing and trading of consumer electronic products and related parts
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	50%	3,000	Real estate development and management; real estate brokerage; property management; design and construction of indoor and outdoor decorating projects
Shanghai China Merchants Hongfa Property Co., Ltd	100%	3000	Real estate development and management, property management, own housing leasing, indoor and outdoor decorating and design services, information consulting, parking management service
Suzhou China Merchants Yonghuafu Real Estate Co., Ltd.	100%	3,000	Real estate development and management, real estate information consulting; house leasing; interior decoration and ornament; property management; management of parking managers.
Qingdao Hyde Real Estate Development Co., Ltd.	51%	\$ 4,000	Development and marketing of real estate projects on lands (G-2012-030) east of planned Line 48, south of Tongshun Road, west of Hexin Road, and north of Hiayue

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Company Name	Shareholding proportion	Registered Capital	Business scope
			Road
Wuhan Xinde Real Estate Development Co., Ltd.	100%	\$ 9,800	Real estate development, real estate sales and leasing; property services; design and construction of indoor and outdoor decoration engineering
Wuhan Aoming Real Estate Development Co., Ltd.	100%	\$ 9,800	Real estate development, real estate sales and leasing; property services; design and construction of indoor and outdoor decoration engineering
Wuhan Mingjie Real Estate Development Co., Ltd.	100%	\$ 7,906	Real estate development, real estate sales and leasing; property services; engineering design and construction of indoor and outdoor decoration
China Merchants Property Development (Changzhou) Co., Ltd.	100%	3,000	Real estate development and management, property management, own house leasing, indoor and outdoor decorating and design services, business information consulting, parking management services
Foshan China Merchants Xincheng Hi-tech Co., Ltd.	100%	600	Real estate development, sales and provision of after-sales service
China Merchants Business Property (Bijie) Co., Ltd.	100%	3,000	Investment in real estate, house leasing, property services, design and construction of indoor and outdoor decorating engineering. Major business segment of the company is investment in real estate.
China Merchants Property Development (Bijie) Co., Ltd.	100%	2,000	Real estate investment and sales, real estate brokerage services, property services, design and construction of indoor and outdoor decorating engineering.
Hainan China Merchants Ocean Development Co., Ltd.	60%	200,000	Development of tourism projects; management of commercial projects, inns and hotels

3. Significant projects invested with non-proceeds

Unit: 0,000 RMB

Project	Investment in 2012	Accumulative amount of actual investment at	Progress	Income received from project

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		the end of period		
Shenzhen Lanxi Valley International Apartment	1,806	23,235	Completed	Realized gross profit of RMB94,200,000
Shenzhen China Merchants Green Garden	25,901	47,560	Main body completed and decorated	
Shenzhen Xicheng Phases 3-6	37,344	146,468	Completed	Realized gross profit of RMB 738,140,000
Shenzhen Yihai City	20,603	20,603	Main body construction	
Shenzhen Jinxiu Guan Garden	16,504	16,504	Main body construction	
Shenzhen Chuanwei Square	8,522	10,314	Main body construction	
Shenzhen Chuanhou Square	10,485	11,102	Main body construction	
Shenzhen Sea World Hotel	14,028	17,591	Main body construction	
Guangzhou Jinshan Valley	44,100	182,889	Phase 3 completed and Phase 4 intaken	Realized gross profit of RMB1,074,100,000
Foshan Evian Upper City	30,260	65,786	Phase 1 and 2 completed, Phase 3 in main body construction	
Foshan Evian Tianhui	29,114	35,957	Main body construction	
Foshan Evian Water Bank	23,049	146,149	Phase 3 completed and Phase 4 intaken	Realized gross profit of RMB448,960,000
Foshan Evian Xicheng	16,194	18,316	Main body construction	

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Phases 2 and 3 of Zhuhai China Merchants Garden City	27,583	39,435	Phase 1 completed, Phase 2 and 3 in main body construction	
Beijing Park 1872	40,226	202,318	Phase 1 and 2 completed, Phase 3 in main body construction	
Beijing Conrad Hotel	18,991	75,192	Completed	
Beijing Longyuan	56,400	159,804	Phase 1 and 2 completed, Phase 3 in main body construction	Realized gross profit of RMB 1,066,750,000
Tianjin Yonghuafu	17,045	32,101	Completed	Realized gross profit of RMB 282,210,000
Tianjin Evian	13,361	13,361	Main body construction	
Shanghai Hyde Park	11,543	67,601	1# block all intaken, 2# block Phase 1 started	Realized gross profit of RMB 1,348,960,000
Shanghai China Merchants Bay Garden	23,083	48,170	Phase 1-5 completed, Phase 7 in main body construction, Phase 6 in early stage planning	
Shanghai Sheshan Longyuan	7,750	34,968	Phase 1 completed, Phase 2 and 3 in early stage planning	
Nanjing Zijinshan No.1	26,724	50,043	Phase 1 completed and decorated, Phase 2 in main body construction	Realized gross profit of RMB 7,920,000
Suzhou Small Stone City	65,594	284,462	Phase 1-4 completed	Realized gross profit of RMB 250,780,000

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Suzhou Yongjing Bay	19,512	127,042	Phase 1 completed, Phase 2 in main body construction	Realized gross profit of RMB 22,600,000 万元
Zhenjiang China Merchants Beigu Bay	36,628	36,628	Main body construction	
Chongqing China Merchants Garden City	38,051	58,113	Main body construction	
Chongqing Changjiahui	25,314	28,809	Main body construction	
Chengdu East City International Square	13,216	41,177	Completed	
Chengdu China Merchants Yonghua fu	34,244	39,749	Phase 1 completed, Phase 2 and 3 in main body construction	
Zhangzhous Garden City Phases 1-2	7,597	43,317	Phase 1 completed, Phase 2 in main body construction	Realized gross profit of RMB 9,030,000 万元
Zhangzhou Holiday 365	5,976	17,447	Phase 1 completed, Phase 2 in main body construction	Realized gross profit of RMB 12,260,000 万元
Zhangzhou Cadaques	28,775	105,815	Main body construction Phase 1 completed, Phase 2 in main body construction	Realized gross profit of RMB 76,220,000
Xiamen Hyde Park	14,839	18,399	Main body construction	
Wuhan China Merchants Yonghua fu	15,561	158,115	Main body construction	
Qingdao LAVIE Commune	14,504	14,504	Started	
Guangzhou Donghui City	10,677	10,677	Started	
Wuhan China Merchants Park	6,302	6302	Started	

1872				
Bijie China Merchants Garden City	8,219	8,219	Started	

VI. Main body condition of the special purpose of Company control

In April 2012, the subsidiary company of the Company Success Well Investments Limited. signed equity transfer agreements with Huaneng Co., Ltd. and Greatest Mark Limited respectively, buying 66.16% and 4% equity of Tonic Industries held by them respectively, and the prices were HKD 177,484,819 and HKD 21,369,377. The equity transfer procedures were completed in June 2012. The Company holds 70.18% equity share capital of Tonic Industries in total.

The Company will follow the securities supervision and management regulations of the market where Tonic Industries is located, seek investment opportunities for the future development of Tonic Industries, and make Tonic Industries become another development platform in the Hong Kong market.

VII . Prospect of the Company on future development

(I) Industrial development tendency and competition pattern

Real estate is an important node of the social, political and economic network. On the one hand, at present, China is in the key period of transformation of the economic structure, “stabilize increase and adjust structure” will become the theme for the state development in a long period of time, and big rise and big fall is not allowed in the real estate industry. Stable and fast increase of the real estate industry meets the interest requirements of all the parties. On the other hand, the economic development mode of China in the future will change from depending on the external demand to having the internal demand as the main, from extensive expansion to intensive increase, from investment pulling to consumption driving. The real estate industry will gradually step into the healthy and rational development road, and the increase speed of the industry will be slowed down somewhat. Along with the setting of the new index of comprehensively constructing the affluent society brought forward by the 18th CPC National Congress, i.e. “the GDP and per capita income of the city and village residents double in 2020 compared to 2010”, and unfolding of the future new urbanization process, release of a new round of residential housing may be awakened. Looking in the general, the development prospect of the real estate industry is still broad.

Looking in the short term, under the condition of stock decrease of commercial housing market, active land market and continuous improvement of the industrial prosperity, the real estate industry will enter the stage of stock supplementing. Short-term supply decrease will support the housing price, especially the first-line and second-line cities face the pressure of increase of housing price. The Company thinks that the market participators shall keep alert to the short-term over hot, there must be big fall after big rise, and too violent fluctuation is not good for the healthy development of the industry. The real estate enterprises shall keep rational when the market is too aggressive and make progress in a down market, and staggering peak development may be realized.

In the development process of more than 20 years of the Chinese real estate industry, all kinds of real estate enterprises entered and exited, rose and fell. Along with the increasing prominence of the conditions

such as being greatly influenced by the policies, slowing down of the sales speed and reduction of the profiting space, the steps of the future development of the real estate enterprises will be greatly limited. At present, because the large real estate enterprises have strong brand and scale effect, the industrial concentration rises year by year, and “the strong one will become stronger” has become the tendency of the market. In the future, competition of the real estate enterprises will be increasingly fierce, and making the brand stronger and making the scale bigger will become the way of survival in the future.

(II) Strategic objectives of the Company

In the situation of competition, one will step back if not stepping forward, the weak will be filtered out and the strong will survive. The scale competition tendency of the real estate industry urges the Company to be determined to realize strong increase. Based on the analysis and judgment on the internal and external environment and evaluation on its own resources and strength, the Company clarifies the strategic objective for the development In the new period, that is: realize “RMB 100 billion income and RMB 10 billion profit”; become the top 10 Chinese real estate enterprises; create competition advantages in the process of urbanization, form unique business operation mode and core ability, become the real estate comprehensive development enterprise of sustainable development, “China Merchants of a century, home is where the heart is”.

(III) Operation plan

Facing the severe situation, in order to seek long-term development, in 2013, the Company brought forward the general work requirement of “fast, relentless, accurate, bravely climb the peak with the wolf’s nature and solid work”. Further strengthen the headquarter resource guidance and support to the urban companies, insist on making the urban companies bigger and stronger, actually enhance the sustainable development ability and comprehensive operation efficiency of the urban companies, and make the Company continue to keep fast scale and benefit increase.

In 2013, the planned new construction area of the Company is 4.05 million square meters, the planned completion area is 1.84 square meters, and the area under construction at the year end is 7 million square meters. The planned sales area is 2.8 square meters, and the sales amount is RMB 40 billion.

(IV) Risks that may be faced

The Company is an enterprise that seeks the balanced increase of scale, quality and benefit, which has comprehensive risk prevention consciousness and perfect internal control system, and the risks that may be faced in the future in the operation process more come from the systematic risks of the industry.

1. Policy risks. At the beginning of 2013, the tendency of rapid rebound of housing price appeared in some cities. Based on the regulation and control objective of strictly controlling the over fast increase of housing price in some cities and the determination of promoting the healthy development of the real estate market of the government, state council held executive meeting on February 20, researching and deploying to continue with the regulation and control work of the real estate market, and clarifying five concrete policy measures (‘new national five articles’ in short). Under the condition of the market making optimistic interpretation of the ‘new national five articles’, on March 1, *Notice on Continuing with the Regulation and Control Work of the Real Estate Market* was released, making stricter implementation rules in terms of perfecting the work responsibility of stabilizing the housing price and firmly restraining the speculative investment housing purchase etc., and arousing huge response from the market. The Company understands that regulation and control by the

government is good for accelerating the establishment and perfection of the long-term mechanism leading the healthy development of the real estate market. However, the frequent releasing of the regulation and control measures made the industry faced many uncertain macro policy risks, and increased the difficulty to forecast the short-term tendency of the market and the difficulty to make the coping strategies.

2. Market risks. The releasing and implementation of the new national five articles may influence the housing purchase demand and supply strength of the real estate market, therefore, the sales of the real estate enterprises will face possible market risks. Although the company continuously optimizes and adjusts the product structure, in the sellable products in 2013, the proportion of large house type is still high. If the market sales volume is low, the possibility of product overstock may be enlarged. In addition, at present, the quantity and price in the land market both rise, competition is increasingly fierce, and the risk of over hot land market in some cities is also increasing.

(V) Coping strategies of the Company

‘Focus on the marketing work, ensure successful completion of the achievement of the whole year’ is the most important work of the Company in 2013. The Company will start from further perfecting the marketing management system, optimizing the marketing percentage drawing system, strengthening training of the marketing personnel, and implementing all-staff marketing policy etc., so as to build a professional sales team and enhance the marketing efficiency. Especially deep client excavation is conducted aiming at the large house type products, and personalized marketing is developed, so as to enhance the sales speed of large house type products.

The Company will continue to develop project resource getting work under the principle of active and cautious. It will have “firmly defend in the first-line cities, actively explore the second-line cities and choose opportunities to enter the third-line cities” as the urban development guideline. At the same time, it will deeply plough up the cities it has already entered, form systematic resource getting strategy, and provide sufficient resource reserve for realizing the ten-year strategy. In 2013, the Company will strengthen resource getting of the urban companies, and will strengthen perspective and exquisite research on the target resources. While focusing on the short, flat, fast and high-turnover medium and small projects, the Company will aim at the high-quality large projects, which will guarantee stable benefit source, is good for the long-term development, and will strengthen the brand influence of the Company. In addition, the Company will optimize the regional configuration structure of the land resources, and lower the market risks.

Lowering cost and enhancing efficiency is a must approach to cope with the decrease of the average gross interested rate of the industry. At present, the Company has finished combing of the target cost, dynamic cost and profit rate, and has brought forward multiple cost optimization measures. In 2013, the Company will deeply implement and strictly control the cost management means, comprehensively mobilize the enthusiasm of enterprise resource integration, enhance the internal management efficiency, and realize broadening sources of income and reducing expenditure.

Only by enhancing the assets management ability and the capital utilization efficiency, can the Company oppose the profit withering of the industry under the regulation and control. The Company will implement stable financial policies as before, and will lower the financial risks as much as possible while enhancing the performance increase. “consolidate the cooperation between the banks and the enterprises” and “develop financial innovation” will be both emphasized, so as to keep stable and low-cost capital source; balance the relation

between the benefit and the debt, enlarge the financial lever properly, continuously enhance the capital operation efficiency; strengthen the cooperation between the financial institutions inside the Group, promote the break-through of interaction between production and financing.

Product standardization is a key factor for the scale development. The Company will actively develop standardization promotion work, establish complete standardization all series product system in the short term, promote product line reproduction nationwide, and enhance the product standardization implementation rate and application rate as soon as possible.

After operation of more than a year, China Merchants Properties and Investment has successfully become the operation platform for the commercial property of the Company. In the future, the Company will further promote the material object operation of China Merchants Properties and Investment, establish and perfect its independent development mode, accelerate and enhance the development and operation specialized ability of the commercial projects, and accelerate brand forming of commercial property. Strengthen research on the innovation of commercial mode, continue to explore the development road of health keeping property, and seek long-term profit increase point for the Company.

The Company will continue to strongly build the high-efficiency, intensive and professional strategy management and control and service type headquarter, perfect ERP and knowledge management system construction and strengthen application, promote the unity of ERP system and business processes, and attach importance to the application and convenience in the actual work. Further optimize the assessment and motivation mechanism, increase the project full period assessment and motivation, and try to create the medium and long-term motivation mechanism for the senior management personnel and backbone employees.

VIII. Explanations on the “nonstandard auditing report” of the certified accountant in the report period by the Board of Directors

None

IX. Explanations on the changes of the accounting policy, accounting estimation and calculation method compared to the financial report of the last year

None

X. Explanations on the major accounting error corrections which need tracing back and restatement arising in the report period

None

XI. Explanations on the changes of the scope of the consolidated statement compared to the financial report of the last year

There are 18 companies newly brought into the scope of consolidation in this year, and the companies newly established and brought into the scope of consolidation are: Hainan China Merchants Ocean Development Co., Ltd., Shenzhen Jinru Tairong Investment Development Co., Ltd., Shanghai China Merchants Hongfa Real Estate Co., Ltd., China Merchants Property (Changzhou) Co., Ltd., Suzhou China Merchants Yonghuafu Real Estate Co., Ltd., Qingdao Haide Real Estate Development Co., Ltd., Foshan China Merchants

New City Hi-Tech Co., Ltd., Wuhan Xinde Real Estate Development Co., Ltd., Wuhan Aoming Real Estate Development Co., Ltd., Wuhan Mingjie Real Estate Development Co., Ltd., China Merchants Property and Investment (Guizhou Bijie) Co., Ltd., China Merchants Property (Guizhou Bijie) Co., Ltd; the companies with equity purchases and brought into the scope of consolidation are: Tianjin Zhaojiang Investment Co., Ltd., Shenzhen Vanke Binhai Real Estate Co., Ltd., Tonic Industries Holdings Ltd., Haerbin China Merchants Jiatian Real Estate Development Co., Ltd., Shenzhen China Merchants Runde Real Estate Co., Ltd., Shenzhen Haitao Hotel Co., Ltd.

The company not brought into the scope of consolidation in this year is Foshan Longyuan Real Estate Co., Ltd., and the reason is capital increase, share expansion, introducing in new shareholders and losing the control right.

XII. Profit distribution and dividend payment of the Company

1. Making, implementation and adjustment of the profit distribution policy, especially the cash dividend payment policy in the report period

The First Temporary Shareholders' Meeting of the Company in 2012 examined and approved the revised version of the *Company Statute*. In the newly revised *Company Statute*, decision-making mechanism for the profit distribution policy, especially the cash dividend payment policy is perfected, conditions needed for implementing the cash dividend payment are prescribed, and it is clarified that when the conditions for cash dividend payment are met, the profit distributed in cash form each year shall not be lower than 10% of the distributable profit realized in the year, and the profit distributed accumulatively in cash form in the last three years shall not be lower than 30% of the annual average distributable profit realized in the last three years. In the future, the Company will strictly follow the related provisions of the *Company Statute* to conduct profit distribution.

The profit distribution policy of the Company complies with the provisions of the *Company Statute* and the examination procedures. The newly revised profit distribution policy manifests the supervision and management requirements that fully protect the rights and benefits of the medium and small investors, and the dividend payment standard and dividend payment proportions are clear. In Independent Director aired the following opinion: On the foundation of argumentation, the revision of the profit distribution policy in the *Company Statute* by the Company respects and protects the interest of the investors, especially the medium and small shareholders, and complies with the provisions of the related laws, regulations and the *Company Statute*.

2. Preplan or plan for profit distribution and preplan or plan for increasing capital stock transferred from capital reserve in the last three years of the Company (including the report period)

2012 Profit distribution preplan:

As of the end of 2012, the undistributed profit of the parent company audited by the certified accountant was RMB 5,055,488,184, the undistributed profit transferred into which as of the beginning of the year was RMB 4,801,425,996, the net profit transferred in of the year was RMB 685,661,848, and the distributed profit of the last year was RMB 343,460,101.

The preplan for profit distribution in 2012 is as follows in accordance with relevant laws, rules and regulations, and the Articles of Company Statute:

The accrued statutory surplus reserve fund was RMB 59,752,229 based on 10% of the parent company's net profit of RMB 597,522,289. Taking the total capital stock of 1,717,300,503 shares as of the end of the year as a cardinal number, the dividend of RMB 3.00 (including tax) in cash per 10 shares was distributed, with the total dividend in cash of RMB 515,190,151.

The residual undistributed profit of RMB 4,480,545,804 was retained to the next year.

The Company did not transfer capital reserve to increase its capital stock this year.

2011 profit distribution preplan: The accrued statutory surplus reserve fund was RMB 68,566,185 based on 10% of the parent company's net profit of RMB 685,661,848. Taking the total capital stock of 1,717,300,503 shares as of the end of the year as a cardinal number, the dividend of RMB 2.0 (including tax) in cash per 10 shares was distributed, with the total dividend in cash of RMB 343,460,101. The residual undistributed profit of RMB 4,457,965,895 was retained to the next year. The Company did not transfer capital reserve to increase its capital stock this year.

2010 profit distribution preplan: The accrued statutory surplus reserve fund was RMB 113,669,574 based on 10% of the parent company's net profit of RMB 1,136,695,740. Taking the total capital stock of 1,717,300,503 shares as of the end of the year as a cardinal number, the dividend of RMB 1.2 (including tax) in cash per 10 shares was distributed, with the total dividend in cash of RMB 206,076,060. The residual undistributed profit of RMB 4,184,330,333 was retained to the next year. The Company did not transfer capital reserve to increase its capital stock this year.

3. Cash dividends of the Company in the past three years (Unit: RMB)

Cash dividend year	Cash dividend amount (including tax)	Net profit belonging to the shareholders of the listed company in the consolidated financial statement of the year	Net profit ratio belonging to the shareholders of the listed company in the consolidated financial statement of the year
2011	343,460,101	2,591,781,031	13.25%
2010	206,076,060	2,011,397,239	10.25%
2009	171,730,050	1,644,143,880	10.44%

XIII. Social responsibility condition

The Company social responsibility report was fully disclosed at <http://www.cninfo.com.cn>.

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

Reception date	Reception place	Reception way	Received object	Received object	Content
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			type		discussed and information provided
January 11, 2012	Shanghai	Strategic seminar	Institutional investor	UBS	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
January 31, 2012	Shenzhen	Telephone communication	Institutional investor	Orient Securities	
January 31, 2012	Shenzhen	Telephone communication	Institutional investor	Credit Suisse Founder	
February 2, 2012	Shenzhen	Telephone communication	Institutional investor	Hill House Capital	
February 3, 2012	Shenzhen	Field investigation	Institutional investor	Guangdong Development Fund	
February 6, 2012	Shenzhen	Telephone communication	Institutional investor	Ethan Capital Management Limited	
February 8, 2012	Shenzhen	Field investigation	Institutional investor	Essence Securities, Rongtong Fund, Huatai United Securities	
February 9, 2012	Shenzhen	Field investigation	Institutional investor	Guotai Junan Securities, China Asset, Bank of China Investment, Harvest Fund	
February 9, 2012	Shenzhen	Field investigation	Institutional investor	Yinhua Fund, Remit Add Rich Fund, Harvest Fund, CICC	
February 9, 2012	Shenzhen	Telephone communication	Institutional investor	CICC	
February 9, 2012	Shenzhen	Telephone communication	Institutional investor	Hanlun Fund	
February 10, 2012	Shenzhen	Strategic seminar	Institutional investor	Citic Securities	
February 13, 2012	Shenzhen	Telephone communication	Institutional investor	Value Partners	
February 16, 2012	Shenzhen	Field investigation	Institutional investor	Investigation organized by Shenyin Wanguo Securities	

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February 17, 2012	Shenzhen	Field investigation	Institutional investor	Dongxing Securities	Company on-sale buildings, and providing building sales brochure.	
February 17, 2012	Chongqing	Field investigation	Institutional investor	Guotai Junan and Client		
March 1, 2012	Chongqing	Field investigation	Institutional investor	Orient Securities		
March 6, 2012	Beijing	Field investigation	Institutional investor	Guotai Junan, China Asset		
March 19, 2012	Shenzhen	Investor intercommunications	Institutional investor	Guotai Junan, China Asset, etc		
March 20, 2012	Shenzhen	Telephone communication	Institutional investor	JEFFERIES		
March 21, 2012	Shenzhen	Field investigation	Institutional investor	Shanghai Jin Li investment		
March 21, 2012	Tianjin	Field investigation	Institutional investor	Harvest Fund		
March 22, 2012	Guangzhou ,Foshan	Field investigation	Institutional investor	Shanghai Jin Li investment		
March 22, 2012	Nanjing, Zhenjiang	Field investigation	Institutional investor	Harvest Fund, etc		
March 26, 2012	Shenzhen	Field investigation	Institutional investor	open door/BNP (Paris Bourse)		
March 28, 2012	Chengdu	Field investigation	Institutional investor	Guosen Securities		
March 29, 2012	Shenzhen	Field investigation	Institutional investor	CCB International, UG found		
March 30, 2012	Chengdu	Field investigation	Institutional investor	CICC and client		① Introducing operation of the Company
April 11, 2012	Chongqing	Field investigation	Institutional investor	Dongxing Securities and client		② Discussing the
April 18, 2012	Soochow,	Field	Institution	Citic Securities and client		

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	Zhenjiang	investigation	al investor		industry development; ③ Providing the information announced and brochure for projects of the Company. ④ Visiting the Company on-sale buildings, and providing building sales brochure.
April 19, 2012	Shenzhen	Telephone communication	Institutional investor	Dongxing Securities	
April 26, 2012	Hong Kong	HSBC Strategic seminar	Institutional investor	HSBC	
April 27, 2012	Beijing	Field investigation	Institutional investor	Citic Securities and client	
May 2, 2012	Shenzhen	Field investigation	Individual investor	Individual investor	
May 2, 2012	Shenzhen	Telephone communication	Institutional investor	Credit Suisse Founder	
May 2, 2012	Shenzhen	Telephone communication	Institutional investor	TokaiTokyoInvestmentManagement	
May 2, 2012	Shenzhen	Telephone communication	Institutional investor	Guosen Securities	
May 2, 2012	Shenzhen	Telephone communication	Institutional investor	Shanghai Jin Li investment	
May 2, 2012	Shenzhen	Telephone communication	Institutional investor	China Jianyin Investment Securities	
May 3, 2012	Shenzhen	Field investigation	Institutional investor	Ansion Assets Management	
May 3, 2012	Shenzhen	Telephone communication	Institutional investor	CCB International	
May 3, 2012	Shenzhen	Telephone communication	Institutional investor	Guotai Junan	
May 3, 2012	Shenzhen	Telephone communication	Institutional investor	Dongxing Securities	
May 3, 2012	Shenzhen	Telephone communication	Institutional investor	Shenyin Wanguo Securities	
May 7, 2012	Shenzhen	Field investigation	Institutional investor	Haitong Securities	

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May 8, 2012	Hong Kong	CICC Strategic seminar	Institutional investor	CICC	<p>① Introducing operation of the Company</p> <p>② Discussing the industry development;</p> <p>③ Providing the information announced and brochure for projects of the Company.</p> <p>④ Visiting the Company on-sale buildings,</p>
May 8, 2012	Xiamen, zhangzhou	Field investigation	Institutional investor	China Securities	
May 9, 2012	Hong Kong	MACQUARIE Securities Strategic seminar	Institutional investor	MACQUARIE	
May 9, 2012	Shenzhen	Telephone communication	Institutional investor	Citic Securities	
May 9, 2012	Shenzhen	Telephone communication	Institutional investor	China Securities	
May 10, 2012	Tianjin	Field investigation	Institutional investor	Galaxy Securities	
May 16 2012	Tianjin	Field investigation	Institutional investor	Jin Li investment	
May 17, 2012	Soochow	Field investigation	Institutional investor	CICC	
May 18, 2012	Beijing	Field investigation	Institutional investor	Jin Li investment	
May 28, 2012	Shenzhen	Field investigation	Institutional investor	Galaxy Securities	
June 4, 2012	Shenzhen	Telephone communication	Institutional investor	China Securities	
June 14 2012	Shenzhen	Field investigation	Institutional investor	JEFFERIES	
June 15, 2012	Shenzhen	Field investigation	Institutional investor	Guosen Securities	
June 15, 2012	Shenzhen	Telephone communication	Institutional investor	CICC	
June 19, 2012	Shenzhen	Field investigation	Institutional investor	Dongguan Securities	
June 20, 2012	Shenzhen	Field	Institution	Shenyin Wanguo Securities	

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		investigation	al investor		and providing building sales brochure.
June 20, 2012	Shenzhen	Field investigation	Institutional investor	Nomura Securities	
June 20, 2012	Shenzhen	Field investigation	Institutional investor	Merrill Lynch	
June 29, 2012	Shenzhen	Strategic seminar	Institutional investor	Fortune SG, Harvest Fund, etc	
July 2, 2012	Shenzhen	Field investigation	Institutional investor	Dachang FMC	
July 3, 2012	Shenzhen	Field investigation	Institutional investor	ICBC Credit Suisse	
July 3, 2012	Shenzhen	Telephone communication	Institutional investor	Orient Securities, Citic China Securities, Huatai United Securities, Shenyin Wanguo Securities, Bocom Schroeder, China Jianyin Investment Securities	
July 4, 2012	Shenzhen	Telephone communication	Institutional investor	Orient Securities, Goldman Sachs Gao Hua Securities	
July 5, 2012	Chengdu	Strategic seminar	Institutional investor	Harvest Fund, Yinhua Fund, China universal fund, Hua An, CCB Credit	
July 6, 2012	Chengdu	Strategic seminar	Institutional investor	Sinolink Securities, Changsheng Fund, Value Partners Goldstate Fund, Bocom Schroeder Fund, Hong kong-based value partners investment consultant	
July 9, 2012	Shenzhen	Telephone communication	Institutional investor	Essence Securities, Dongxing Securities, Shenyin Wanguo Securities, China Securities	
July 10, 2012	Shenzhen	Field investigation	Institutional investor	UBS, Long Fund	
July 10, 2012	Shenzhen	Field investigation	Institutional investor	Citic Securities, etc	

① Introducing operation of the Company
 ② Discussing the industry developme

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July 10, 2012	Shenzhen	Telephone communication	Institutional investor	BOC International, Credit Suisse Founder, Wealth CLSA	nt; ③ Providing the information announced and brochure for projects of the Company. ④ Visiting the Company on-sale buildings, and providing building sales brochure.
July 20, 2012	Beijing	Field investigation	Institutional investor	China Jianyin Investment Securities, E fund, Dachang FMC, etc	
July 26, 2012	Tianjin	Field investigation	Institutional investor	CICC securities	
July 27, 2012	Beijing	Field investigation	Institutional investor	CICC securities	
August 8, 2012	Guangzhou	Field investigation	Institutional investor	Customer of Citibank	
August 12, 2012	Shenzhen	Telephone communication	Institutional investor	Orient Securities, BOC International, Essence Securities, China Securities Galaxy Securities, Bocom Schroeder Fund	
August 13, 2012	Shenzhen	Telephone communication	Institutional investor	China Jianyin Investment Securities, etc	
August 14, 2012	Shenzhen	Telephone communication	Institutional investor	Consumer of Guojun investment	
August 15, 2012	Shenzhen	Field investigation	Institutional investor	Nomura Securities and HSBC Global Asset Management, JF Asset Management	
August 17, 2012	Shenzhen	Field investigation	Institutional investor	Guangzhou Securities	
August 21, 2012	Shenzhen	Field investigation	Institutional investor	Life Insurance Asset Management Co., Ltd.	
September 7, 2012	Shenzhen	Field investigation	Institutional investor	Wells Fargo Fund	
September 17, 2012	Shenzhen	Field investigation	Institutional investor	Nomura Securities	
October 16, 2012	Shenzhen	Field investigation	Institutional investor	Rongtong Fund	

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October 17, 2012	Shenzhen	Field investigation	Institutional investor	Goldman Sachs Gao Hua Securities
October 19, 2012	Chongqing	Field investigation	Institutional investor	UBS Securities
October 22, 2012	Shenzhen	Field investigation	Institutional investor	China Merchants Securities, Nikko Asset Management
October 26, 2012	Shenzhen	Field investigation	Institutional investor	Shenyin Wanguo Securities
October 26, 2012	Shenzhen	Telephone communication	Institutional investor	Value Partners
October 29, 2012	Hong Kong	Strategic seminar	Institutional investor	Goldman Sachs Strategic seminar
October 30, 2012	Shenzhen	Telephone communication	Institutional investor	BOC International
October 30, 2012	Shenzhen	Telephone communication	Institutional investor	Essence Securities,
November 1, 2012	Shenzhen	Field investigation	Institutional investor	BOC International, China Southern Fund Management
November 2, 2012	Shenzhen	Telephone communication	Institutional investor	YJA investment
November 7, 2012	Shenzhen	Field investigation	Institutional investor	Wealth CLSA
November 9, 2012	Shenzhen	Field investigation	Institutional investor	Heqi Investment
November 13, 2012	Shenzhen	Field investigation	Institutional investor	Fortis Haitong Investment Management
November 13, 2012	Shenzhen	Telephone communication	Institutional investor	YJA investment
November 15, 2012	Shenzhen	Field investigation	Institutional investor	UBS Securities
November 21, 2012	Shenzhen	Field investigation	Institutional investor	Bank of America Merrill Lynch

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November 22, 2012	Shenzhen	Field investigation	Institutional investor	Investigation organized by BOC International
November 23, 2012	Shenzhen	Telephone communication	Institutional investor	China Jianyin Investment Securities
November 25, 2012	Shenzhen	Telephone communication	Institutional investor	BOC International
November 26, 2012	Shenzhen	Telephone communication	Institutional investor	Heqi Investment
November 27, 2012	Beijing	Field investigation	Institutional investor	Heqi Investment
November 27, 2012	Sanya	Strategic seminar	Institutional investor	Huatai United Securities
November 29, 2012	Sanya	Strategic seminar	Institutional investor	Shenyin Wanguo Securities
November 30, 2012	Shenzhen	Field investigation	Institutional investor	Bosera Funds, Citic Securities, China Securities
December 3, 2012	Shenzhen	Field investigation	Institutional investor	Orient Securities
December 5, 2012	Shanghai	Strategic seminar	Institutional investor	Haitong Securities
December 6, 2012	Shenzhen	Field investigation	Institutional investor	Prudential Investment
December 6, 2012	Shenzhen	Field investigation	Institutional investor	Guodu Securities, Changsheng Fund
December 7, 2012	Shenzhen	Telephone communication	Institutional investor	UBS Securities
December 12, 2012	Shenzhen	Field investigation	Institutional investor	Life Insurance Asset Management Co., Ltd., Boldwin Fund, CICC Asset Management
December 14, 2012	Shenzhen	Strategic seminar	Institutional investor	China Merchants Securities
December 19, 2012	Shenzhen	Field	Institution	China Jianyin Investment

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2012		investigation	al investor	Securities	
December 19, 2012	Shenzhen	Field investigation	Institutional investor	Sealand Securities	
December 21, 2012	Shenzhen	Field investigation	Institutional investor	China International Fund Management	
December 25, 2012	Shenzhen	Field investigation	Institutional investor	Galaxy Securities	
December 28, 2012	Shenzhen	Field investigation	Institutional investor	Sealand Securities, E Fund	

Chapter 5 Significant Events

Material Lawsuits and Arbitration

The Company has not involved in any material lawsuit or arbitration in the report period.

Non-operating Cash Occupied by Controlling Shareholders and Their Associated Parties of Public Companies

Shareholder or associated party	Occupancy Time	Cause	Period-beginning (RMB)	Additional occupied amount of reporting period (RMB)	Total repayment of this reporting period (RMB)	Period-end(RMB)	Anticipated repayment approach	Anticipated repayment amount (RMB)	Due Date (Month)
TCL Optical-Electronics Technologies Ltd.	Jan, 2009 -Now	Capital borrowing	227.09 mn	10000	-	227.10 mn	Operating cash flow	227.10 mn	Oct, 2013
Shanghai Ledu Property Co. Ltd.		Capital borrowing	122.27 mn		122.27mn				
Foshan China Merchants Longyuan Real Estate Co., Ltd.	Jan, 2011 -Now	Capital borrowing	-	673.08mn	-	673.08 mn	Operating cash flow	673.08 mn	Dec, 2015
Shanghai New Nanshan Real Estate Development Co., Ltd	Sept, 2011-Now	Capital borrowing	-	190.95mn	47.30mn-	143.65 mn	Operating cash flow	143.65 mn	Apr, 2013
Huizhou Taitong Property Investment Co., Ltd.	Nov, 2009 -Now	Capital borrowing	157.58 mn	14.75mn	122.61mn	49.72mn	Operating cash flow	49.72mn	Dec, 2013
Beijing Guangying Property Development Co., Ltd.	Sept, 2012-Now	Capital borrowing	-	1243.73mn	-	1243.73mn	Operating cash flow	1243.73mn	Dec, 2013

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Jones Tech Limited	Dec, 2012 –Now	Other receivables	-	64.45mn	-	64.45mn	Agency transfer of investment	64.45mn	Jun, 2013
Holly Profit Limited	Dec, 2012 –Now	Other receivables	-	73.96mn	-	73.96mn	Agency transfer of investment	73.96mn	Jun, 2013
Total			506.94mn	2,260.93mn	292.18mn	2,475.70mn			

Capital Transactions

Assets Acquisitions

Transaction parties or final controllers	Assets acquired or bought	Price (RMB)	Progress	Net profits contributed for the public company from the acquisition date to the reporting period end (RMB) (for M&As controlled by different companies)	Net profits contributed for the public company from the beginning to end of the reporting period (RMB) (for M&As controlled by the same company)	Ratio of the net profits contributed by the assets for the public company to total profits (%)	Associated transaction?	Association relationship with transaction party (for associated transactions)	Disclosure date	Disclosure references
Huaneng Co., Ltd. And Greatest Mark Limited	70.18% of stake of Dongli Industrial Holding Co., Ltd.	161.25mn	Done	-9.88mn			No	N/A	May 2, 2012	China Securities Journal, Securities Times, Shanghai Securities News, Hong Kong Commercial Daily, Securities Daily and http://www.cninfo.com.cn
Shekou Industrial Zone	Land use right of five plots in Sea World Block	3976.79mn	Done	-	-	-	Yes	Controlling shareholder	Nov 24, 2012	China Securities Journal, Securities Times, Shanghai Securities News, Hong Kong Commercial Daily, Securities Daily and http://www.cninfo.com.cn

I. Offering and Influence of Corporate Equity Incentive

Within the reporting period, the Company did not offer equity incentive.

II. Major Associated Transactions**1. Associated transactions relating to daily business**

In 2013, the Company has the following leasing transactions with Shekou Industrial Zone:

The Company and some of its subsidiaries in Shenzhen have rent the land-use right of business space to Shekou Industrial Zone with an annual rent of about RMB7mn. The associated firms including Shekou Industrial Zone rent the rental properties of the Company such as New Times Square and China Merchants Building with an annual rent of approx. RMB23mn.

The transactions above are daily business activities of the company. The Company has informed independent directors before those transactions happened. Independent directors having reviewed such transactions believed that they are fairly priced based on market price without any impairment of interests of the Company and other shareholders.

2. Associated transactions relating to assets acquisition and disposal

On Dec 18, 2012, Shenzhen China Merchants Real Estate, a wholly-owned division of the company, Shenzhen Shekou Sea World Hotel Management Co., Ltd., a holding subsidiary, as well as Shenzhen Jinyurongtai Investment Development Co., Ltd., a holding subsidiary, have signed a confirmation contract of land-use right with Shekou Industrial Zone respectively, to buy the land-use rights of plots coded K304-0003, K302-0009, 2011-003-0007, K302-0010 and 2011-003-0008 that are owned by Shekou Industrial Zone in Sea World block. The total area being transferred is 112,698m², and the total floor area 258,517m², the total price RMB3976.79million.

3. Associated transactions relating to joint foreign investment

The Company and Shekou Industrial Zone have jointly invested and created Jihong International Co., Ltd., Jianli International Co., Ltd., Hangtong International Co., Ltd. and Henghao International Co., Ltd. The details of those associated transactions are published on Announcement of Associated Transactions on Mar 19, 2013.

4. Associated credit and debt relationship

(1) Up till December 30, 2012, condition of associated party providing bank loan guarantee for the Company and its subsidiaries is as follows: (Unit: RMB)

Name of the associated party	Guaranteed party	Guarantee amount	
Long-term loan guarantee			
Shekou Industrial Zone	The Company	RMB	310,000,000
Shekou Industrial Zone	Shenzhen China Merchants Property	RMB	470,500,000
China Merchants Group	The Company	RMB	2,000,000,000

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Shekou Industrial Zone	Beijing Conrad	RMB	73,780,098
China Merchants Group (Hong Kong) Co., Ltd.	Hong Kong Eureka	USD	538,000,000
China Merchants Group (Hong Kong) Co., Ltd.	Hong Kong Eureka	HKD	980,000,000

The wholly-owned subsidiary Top Chief of Shekou Industrial Zone provides repayment guarantee for forward foreign exchange transactions engaged in ING bank by the subsidiary Hong Kong Eureka of the Company.

(2) Up till December 30, 2012, transactions between the Company and the affiliated party mainly comprise:

Item name	Name of affiliated party	year-end balance
Other accounts receivable	Shenzhen TCL Optical- Electronics Technologies Ltd.	227,095,300.70
Other accounts receivable	Shanghai New Nanshan Real Estate Development Co., Ltd.	175,254,905.22
Other accounts receivable	Foshan Merchants Long Yuan Real Estate Ltd.	673,084,122.36
Other accounts receivable	Beijing Guang Ying Real Estate Development Co., Ltd.	1,243,733,636.26
Other accounts receivable	Huizhou Taitong Property Investment Co., Ltd.	49,721,270.00
Other accounts receivable	Shanghai New Nanshan Real Estate Development Co., Ltd.	31,600,000.00
Other accounts receivable	China Merchants Guangming Science Park Co., Ltd.	10,289,739.09
Other accounts receivable	Shenzhen China merchants finance service co., Ltd.	753,539,867.35
Other accounts receivable	Zhangzhou development zone co., Ltd.	267,000,000.00
Other accounts receivable	China Merchants Hanghua Technologies and Trade Center Co., Ltd.	528,151.21
Other accounts receivable	Merchants International (China) Investment Co., Ltd.	274,482.56

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Other accounts receivable	China Merchants Real Estate Investment co., Ltd.	74,448.00
Other accounts receivable	Shenzhen China Merchants Pioneering Co., Ltd.	4,303.31
long-term account payable	Shenzhen China Merchants Pioneering Co., Ltd.	1,200,000.00

5. Other important related transactions

In the report period, other important related transactions of the Company are introduced in details in Financial Report.

III. Major Contracts and Their Performance

1. Hosting, Contracting and Leasing Items

The Company has no major events hosting, contracting or leasing assets of other companies within the reporting period.

2. Guarantees

Unit: RMB

External Guarantees (Excl. those against subsidiaries)								
Guaranteed object	Disclosure date of relevant announcement of guarantee line	Guarantee line	Actual guarantee date (signing date of agreement)	Actual guarantee amount	Guarantee type	Guarantee period	Performance done?	Guarantee against associate party? (Yes or No)
Mortgage loan owners	None	RMB 215.22mn	From disbursement date of mortgage loan	RMB215.22mn	Installment Guarantee with joint and several liability	From disbursement date of mortgage loan to the date that mortgage bank succeeded in applying for property ownership certificate on behalf of property owners	No	No
China Merchants Group Guangming Science Park Co., Ltd.	Nov 3, 2011	RMB 147.00mn	Mar 15, 2012	RMB4.8745mn	Guarantee with joint and several liability	Two years from the date immediately after the expiration date of loan term under the borrowing	No	Yes

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						contract		
China Merchants Guangming Science Park Co., Ltd.	Mar 20, 2012	RMB 191.10mn	May 18, 2012	RMB31.6280 mn	Guarantee with joint and several liability	Two years from the date immediately after the expiration date of loan term under the borrowing contract	No	Yes
Guarantees against subsidiaries								
Guaranteed object	Disclosure date of relevant announcement of guarantee line	Guarantee line	Actual guarantee date (signing date of agreement)	Actual guarantee amount	Guarantee type	Guarantee period	Performance done?	Guarantee against associate party? (Yes or No)
Shenzhen China Merchants Power Supply Co., Ltd.	Jun 18, 2010	USD30mn (RMB188.565m)	Jun 18, 2010	USD30mn (RMB188.565m)	Guarantee with joint and several liability	30 days after the expiration of liabilities performance term under the borrowing contract	No	Yes
Shenzhen China Merchants Power Supply Co., Ltd.	Feb 28, 2012	RMB850mn	Mar 12, 2012	RMB850mn	Guarantee with joint and several liability	Two years from the date immediately after the expiration date of loan term under the borrowing contract	No	Yes
Ruijia Investment Industrial Co., Ltd.	Dec 11, 2009	USD20bn (RMB 1257.10mn)	Jan 5, 2010	USD194mn (RMB 1219.3870mn)	Guarantee with joint and several liability	From Dec 29, 2010- Dec 29, 2013	No	Yes
Fujian Zhongliansheng Real Estate Development Co., Ltd.	Jun 25, 2011	RMB 75.00mn	Jun 25, 2011	RMB43.10mn	Guarantee with joint and several liability	Two years from the date immediately after the expiration date of loan term under the borrowing contract	No	Yes

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Fujian Zhongliansheng Real Estate Development Co., Ltd.	Jun 25, 2011	RMB 250.00mn	Jun 27, 2011	RMB20.75mn	Guarantee with joint and several liability	Two years from the date immediately after the expiration date of loan term under the borrowing contract	No	Yes
Shenzhen China Merchants Real Estate Co., Ltd.	Mar 20, 2012	RMB 300.00mn	May 11, 2012	RMB200.00mn	Guarantee with joint and several liability	Two years from the date immediately after the expiration date of loan term under the borrowing contract	No	Yes
Foshan China Merchants Jiulongcang Real Estate Co., Ltd.	Mar 20, 2012	RMB 120.00mn	May 30, 2012	RMB50.50mn	Guarantee with joint and several liability	Two years from the date immediately after the expiration date of loan term under the borrowing contract	No	Yes
Shanghai Jingyuan Real Estate Development Co., Ltd.	Mar 29, 2011	RMB 187.00mn	Mar 29, 2011	RMB184.80mn	Guarantee with joint and several liability	Two years from the date immediately after the expiration date of loan term under the borrowing contract	No	Yes
Guangzhou Wanshang Real Estate Co., Ltd.	Nov 23, 2011	RMB 136.00mn	Dec 3, 2012	RMB5.44mn	Guarantee with joint and several liability	Two years from the date immediately after the expiration date of loan term under the borrowing contract	No	Yes
Beijing	May 15,	RMB	May 15,	RMB	Guarantee	Two years	No	Yes

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Kanglade Co., Ltd.	2012	300.00mn	2012	110.67mn	with joint and several liability	from the date immediately after the expiration date of loan term under the borrowing contract		
Total guarantee of the Company (i.e. sum of the two items above) RMB 3119.4983mn								

The Company has no illegal guarantee within the reporting period.

3. Other Material Contracts

The Company has signed banking borrowing contracts with financial institutions such as the Bank of China, The Agricultural Bank of China, China Construction Bank, - Bank of Communications and China Merchants Bank within the reporting period. As of the period end, the total amount of the contracted loans is RMB31.4bn.

IV. Performance of Committed Items

1. Committed items of the Company or shareholders with over 5% of shares in the period or as to the period

Committed Item	Commitment Party	Commitment Contents	Commitment Time	Commitment Term	Performance
Stock ownership reform commitment	Shekou Industrial Zone	Premium assets including land will be injected to support the development of the Company after the stock ownership splitting reform.	Dec 9, 2005	Two years after the date that any shareholder does not hold all the shares of the Company any more	The commitment is strictly performed within the reporting period.
Other commitments to small and middle-sized shareholders	Shekou Industrial Zone	Shall not, directly or indirectly, engage in or develop any business or project the same or similar with those in the operation scope of the Company; nor develop, establish, develop, participate in, or assist with any enterprises to compete with the Company for Shekou Industrial Zone and its associated parties or on the behalf of any third parties; nor make use of the information obtained from the Company to, directly or indirectly, engage in or participate in any competitive activities with the Company, nor conduct any other competitive actions that may cause damages to the interests of the Company.	March 19, 2008	Two years after the date that any shareholder does not hold all the shares of the Company any more	The commitment is strictly performed within the reporting period.

2. The Company will give a profit forecast for its assets or projects that are in the reporting period and explain why the assets or projects reach the original profit forecast.

The Company did not make this commitment within the reporting period.

V. Employment or dismissal of accounting firm

On Apr 18, 2012, the Company has approved to employ the Shinewing Certified Public Accountants as the external auditor of 2012 at the annual general meeting of shareholders 2011.

The payable expense for auditing the financial statements of 2012 to the auditor is RMB3.20mn this year

VI. Notes on Other Material Events

None.

VII. Material Events of Subsidiaries

None.

VIII. Information on Issued Corporate Securities

The Company did not issue any corporate securities within the reporting period.

Chapter 6. Changes in Share Capital and Particulars about Shareholders

I. Change in Share Capital

Change in Share Capital as at December 31, 2012

(Unit: Share)

	Before the change		Increase / Decrease this time (+, -)				After the change	
	Amount	Proportion	bonus	Share transfer of accumulation fund	others	subtotal	Amount	Proportion
I. Shares with conditional subscription	891,594,208	51.92%			35,701	35,701	891,641,608	51.92%
1. State-owned shares								
2. State-owned legal person's shares	693,419,317	40.38%					693,419,317	40.38%
3. Other domestic shares								
Including: domestic non-state-owned legal person's shares								
Domestic natural person's shares								
4. Foreign shares	197,709,440	11.51%					197,709,440	11.51%
Including: Foreign legal person's shares	197,709,440	11.51%					197,709,440	11.51%
Foreign natural person's shares								
5. Senior executives' shares	477,150	0.03%			35,701	35,701	512,851	0.03%
II. Shares with unconditional subscription	825,694,596	48.08%			-35,701	-35,701	825,658,895	48.08%
1. RMB common shares	684,285,896	39.85%			-18,301	-18,301	684,267,595	39.85%

2. Domestically listed foreign shares	141,408,700	8.23%			-17,400	-17,400	141,391,300	8.23%
3. Overseas listed foreign shares								
4. Others								
III. Total shares	1,717,300,503	100%					1,717,300,503	100%

II. Issuing and listing of shares of securities

1. All previous securities issuance conditions in the nearly past three years until the end of report period

Up till the end of the report period, the Company did not have share issuing condition in the past three years.

2. Changes of the sum of shares and shareholder structure of the Company as well as change conditions of corporate assets and liability structure

Up till the end of the report period, the sum of shares and shareholder structure of the Company have no change.

3. The existing employee stock condition

Up till the end of the report period, the employee stock condition does not exist in the Company.

III. Information of Company shareholders and actual controller

1. Company shareholder number and share holding conditions

(Unit: share)

Total number of shareholders at the end of the report period	43,618 (including 35,572 A-share holders and 8,046 B-share holders)		Total number of shareholders at the fifth trading day before the annual report is disclosed	53,635 (including 45,173 A-share holders and 8,462 B-share holders)				
Shareholding of top 10 shareholders								
Name of shareholder	Class of shareholder	Share proportion (%)	Amount of holding shares at the end of the report period	Year-on-year Change	Restricted shares	Unrestricted 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	No	693,419,317	No	No	No
Full Space Investment Limited	Overseas legal person	5.48-	94,144,050	No	94,144,050	No	No	No
China Merchants Securities Hong Kong Ltd.	Overseas legal person	2.90-	49,734,906		49,242,245			No
FOXTROT INTERNATIONAL LIMITED	Overseas legal person	1.61-	27,720,000	No	27,720,000	No	No	No

ORIENTURE INVESTMENT LTD	Overseas legal person	1.55-	26,603,145	No	26,603,145	No		No
Communications Bank Schroder Growth Stock Securities Investment Fund	Domestic none state-owned legal person	0.98-	16,900,000	4,890,312	No	16,900,000	unknown	unknown
GOLDEN CHINA MASTER FUND	Overseas legal person	0.73-	12,486,760	8,605,438	No	12,486,760	known	unknown
E-fund Shenzhen Stock Exchange 100 Traded Open Type Index Securities Investment Fund	Domestic none state-owned legal person	0.68 %	11,742,931	787,757	No	11,742,931	unknown	unknown
Communications Bank Schroder Blue-chip Stock Securities Investment Fund	Domestic none state-owned legal person	0.66 %	11,283,005	4,897,922	No	11,283,005	unknown	unknown
Great Wall Brand Optimizing Stock Type Securities Investment Fund	Domestic none state-owned legal person	0.65 %	11,078,872	11,078,872	No	11,078,872	unknown	unknown
Top 10 holders of unrestricted shares								
Name of shareholder			Unrestricted shares at the end of 2012			Class of Shares		
Communications Bank Schroder Growth Stock Securities Investment Fund			16,900,000			A-shares		
GOLDEN CHINA MASTER FUND			12,486,760			B-shares		
E-fund Shenzhen Stock Exchange 100 Traded Open Type Index Securities Investment Fund			11,742,931			A-shares		
Communications Bank Schroder Blue-chip Stock Securities Investment Fund			11,283,005			A-shares		
Great Wall Brand Optimizing Stock Type Securities Investment Fund			11,078,872			A-shares		
GF Small-capitalization Growth Equity Securities			11,000,000			A-shares		

Investment Fund		
BOCI SECURITIES LIMITED	10,651,070	B-shares
ICBC Credit Suisse Core Value Equity Securities Investment Fund	10,253,641	A-shares
Full Goal Tianfu Innovative Theme Equity Securities Investment Fund	10,011,118	A-shares
Financing New Blue-chip Securities Investment Fund	10,000,234	A-shares
Shekou Industrial Zone and its subsidiary companies are concerted actors. Communications Bank Schroder Growth Stock Securities Investment Fund and Communications Bank Schroder Blue-chip Stock Securities Investment Fund belong to the same fund management company.		

2. Introduction to the Controlling Shareholder

The controlling shareholder: China Merchants Shekou Industrial Zone Co., Ltd.

Legal representative: Sun Chengming

Registration date: February, 1992

Registered capital: RMB 2, 236,000,000

Business scope: investment and management of communication and transportation, industrial manufacturing, finance and insurance, foreign trade, real estate, post and telecommunications, tourism, theatrical performances, cable TV business, hotel and other kinds of enterprises; port services, storage business and land and water construction project; sale of products produced by affiliated enterprises, supply and sale of required equipment, raw materials, components and parts; holding sports games; providing technology, operation and legal consultation related to the above business, as well as technology and information services.

3. Introduction to the actual controller

(1) The actual controller of the Company: China Merchants Group Co., Ltd.

Legal representative: Fu Yuning

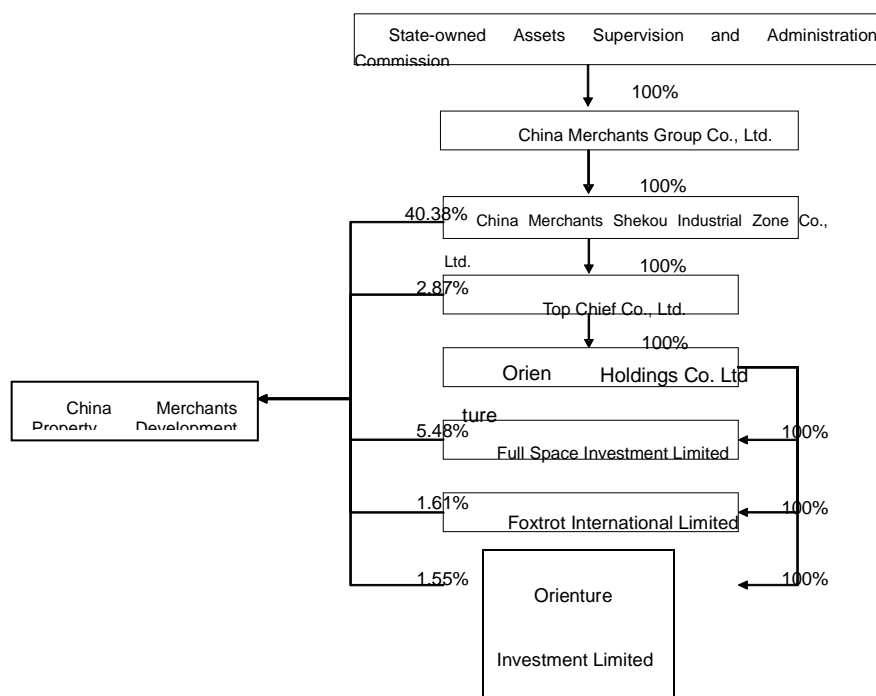
Registration date: October 1986

Registered capital: RMB 10.05 billion

Business scope: lease and agency of water/land passenger-cargo transportation, water/land conveyance and facilities; port and storage business; salvage, refloatation and tugboat; construction, repairing, checking and marketing of shipping, offshore petroleum drilling equipment; repairing and checking of drilling platform and container; overall contracting of water/land construction projects and the related offshore petroleum development projects, and their construction organization and logistics services; procurement, supply and sale

of water/land communication and transportation equipment; establishing transportation, industrial and commercial enterprises; investment and management of finance, insurance, trust, securities, futures businesses; development and management of Shenzhen Shekou Industrial Zone.

(2) The following chart shows the equity and the control relationship between the Company and the Actual Controller at the end of report period:



4. Other institutional shareholders hold more than 10% shares

At the end of the report period, the Company has no other institutional shareholders who hold more than 10% shares.

IV. Condition of stock overweight plane proposed or implemented by the corporate shareholders and persons acting in concert within the report period

The stock overweight plane is not proposed or implemented by the corporate shareholders and persons acting in concert within the report period.

Chapter 7. Particulars about Directors, Supervisors, Senior Executives and Staffs

I. Change of the shareholding of Directors, Supervisors and Senior Executives

Name	Position	Position state	Sex	Age	Start date	End date	Shareholding at the beginning of year(shares)		Shareholding at the current period (shares)		Shares held at the end of year(shares)	
							A share	B share	A share	B share	A share	B share
Lin Shaobin	Chairman	On-the-job	M	52	2011.12	2014.12	51,670	100,500	8,000		59,670	100,500
Yang Tianping	Deputy Chairman	On-the-job	M	53	2011.12	2014.12						
He Jianya	Managing Director	On-the-job	M	47	2011.12	2014.12	105,870		6,300		112,170	
Wang Hong	Director	On-the-job	M	50	2011.12	2014.12						
Hua Li	Director	On-the-job	M	41	2011.12	2014.12						
Hu Yong	Director	On-the-job	M	46	2011.12	2014.12						
Huang Peikun	Director and Chief Financial Officer	On-the-job	M	50	2011.12	2014.12		143,200		12,300		155,500
Chai Qiang	Independent Director	On-the-job	M	51	2011.12	2014.12						
Liu Hongyu	Independent Director	On-the-job	M	50	2011.12	2014.12						
Lu Weixiong	Independent Director	On-the-job	M	52	2011.12	2014.12						

Zhang Wei	Independent Director	On-the-job	M	41	2011.12	2014.12						
Wu Zhenqin	Chairman of the Supervisory Committee	On-the-job	F	54	2011.12	2014.12						
Liu zhimin	Supervisor	On-the-job	M	55	2011.12	2014.12						
Huang Junlong	Supervisor	On-the-job	M	47	2011.12	2014.12						
Chen Yan	Employee Supervisor	On-the-job	F	34	2011.12	2014.12						
Chen Qing	Employee Supervisor	On-the-job	F	30	2011.12	2014.12						
Yang Zhiguan	Deputy General Manager	On-the-job	M	49	2011.12	2014.12	51,295	33,000	5,000		56,295	33,000
Hu Jianxin	Deputy General Manager	On-the-job	M	54	2011.12	2014.12	10,000		5,400		15,400	
Wang Li	Deputy General Manager	On-the-job	M	57	2011.12	2014.12	38,587	-	5,500		44,087	
Zhu Wenkai	Deputy General Manager	On-the-job	M	45	2011.12	2014.12	10,000		7,000		17,000	
Meng Cai	Deputy General Manager	On-the-job	M	54	2011.12	2014.12	46,382		7,200		53,582	
Zhang Lin	Deputy General Manager	On-the-job	M	50	2011.12	2014.12	2,200			10,900	2,200	10,900
Wang Zhengde	Chief economist	On-the-job	M	49	2011.12	2014.12		10,000				10,000

Liu Ning	Secretary of the Board	On-the-job	F	44	2011.12	2014.12	-	13,500				13,500
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II. Position conditions

1. Profile of incumbent Directors, Supervisors and Senior Executives

(1) Members of the Board of Directors

Lin Shaobin: Senior Architect. Mr. Lin obtained a bachelor degree in Architecture from Tsinghua University and MBA from China Europe International Business School. Currently, he is chairman of the company, chairman of Shenzhen China Merchants Real Estate Co., Ltd. and president assistant of China Merchants Group Ltd.. He used to hold various position, including General Manager of Shekou Industrial Zone Property Co., Ltd; General Manager of Property Business Department of China Merchants Holdings Co., Ltd.; Deputy General Manager of China Merchants Shekou Industrial Zone Co., Ltd and Chief Planning & Development Advisor of China Merchants Shekou Industrial Zone Co., Ltd.. and he is General Manager of the Company.

Yang Tianping: Senior Economist. Mr. Yang obtained a bachelor degree from the Department of Industrial and Civil Architecture, [Beijing University of Technology](#), and MBA from China Europe International Business School. He is the General Manager of Shekou Industrial Zone Co., Ltd. He used to serve as the Director Deputy General Manager of China Merchants Development Company; Director Standing Deputy General Manager of China Merchants Jinshan Industrial Zone; Deputy General Manager of China Merchants Property Management Ltd.; General Manager of HR Department of China of Lam Soon Food Industries Limited; General Manager of Guangzhou Lamsoon Cleaning Supplies Co., Ltd.; General Manager of Shenzhen Lam Soon Lipid Co., Ltd.; Assistant General Manager of China Merchants Industry Holdings Co., Ltd.; Party Secretary and Director General Manager of Shenzhen Nanyou (Holdings) Ltd. and the Party Secretary and Deputy General Manager of China Merchants Shekou Industrial Zone Co., Ltd..

He Jianya: Engineer. He graduated from Electronics and Telecommunication Department of Beijing Aviation University with master's degree. Later, he obtained MBA of Guanghua School of Management, Peking University. Currently, he serves as the General Manager of the Company and General Manager of Shenzhen China Merchants Real Estate Co., Ltd. He used to serve as the System Director of Shekou Container Port Co., Ltd., Vice Director and Director of Enterprise Management Office of China Merchants Shekou Industrial Zone Co., Ltd., Deputy General Manager of Shenzhen China Merchants Real Estate Co., Ltd. and Deputy Manager of our company.

Wang Hong: Senior economist. He graduated from Marine Beacon Engine Management Department of Dalian Maritime University with Bachelor's Degree. Later, he obtained Master's Degree in Business Administration from University of Science and Technology Beijing and Doctor's Degree in Management from Chinese Academy of Social Sciences. Currently, he serves as Chief Economic Manager and General Manager of the Enterprise Planning Department of China Merchants Group. He used to serve as the marine beacon engineer of COSCO Guangzhou Ocean Shipping Co., Ltd., Deputy General Manager of China Communications Import & Export Corporation, Managing Director of Hoi Tung Marine Machinery Supplies Limited, General Manager of the Achievement Assessment Department, Human Resources Department and Strategy Research Department of China Merchants Group Co., Ltd., Director, Standing Deputy General Manager & Chief Operating Officer of China Merchants International Co., Ltd., Chairman of the Board of Directors of China Merchants Asia Pacific Co., Ltd., Deputy Chairman of Shanghai International Port (Group) Co., Ltd.

Hua Li: Certified Public Accountant (not licensed). He obtained bachelor's degree in Accounting from Shanghai Marine Transportation College, and later, Master's Degree in Accounting from the Chinese University of Hong Kong. Currently, he serves as the General Manager of the Financial Department of China Merchants Group. He used to serve as the Deputy Manager of the Financial Dept. of China Merchants International Co., Ltd., Manager of Accounting Dept. of China Merchants Transportation Group Ltd., Director of Accounting Department and Deputy General Manager of China Merchants Group, Chief Financial Officer of China Merchants Shekou Industrial Zone Co., Ltd.

Hu Yong: Senior Engineer. He graduated from Port Machinery Design and Manufacturing Department of Wuhan Institute of Water Transportation Engineering with Bachelor's Degree. Currently, he serves as the Deputy General Manager of the Property Department of China Merchants Group. He used to serve as the Assistant of the General Manager and Deputy General Manager of the Business Development Department of China Merchants Group, Director of Major Projects Office of China Merchants Group.

Huang Peikun: Senior Accountant. He obtained Master's Degree in Management from Zhejiang University. Currently, he serves as the Chief Financial Officer of our company. He used to serve as the Manager of Accounting Dept. and Chief Accountant of Shenzhen China Merchants Petrol Chemical Co., Ltd., Chief Accountant of China Merchants Shenzhen Property, Chief Financial Officer and Deputy General Manager of Shenzhen China Merchants Venture Co., Ltd.

Chai Qiang: Mr. Chai successively studied in Wuhan University of Technology with major in Management Engineering and obtained bachelor's degree in Engineering, Graduate School of Chinese Academy of Social Sciences with major in Technology Economics and Investment Economics and obtained Master Degree and Ph.D in Economics. He is an expert approved to enjoy special government allowances by the State Council, and is an honorable member of Appraisal Institute. Currently, he is the Vice President and Secretary-General of China Institute of Real Estate Appraisers and Agents, member of Council for Science and Technology of Ministry of Construction. He used to serve as the Deputy Director of Urban Economy Research Office of China Urban and Rural Construction Economic Research Institute, Deputy- Chief Economist of Centre for Policy Research, Ministry of Construction, Vice President and Secretary-General of China Institute of Real Estate Appraisers.

Liu Hongyu: Certified real estate appraiser, Fellow, Royal Institution of Chartered Surveyors (FRICS). He graduated from the Structural Engineering Department and Management Engineering Department of Tsinghua University with Bachelor of Engineering Degree and Master of Engineering Degree in 1985 and 1988 respectively. Currently, he is the Professor of Construction Management Department of Tsinghua University, President of Real Estate Research Institute, Director of Henglong Real Estate Research Center of Tsinghua University, Chinese real estate appraiser, Vice President of China Institute of Real Estate Agents, Managing Director of China Real Estate Association, and Director (former President) of the Asian Real Estate Society (AsRES) and International Real Estate Society (IRES). He used to serve as the Independent Director of Beijing capital development holding Co., Ltd. 2006-2012, he was the Independent Director of COFCO Property (Group) Co., Ltd. Since March 2007, he was the Independent Non-Executive Director of Fangxing Property (China) Co., Ltd.

Lu Weixiong: Member of the Institute of Chartered Accountants in Australia and member of the Hong Kong Institute of Certified Public Accountants. He graduated from James Cook University and obtained Bachelor of Business Degree. Currently, he serves as the Chief Financial Officer of Winson Oil International (Hong Kong) Co., Ltd. He used to serve as the Director of China Resources Investment Development Co., Ltd., consultant of Hengyu Holding Co., Ltd., and he served in multiple international certified public accountants.

Zhang Wei: He graduated from Harvard University in 2005 with Doctor's Degree (Medical Policy), and in 1998, he obtained Doctor's Degree in clinical medicine from Peking Union Medical College. He is focusing on enterprise strategy and business mode innovation research. From 2008, he taught in China Europe International Business School. Currently, he is the Director of Medical Management and Policy Research Center of China Europe International Business School, Assistant Professor of Management of China Europe International Business School, Part-Time Professor of Government Management School of Peking University. He is also member of the Academic Committee of China Hospital Association and Deputy Director of the Economic Evaluation Center of the Chinese medical Doctor Association.

(2) Members of the Board of Supervisors

Wu Zhenqin: Senior Accountant. Ms. Wu graduated from Marine Management School of Shanghai Marine Transportation College with Master's Degree. At present, she serves as the General Manager of Auditing Department of China Merchants Group. She used to serve as the Head of the Accounting Department of COSCO, Director of the Accounting Department of Ship Inspection Bureau of the Ministry of Transportation, Deputy General Manager of the Financing Department of China Merchants Shekou Industrial Zone Co., Ltd, and Chief Financial Officer of the Company.

Liu Zhimin: He graduated from the Management Engineering Department of Wuhan Polytechnic University with Bachelor's Degree. Currently, he is the Deputy General Manager of the Enterprise Planning Department of China Merchants Group. He used to serve as Director of the teaching and research office of the business administration department of Hubei province economic management cadre college, Head of the Management Department of Enterprise Management Office of Shekou Industrial Zone, Deputy Director of Enterprise Management Department of China Merchants Group, Assistant of the General Manager of the Enterprise Planning Department and Achievement Assessment Department of China Merchants Group.

Huang Junlong: He graduated from the Management Department of Changsha Jiaotong College with Bachelor's Degree in Financial Accounting, and then he obtained Master's Degree in Business Administration from China Europe International Business School. Currently, he serves as the Chief Financial Officer of Shekou Industrial Zone. He used to serve as Deputy General Manager of the Financial Department of Shekou Industrial Zone, Chief Financial Officer of Shenzhen China Merchants Petrol Chemical Co., Ltd. , Chief Financial Officer of China Merchants Port Service Co., Ltd., Chief Financial Officer of China Merchants Logistics Group Co., Ltd., Deputy General Manager of the Financial Department of China Merchants Group.

Chen Yan: Certified accountant, certified internal auditor. She graduated from the Accounting Department of Sun Yat-Sen University with Master's Degree. In October 2009, she entered the Financial Department of the Company and served as a senior manager. She used to serve in Deloitte Touche Tohmatsu as Senior Auditing Manager, with seven years of auditing work experience.

Chen Qing: Intermediate account. She graduated from the Accounting Department of Xiamen University with Bachelor's Degree. She entered to Company in April 2007, and served in the Financial Department, Board Secretary Office and the office. Currently, she serves as Senior Manager. She used to serve in Deloitte Touche Tohmatsu as an auditor.

(3) Senior Executives

He Jianya: Managing Director, see the aforementioned introduction of the Directors.

Yang Zhiguang: Senior Engineer. Mr. Yang graduated from South China University of Technology with the

major of Architecture Structure Engineering, and later he obtained Master's Degree in Business Administration from Cheung Kong Graduate School of Business. Currently, he serves as the Deputy General Manager of the Company. Previously, he served as the Deputy General Manager and Manager of the Development Department of Shekou Industrial Zone Real Estate Company, Assistant of the General Manager of Shekou Industrial Zone Real Estate Company, Deputy General Manager of Shenzhen China Merchants Property Co., Ltd; General Manager of China Merchants Property Co., Ltd and Shenzhen China Merchants Venture Co., Ltd..

Huang Peikun: Chief Financial Officer, see the aforementioned introduction of the Directors.

Hu Jianxin: Professor Class Senior Engineer. He was recognised as the first batch of “State-level Talent of Shenzhen Municipality” in 2009. He graduated from the Civil Architect Department of Southern China University with Master's Degree. Currently, he serves as the Deputy General Manager of the Company. He used to serve as the Deputy Manager of the affiliated company of Guangdong Provincial Construction Company General, Deputy General Manager of China Merchants Property Co., Ltd, and Deputy General Manager of China Merchants Group Property Group & General Manager of China Merchants Property Co., Ltd.

Wang Li: Senior Engineer. Mr. Wang graduated from the Department of Automation of Central South University of Technology. Currently, he serves as the Deputy General Manager of the Company. He used to serve as the Deputy Dean of Southwest Municipal Engineering Design and Research Institute of China, Audit Manager of Construction and Permission Department of Construction and Planning Section of China Merchants Shekou Industrial Co., Ltd., Chief Supervisor of the Engineering Management Center of Shenzhen China Merchants Property Co., Ltd. and Assistant of the General Manager of Shenzhen China Merchants Property Co., Ltd.

Zhu Wenkai: Economist. Mr. Zhu graduated from Wuhan University of Water Transportation Engineering with Master in Transportation Management. Currently, he serves as the Deputy General Manager of the Company. He used to serve as Assistant of the General Manager of Shekou China Merchants Port Service Co., Ltd., General Manager of Shenzhen Shekou Zhaogang Industrial Development Co., Ltd., Manager of the Enterprise Management Department, Manager of the Planning Department, Vice Supervisor of the Planning Center, and General Manager of the Marketing Center and Assistant of the General Manager of Shenzhen China Merchants Property Co., Ltd.

Meng Cai: Engineer. Mr. Meng graduated from Lanzhou railway institution with Bachelor's Degree in Plumbing Discipline. Currently, he serves as the Deputy General Manager of the Company. He used to serve as the Deputy General Manager and General Manager of the Real Estate Department of Nanshan Development Company, General Manager of Shenzhen Nanshan Development Industrial Corporation, Deputy General Manager of Shenzhen China Merchants Real Estate Co., Ltd., Company, Associate Director of Hong Kong Sino Group, and Executive Director of Hong Kong Kerry Properties (China) Co., Ltd.

Zhang Lin: Senior Engineer. Mr. Zhang graduated from the Precision Instrument Department of Tsinghua University with Bachelor's Degree. Currently, he serves as the Deputy General Manager of the Company. He used to serve as the Deputy General Manager of the Planning Department of China Automation Control System Corporation and Shenzhen Huayi Lineng Computer Company, Managing Director of Shenzhen CNAC Group Investment and Development Co., Ltd., General Manager of Southern China of Shenzhen B & Q Joint Venture Company, and Executive Vice-President of B & Q (China) Investment Co., Ltd.

Wang Zhengde: Senior accountant. He obtained Master's Degree from Zhongnan University of Economics and Law. Currently, he serves as the Chief Economist of the Company. Mr. Wang used to serve as the member of the second and third Board of Directors of the Company, General Manager and the Deputy Chairman of Shenzhen

Peninsula Foundation Company, Deputy Chief Accountant and the Financial Head of China Merchants Shekou Industrial Zone Co., Ltd., Deputy Managing Director and Chief Financial Officer of China Merchants International Co., Ltd.

Liu Ning: Economist. Ms. Liu graduated from South University of Forestry and Technology with Bachelor's Degree, majored in Mechanical Manufacturing. She completed her graduate courses in Department of Business Administration of Business School of Nankai University, and later obtained MBA from Macau University of Science and Technology. Currently, she serves as the Secretary of the Board of Directors of the Company. She has been working in the field of securities since 1998, and was appointed as Representative for Securities Affairs in 2001, and appointed as Director of Secretariat of the Board of the Company in 2004. Since 2008, she has been the Secretary of the Board of Directors of the Company.

2. Information on the positions taken by the Directors and Supervisors in shareholder companies or actual controller companies

Name	Name of company	Position	Job term
Lin Shaobin	China Merchants Group	Assistant President	
Yang Tianping	Shekou Industrial Zone	General Manager	Since February 2011
Wang Hong	China Merchants Group	Chief Economic Manager and General Manager of the Enterprise Planning Department	Since February 2011
Hua Li	China Merchants Group	General Manager of the Financial Department	Since December 2011
Hu Yong	China Merchants Group	Deputy General Manager of the Property Department	Since March 2011
Wu Zhenqin	China Merchants Group	General Manager of the Auditing Department	Since January 2003
Liu Zhimin	China Merchants Group	Deputy Manager of the Enterprise Planning Department	Since December 2007
Huang Junlong	Shekou Industrial Zone	Chief Financial Officer	Since December 2011

Note: The directors and the supervisors do not take full-time or part-time jobs in the units outside China Merchants Group system.

3. Position condition of directors and the supervisors in other units

None

III. Compensation of Directors, Supervisors and Senior Executives

In the report period, the compensation of Directors, Supervisors and Senior Executives:

Name	Position	Sex	Age	Position state	Total amount of the compensation obtained from the Company	Total amount of the compensation obtained from shareholder companies	Actually obtained compensation at the end of report period
Lin Shaobin	Chairman	M	52	On-the-job	272.33		272.33
Yang Tianping	Deputy Chairman	M	53	On-the-job			
He Jianya	Managing Director	M	47	On-the-job	242.77		242.77
Wang Hong	Director	M	50	On-the-job			
Hua Li	Director	M	41	On-the-job			
Hu Yong	Director	M	46	On-the-job			
Huang Peikun	Director and Chief Financial Officer	M	50	On-the-job	208.15		208.15
Chai Qiang	Independent Director	M	51	On-the-job	12.00		12.00
Liu Hongyu	Independent Director	M	50	On-the-job	12.00		12.00
Lu Weixiong	Independent Director	M	52	On-the-job	12.00		12.00
Zhang Wei	Independent Director	M	41	On-the-job	12.00		12.00
Wu Zhenqin	Chairman of the Supervisory Committee	F	54	On-the-job			
Liu Zhiming	Supervisor	M	55	On-the-job			
Huang Junlong	Supervisor	M	47	On-the-job			

Chen Yan	Employee Supervisor	F	34	On-the-job	44.64		44.64
Chen Qing	Employee Supervisor	F	30	On-the-job	37.01		37.01
Yang Zhiguang	Deputy General Manager	M	49	On-the-job	204.79		204.79
Hu Jianxin	Deputy General Manager	M	54	On-the-job	197.84		197.84
Wang Li	Deputy General Manager	M	57	On-the-job	197.84		197.84
Zhu Wenkai	Deputy General Manager	M	45	On-the-job	199.94		199.94
Meng Cai	Deputy General Manager	M	54	On-the-job	199.94		199.94
Zhang Lin	Deputy General Manager	M	50	On-the-job	197.84		197.84
Wang Zhengde	Chief economist	M	49	On-the-job	168.09		168.09
Liu Ning	Secretary of the Board	F	44	On-the-job	117.30		117.30

In the report period, Directors, Supervisors and Senior Executives of the Company are not honored with stock ownership incentive.

IV. Resignation and dismissal condition of Supervisors and Senior Executives of the Company

In the report period, Directors, Supervisors and Senior Executives of the Company do not leave the Company and are not dismissed.

V. In the report period, core technical team or key technician change conditions (non-Directors, Supervisors and Senior Executives)

In the report period, the core technical team or key technicians of the Company have no change.

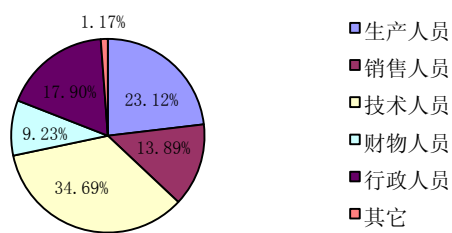
VI. Information on Employees

As at December 31, 2012, the Company had registered staffs of 12,855, including

(1)2,939engaged in the Real Estate Development and Water & Electricity Supply business division

Below is information about Education and Technical background of the employees:

Technical background			Education		
Class	Number	Proportion	Class	Number	Proportion
Production personnel	873	29.70%	Master or above	435	14.80%
Sales personnel	497	16.91%	Bachelor	1,769	60.19%
Technicians	1,019	34.67%	3-year regular college graduate	534	18.17%
Finance personnel	217	7.38%	Senior middle school graduate or below	201	6.80%
Administrative personnel	333	11.34%			
Total	2,939	100.00%	Total	2,939	100.00%



专业人员：Production personnel

销售人员：Sales personnel

技术人员：Technicians

财务人员：Finance personnel

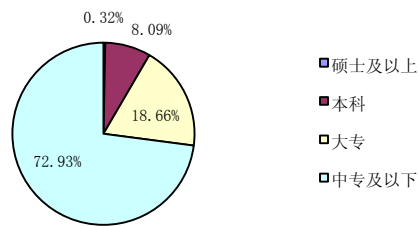
行政人员：Administrative personnel

-

(2) 9,916 employees engaged in the Property Management business division, with education background shown as below:

Level of Education	Number	Proportion
Master or above	32	0.32%
Bachelor	802	8.09%
3-year regular college graduate	1,850	18.66%
High school graduate or below	7,232	72.93%
Total	9,916	100%

Note: The Company undertakes no pensions for retired employees.



硕士及以上: Master or above

本科: Bachelor

大专: 3-year regular college graduate

中专及以下: High school graduate or below

Chapter 8 Company Governance

I. Basic condition of Company governance

(I) Basic condition of Company governance

The Company governance had no difference from the requirements of the related provisions of *Company Law* and China Securities Regulatory Commission.

The Company governance structure is sound and perfect, and operations of the shareholders' meeting, Board of Directors and Board of supervisors are standardized. The information disclosure work of the Company strictly follows the information disclosure principle of true, accurate and complete, and information was disclosed in time and fairly. During the report period, in order to help the investors know the operation condition of the Company in time, the company actively disclosed the quarter sales data of the real estate projects, which was recognized by the investors. The information disclosure work of the company has always been affirmed by the supervision and management department.

During the report period, the Company enhanced its management and governance ability through refining strategic management, comprehensive process reconstruction, constructing ERP system, strengthening risk management and reforming assessment mechanism etc. The Company refined strategic management into business strategy, regional strategy and product strategy etc., which is good for the fundamental analysis on the strategies. Through comprehensive process reconstruction, standardization and refinement of the businesses were realized. Through constructing ERP system, unified management analysis system was constructed. Comprehensive risk management strengthened the identification, management and control of the risks. Reforming the assessment mechanism promoted enhancement of the sales achievement of the Company.

(II) Condition of developing the Company governance activities

1. Conditions related to the Company governance special activities

In recent years, the Company insisted in continuously perfecting the Company governance structure and enhancing the Company governance level according to the requirements of China Securities Regulatory Commission on strengthening the company governance special activities of the listed companies. During the report period, the Company further strengthened the consciousness of standardized operation, and consolidated the result of special governance activities. Operations of the Company were standardized, and there are no unsolved governance problems.

During the report period, according to the related provisions of the *Notice on Further Implementing the Related Matters of Cash Dividend Payment of the Listed Companies*, the Company conducted comprehensive and deep research on perfecting of the profit distribution policy, current situation of cash dividend payment, planning arrangement of shareholders reward etc., and formed *Special Argumentation Report on the Shareholders Reward Planning*. On this foundation, the Company comprehensively considered the factors influencing the shareholders reward etc., revised and perfected the matters related to profit distribution in the *Company Statute*, and made the shareholders reward planning of the future three years of the Company.

In October 2012, the Company conducted training on the backup cadres of the 'ivy' training class with *Standardized Operation and Information Disclosure of the Listed Companies* as the important content, making the supervision and management laws and regulations for the listed companies propagandized in a bigger scope. In

the training, through explanation on the importance and key factors of the standardized operation of the listed companies, understanding to the management and control requirements for the insider information was strengthened, and good education effect was achieved.

2. System perfecting condition

During the report period, according to the related requirements of China Securities Regulatory Commission, the Company revised the policies related to profit distribution in the *Company Statute*, perfecting the decision-making and implementation of profit distribution.

(III) Making and implementation of the registration and management system for the insider information

1. The Company established *Insider Information Personnel in the Know Registration and Management System* according to the supervision and management requirements. The system clarifies the scope of insider information and insider information, and it prescribes the examination, approval, registration and record keeping system for the insider information and confidentiality responsibilities. The system fully guarantees that management of the Company insider information has rules to follow. In the implementation of the system, implementation is strict, work division is clear, responsibilities are clear; the exits are controlled, and it is unified for the outsider; auditing is strengthened, and mistakes are eliminated. Before starting the annual report work, the Company released notice through the Company website again, emphasizing that the related personnel shall not utilize the website, blog, microblog or any other means to release the unpublicized major information of the Company against the rules. In recent years, management and control of the Company insider information is effective, and there is no proceedings against the rules.

2. Condition of reporting unpublicized information to the big shareholders

As a state-owned listed company, the Company needs to report information such as financial statement etc. to the big shareholders. During the report period, the Company conducted information reporting, putting on records and confidentiality work in strict accordance with the scope of the unpublicized information and examination and approval process prescribed in the *Confidentiality and Reporting and Putting on Records System for the Related Personnel in the Know for Providing Unpublicized Information to the Big Shareholders*. The unpublicized information reported by the Company to the big shareholders is mainly examined and approved by the responsible persons of the related departments of the Company, and it is reported in the form of statement software or email. The related personnel of all the links are listed in the scope of the personnel in the know. Before reporting the information, it is approved by the competent leaders, and the authorization approval record is complete. The Company big shareholder Shekou Industrial Zone and the actual controller China Merchants Group strictly implemented the commitment, and used the unpublicized information reported by the Company in compliance with the rules.

During the report period, the unpublicized information reported by the Company includes: Monthly financial statement, operation bulletin; quarterly financial statement, operation condition and cost expense analysis report, statistics analysis statement; annual financial budget and settlement statement and five-year planning forecast table etc.

The kinds of the above-mentioned unpublicized information and data of the personnel in the know reported by the Company has been reported and put on records to Shenzhen Securities Regulatory Bureau in time.

II. Related conditions of the annual shareholders meeting and temporary shareholders meetings held during the report period

1. Condition of the annual shareholders meeting during the report period

Meeting session	Holding date	Name of the meeting proposal	Resolution condition	Disclosure date
2011 Annual Shareholders Meeting	April 17, 2012	1. Proposal on examining the 2011 Annual Report and Abstract of the Annual Report	8 proposals of the meeting were passed via common resolution. As proposal 9 involves associative transaction, the associative shareholders and shareholder agents avoided voting.	April 18, 2012
		2. Proposal on examining the 2011 Annual Financial Report		
		3. 2011 Annual Profit Distribution Plan		
		4. 2011 Special Report on the Storage and Use Condition of the Raised Funds		
		5. Proposal on Submitting to Change the External Auditing Institution		
		6. Proposal on Providing Guarantee for the Bank Loan of Shenzhen China Merchants Power Supply Co., Ltd.		
		7. Proposal on Providing Guarantee for the Trust Loan of Shenzhen China Merchants Power Supply Co., Ltd.		
		8. Proposal on Providing Guarantee for the Bank Loan of China Merchants Guangming Science and Technology Park		

2. Condition of the temporary shareholders meeting during the report period

Meeting session	Holding date	Name of the meeting proposal	Resolution condition	Disclosure date
2012 First Temporary Shareholders Meeting	August 9, 2012	Proposal on modifying the Company Statute	The meeting proposal was passed via common resolution.	August 10, 2012
2012 Second Temporary Shareholders Meeting	December 12, 2012	1. Proposal on the associative Transaction of Buying the Land Use Right of Some Blocks of the Sea world Area from Shekou Industrial Zone	The proposals were passed via common resolution, as proposal 1 involves associative transaction, the associative shareholders and shareholder agents avoided voting.	December 13, 2012
		2. Proposal on Providing Guarantee for the Bank Loan of Guangzhou Wanshang Real Estate Co., Ltd.		

Note: The disclosure index of the above-mentioned meetings is: *China Securities Journal*, *Securities Times*, *Shanghai Securities News*, *Securities Daily*, *Hong Kong Commercial Daily* and <http://www.cninfo.com.cn>.

III. Execution of the duties of the Independent Directors in the report period

1. Attendance of the Independent Directors to Board Meetings and Shareholders' General Meetings

Attendance of the Independent Directors to the BOD meetings						
Name of the Independent Director	Number of times that shall participate in the BOD meetings in the report period	Number of times of on-site attendance	Number of times of participation via telecommunication	Number of times of entrusted attendance	Number of times of absence	If did not attend the meetings for a continuous two times
Chai Qiang	10	4	6			No

Liu Hongyu	10	4	6			NO
Lu Weixiong	10	4	6			No
Zhang Wei	10	4	6			No

2. Condition of the Independent Directors bringing forward disagreement to the related matters of the Company

In the report period, the Independent Directors did not bring forward disagreement on the proposals examined by the BOD meetings and other matters of the Company.

3. Other explanations on duty execution of the Independent Directors

In the report period, the four Independent Directors of the Company carefully executed their duties according to the requirements of the supervision and management laws and regulations and *Working Instruction for the Independent Directors* of the Company:

(I) Attendance of the Independent Directors to Board Meetings and Shareholders' General Meetings

During the report period, all the Independent Directors attended all meetings of the Board of Directors, and detailed information is specified in section 1.

During the report period, the Company held three shareholders' Meeting, and all the Independent Directors attended the meetings.

(II) Participating in the work of the three special Committees of the Board of Directors

During the report period, the Independent Directors brought their specialized knowledge into full play and actively participated in the work of the special committee. Through interpretation on the macro and industrial policies, the Strategy Committee brought forward constructive opinions on the strategic issues such as urban development strategy, commercial property development strategy, residence urban layout etc. of the Company. The Independent Directors of the Audit Committee provided professional decision-making support for the matters such as internal control construction, annual audit matters, appointment of the auditing institution and associative transactions etc. Under the guidance of the Independent Directors of the Remuneration and Assessment Committee, the Company established the new motivation system with the economic profit and the sales volume as the core indexes, further perfecting the motivation mechanism of the Company.

(III) Survey on company's business places

In the report period, the Independent Directors conducted research and investigation on some project companies, and brought forward precious opinions after on-site investigation on the projects.

(IV) Expression of independent opinions

During the report period, according to the supervision provisions and requirements of *Working Instruction for Independent Directors*, the Independent Directors expressed independent opinions on important matters such as

connected transactions, external guarantee matters, appointment of auditing institution and internal control self-evaluation report etc., actually fulfilling the supervision function of the Independent Directors.

(V) Other conditions

Pursuant to the relevant provisions of *The Administrative Regulations on Fund Raising of Listed Companies* issued by Shenzhen Stock Exchange, the Independent Directors audited the storage and utilization of fund raised by the Company.

IV. Performance of the three special Committees under the Board of Directors during the report period

1. Performance of the Strategy Committee

Under the complicated and changeable situation of the real estate market, the Strategy Committee of the Company judged the hour and sized up the situation, required and guided the Company to change according to the situation, actively adjust the strategies and grasp the market opportunities while controlling the risks. In terms of strategy research, the Strategy Committee required the Company to continue to deeply research the strategic problems such as the development direction of the urban and commercial property. In the report period, it guided the Company to finish the making of the new strategic planning.

2. Performance of the Audit Committee

In the report period, the Audit Committee mainly developed the work related to guiding the annual audit, which mainly includes: In the annual audit period, communicate and discuss the audit plan and the related problems in the audit progress with the accountant in charge of the annual audit; examined the 2011 Annual Financial Statement of the Company for three times and aired written examination opinion; carefully examined the financial reports of the first three quarters of 2012 and aired opinions; objectively evaluated the work of the certified accountant in charge of the annual audit, and compiled the summary report on the audit work; according to the development need of the Company, brought forward the suggestion to change the auditing institution for the 2012 Annual Financial Statement. In addition, the work developed by the Audit Committee includes: Check the storage and use condition of the funds raised by the Company, guided the construction of the Company internal control criteria etc.

3. Performance of the Remuneration and Assessment Committee of the Board of Directors

The Remuneration and Assessment Committee guided the Company to research and perfect the motivation mechanism system. In the report period, the company made *Guidance on the Motivation Management Operation of the Urban Companies*, and *Guidance on the Motivation Management Operation of Marketing of the Urban Companies* (draft), and gradually established the new motivation system with the operation profit and the sales volume as the core indexes. At the same time, the Remuneration and Assessment Committee brought forward suggestion on the optimization measures of the non-currency motivation of the Company, and required the Company to conduct systematic combing on the optimization measures of the non-currency motivation of the Company. In the report period, the Remuneration and Assessment Committee continued to actively promote and guide the equity motivation system work of the Company.

According to the supervision and management requirements, the Remuneration and Assessment Committee

aired auditing opinion on the condition of remuneration collected by the Company Directors, Supervisors and senior management personnel from the Company in the report period disclosed in the 2012 Annual Report.

V. Working condition of the Board of Supervisors

In 2012, The Board of Supervisors executed its supervision duties and carefully developed work according to the related provisions of the *Company Law*, *Company Statute* and *Rules of Procedure of the Board of Supervisors*, and conducted supervision and examination on the legal operation condition, financial condition, associative transaction condition, storage and use condition of the funds raised, and self-assertion report of internal control of the Company etc., and aired affirmative opinion.

In the report period, the Board of Supervisors held four meetings, and examined the periodical financial report of the Company. Members of the Board of Supervisors attended the BOD meetings and shareholders meetings of the Company, conducted supervision on the calling and holding procedures and decision-making procedures of the shareholders meetings and BOD meetings of the Company, implementation condition of the resolutions of the shareholders meetings by the Board of Directors, Duty execution condition of the senior management personnel of the Company and implementation condition of the Company management system etc., and urged the Board of Directors and management of the Company to operate according to the laws and make decisions scientifically.

Except the aforementioned risk factors, the Board of Supervisors did not find other risks existing in the Company in the supervision activities during the report period.

VI. The independence and completion in business, staff, assets, organization and finance between the Company and controlling shareholders

The Company has separate from controlling shareholders in business, staff, assets, organization and finance, with independent and complete management and business operation capability.

VII. Peer competition

During the report period, no peer competition has been found between the Company and controlling shareholders.

VIII. Evaluation and inventiveness of senior management

The Company applies KPI evaluation, comprehensive assessment and annual interview to senior management. The evaluation results will be important baseline to determine promotion and salary level.

According to Articles of Association, the Company Board should notice performance and management effects along with market levels to make incentive policies and determine salary level for senior management.

Chapter 9 Internal Control

I. The Status Quo of Internal Control

(I) Introduction of internal control

The Company has formulated regular and effective internal control system according to Company Law, Securities Law and Rules of Shenzhen Stock Exchange for the Listing of Stocks, as well as characteristics of the industry and the Company's business structure.

(II) The development plan and implementation of internal control system

The Company is one of 26 major listing companies that are selected to pilot the internal control regulations. In 2012, the Company completed preparation for implementing internal control regulations. The current internal control system mainly includes 3 components, first, 3-level organization structure of holding headquarter, regional headquarter and urban subsidiaries is adopted for management according to Organization Management Manual and Business Responsibility Manual as basic framework and specific process guidelines. Second, reasonable position arrangement and HR policies are made to establish sound inner environment and take effective control. Third, the Company supervises internal control through inner audit, internal control check and professional inspection, evaluates related risks by comprehensive risk management and ensures smooth communication by inner reports and circulars to promote adjustment and regulation revision.

This year, the Company made the scheme for constantly boosting internal control according to regulation laws and internal control requirements, mainly including internal control system development and supervision & check. For internal control system development, the Company combined responsibility and organization adjustment to perfect regulation system, and improve business process guidelines compared with internal control framework, as well as guidelines of various specialties and levels. To guarantee implementation of inner management system, the Company continued to inspect internal control, strengthen compliance management by inner audit and inspection, and push forward correction of implementation and design errors in order to ensure reasonable design and effective appliance of internal control system. In addition, the Company consolidated internal control fruits by gradually establishing complete self-evaluation model for internal control.

(III) The setup of examination & supervision division of internal control

The Company makes multi-level supervision and management on internal control. The Board's Audit Committee is responsible for supervising effective implementation of internal control and self-evaluation. The Company's internal control regulation team is charge of guiding and supervising establishment, perfection and implementation of internal control regulations. The Audit Department is responsible for daily supervision under the leadership of the Board's Audit Committee. The Company also engages professional audit agency to audit self-evaluation report of internal control.

II. Board's Announcement on the Responsibility of Internal Control

Establishing, - improving and effectively implementing internal control is the responsibility of the Board, and the Board is responsible for the truthfulness of the internal control assessment report. The objective of

internal control is to ensure legitimate and compliant operation, asset safety, truthfulness and completeness of financial report and relevant information, improve operational efficiency and effect and promote the realization of development strategy. For the inherent limitation in internal control, we can only provide reasonable assurance for above objectives only.

III. Establish Basis for Internal Control over Financial Reporting

In accordance with relevant laws and regulations, the *Accounting Standards for Business Enterprises*, the *Basic Norms of Internal Control* and application guidelines for internal control over financial reporting, and in combination with the features of real estate industry and the characteristics of its production and operation, the company establishes a set of complete and effective financial accounting and financial management systems. The company sets up reasonable posts in field of financial accounting and financial management, defines corresponding responsibility and authority and allocates financial staff compatible with the development of the company to ensure the compliance and orderly development of financial management work. The company makes the *Accounting System and Financial Accounting Management Process* to provide detailed guidelines for financial accounting.

IV. Internal Control Self-assessment Report

According to the *Internal Control Self-assessment Report*, the company has, pursuant to basic norms, assessment guidelines and other relevant provisions of laws and regulations, made the self-assessment for the effectiveness of design and operation of internal control up to December 31, 2012. During the report period, the company has established internal control over businesses and transactions of the units that are taken into the consideration of assessment and effectively implemented the internal control, achieving the objectives of company's internal control without major defect. From the base date of internal control assessment report to the date of the issuance of internal control assessment report, there is no such major changes to internal control that may bring material effects to assessment result.

V. Internal Control Audit Report

In recent years, the company has proactively carried out internal control self-assessment each year and employed audit institutions to audit the internal control self-assessment report of the company. ShineWing Certified Public Accountants has issued the clean opinions on the internal control self-assessment report of the company for the year 2011, in agreement with the opinions of the board of directors of the company on the internal control self-assessment report.

VI. Establishment and Implementation of Accountability System for Major Errors in Information Disclosure in Annual Report

In April, 2010, the 12th session of the sixth meeting of board of directors of the company discussed and approved the Accountability System for Major Errors in Information Disclosure in Annual Reports of the Company. The company makes plans in advance and clearly defines responsibility in each link of annual report preparation. Therefore there is no major error in information disclosure in annual report of the company.

Auditor's Report

XYZH/2012SZA1005

To the shareholders of China Merchants Property Development Co., Ltd.

We have audited the Financial Statements of China Merchants Property Development Co., Ltd. (hereinafter referred to as "The Company" or "CMPD") attached hereafter, including the Balance Sheet and Consolidated Balance Sheet ended December 31, 2012 and the Income Statement, Consolidated Income Statement, Cash Flow Statement, Consolidated Cash Flow Statement, Statement on Change of Shareholders' Equity, Consolidated Statement on Change of Shareholders' Equity of the year 2012, as well as the Notes to the Financial Statements.

I. Executives' responsibilities on the Financial Statements

It is the responsibility of The Company's management to prepare and appropriately present the Financial Statements, which including: (1) Preparing the Financial Statements according to Enterprise Accounting Standards on a fair basis. (2) Designing, implementing and maintaining the internal control system related to preparation of the Financial Statements, to prevent the Financial Statements from major false statements due to cheating or error.

II. Responsibilities of the CPA

Our responsibility is to provide auditing opinions on the Financial Statements basing on the auditing works we've done. We have carried out the auditing works according to Chinese CPA Auditing Standard, which required us to plan and implement our works on the basis of professional ethic standards, and obtain reasonable guarantee that the Financial Statements are free of major false statements.

Auditing involves performing procedures to obtain audit evidence of the amounts and disclosures in the Financial Statements. The procedures were formulated on the basis of the auditor's judgment, including the assessing the risks of material misstatement in the Financial Statements, whether due to fraud or error. During the evaluation of those risks,, we consider the internal control relevant to the entity's preparation of Financial Statements in order to design audit procedures that are appropriate for the circumstances. Auditing also includes evaluating the appropriateness of the accounting policies which were used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the evidences we've obtained are appropriate and sufficient, which set foundation to our auditing opinion.

III. Auditors' Opinion

We believe that the Company has been performed in accordance with the Enterprise Accounting Standard in the preparing of the Financial Statements. The Financial Statements objectively reflects, in all important aspects, the financial situation of CMPD as of December 31, 2012, and the business performance and cash flow of year 2012, both of the Company's and the consolidated.

ShineWing

CPA China

certified public accountants (Special General
Partnership)

Guo Junlong

CPA China

Wang Yaming

China Beijing

March 16, 2013

Consolidated Balance Sheet

December 31, 2012

Prepared by: China Merchants Property
Development Co., Ltd.

In RMB

Items	Notes	Balance at end of year	Amount at the beginning of year
Current asset:			
Monetary capital	1 V.	18,239,272,247.93	14,483,798,016.00
Transactional financial assets	2 V.		417,906.00
Notes receivable	3 V.	5,748,800.00	500,000.00
Account receivable	4 V.	162,099,162.73	91,555,827.00
Prepayment	5 V.	8,287,184.01	7,602,167.00
Interest receivable		269,583.30	
Dividend receivable			
Other account receivable	6 V.	8,183,491,572.92	6,165,013,340.00
Inventories	7 V.	73,637,940,073.11	51,440,184,642.00
Non-current asset due in 1 year		16,756,858.87	1,395,887.00
Other current asset	8 V.	2,818,269,943.98	1,752,296,690.00
Total of current asset		103,072,135,426.85	73,942,764,475.00
Non-current assets			
Sellable financial asset			
Expired investment in possess			
Long-term receivable	9 V.	49,721,270.00	157,577,000.00
Long-term share equity investment	10 V.	1,083,249,770.92	814,539,459.00
Investment real estates	11 V.	3,117,335,984.24	3,267,157,629.00
Fixed assets	12 V.	435,194,977.76	436,229,939.00

Construction in progress	13	V.	88,458,273.58	61,579,832.00
Engineering goods				
Fixed asset disposal				
Intangible assets				
R&D expense				
Goodwill	14	V.	159,560,861.23	
Long-term amortizable expenses	15	V.	249,438,693.12	252,345,459.00
Deferred income tax asset	16	V.	942,147,425.36	734,300,575.00
Other non-current asset				
Total of non-current assets			6,125,107,256.21	5,723,729,893.00
Total of assets			109,197,242,683.06	79,666,494,368.00

The Notes to the Financial Statements are the essential part of the Financial Report. This Financial Report is signed by the following persons:

Legal representative: Accounting supervisor: Manager of financial dept.

Consolidated Balance Sheet (Continued)

December 31, 2012

Prepared by: China Merchants Property
Development Co., Ltd.

In RMB

Items	N otes	Balance at end of year	Amount at the beginning of year
Current liabilities			
Short-term loans	V.1 8	2,105,000,000.00	2,873,202,269.00
Trade off financial liabilities	V.1 9		2,002,312.00
Notes payable	V.2 0	47,610,662.59	3,714,276.00
Account payable	V.2 1	11,796,898,896.95	4,559,318,989.00
Prepayment received	V.2 2	28,463,966,430.34	16,882,302,009.00

Employees' wage payable	V.2 3	334,040,494.12	260,490,068.00
Tax payable	V.2 4	1,951,582,353.18	1,272,500,931.00
Interest payable	V.2 5	119,767,822.92	119,179,993.00
Dividend payable	V.2 6	290,165,059.98	49,582,916.00
Other account payable	V.2 7	8,502,352,593.09	6,871,412,819.00
Non-current liability due in 1 year	V.2 8	7,380,992,296.97	3,608,045,000.00
Other current liability	V.2 9	4,256,735,641.00	3,179,599,549.00
Total of current liability		65,249,112,251.14	39,681,351,131.00
Non-current liabilities			
Long-term borrowings	V.3 0	14,378,013,872.78	15,621,434,375.00
Bond payable			
Long-term payable	V.3 1	100,207,107.75	83,565,123.00
Special payable			
Anticipated liabilities	V.3 2	14,017,011.26	
Deferred income tax liability			
Other non-recurring liabilities	V.3 3	16,613,440.00	3,150,040.00
Total of non-current liabilities		14,508,851,431.79	15,708,149,538.00
Total of liability		79,757,963,682.93	55,389,500,669.00
Shareholders' equity			
Share capital	V.3 4	1,717,300,503.00	1,717,300,503.00
Capital reserves	V.3 5	8,386,926,298.12	8,387,070,659.00
Less: Shares in stock			
Special reserves			
Surplus reserves	V.3 6	1,027,780,997.90	968,028,769.00
Common risk provision			

Retained profit	V.3 7	12,173,100,556.73	9,258,046,011.00
Difference of foreign currency translation		88,407,178.38	87,768,855.00
Total of shareholders' equity attributable to the parent company		23,393,515,534.13	20,418,214,797.00
Minor shareholders' equity	V.3 8	6,045,763,466.00	3,858,778,902.00
Total of shareholders' equity		29,439,279,000.13	24,276,993,699.00
Total of owners' equity and liabilities		109,197,242,683.06	79,666,494,368.00

Balance Sheet (Parent Company)

December 31, 2012

Prepared by: China Merchants Property Development Co., Ltd.

In RMB

Items	Notes	Balance at end of year	Amount at the beginning of year
Current asset:			
Monetary capital		5,277,807,877.29	5,036,890,168.00
Transactional financial assets			
Notes receivable			
Account receivable			
Prepayment			
Interest receivable			
Dividend receivable		2,877,702,095.70	2,820,507,241.00
Other account receivable	XIII 1	29,644,653,819.13	25,073,202,106.00
Inventories		1,224,000,000.00	-
Non-current asset due in 1 year		15,300,000.00	-
Other current asset			
Total of current asset		39,039,463,792.12	32,930,599,515.00
Non-current assets			
Sellable financial asset			
Expired investment in possess			

Long-term receivable			
Long-term share equity investment	XIII 2	5,657,339,312.90	3,899,618,991.00
Investment real estates			
Fixed assets		345,629.58	383,021.00
Construction in progress			
Engineering goods			
Fixed asset disposal			
Intangible assets			
R&D expense			
Goodwill			
Long-term amortizable expenses			
Deferred income tax asset			
Other non-current asset			
Total of non-current assets		5,657,684,942.48	3,900,002,012.00
Total of assets		44,697,148,734.60	36,830,601,527.00

Balance Sheet (Parent Company) (Continued)

December 31, 2012

Prepared by: China Merchants Property
Development Co., Ltd.

In RMB

Items	Notes	Balance at end of year	Amount at the beginning of year
Current liabilities			
Short-term loans		1,905,000,000.00	1,846,300,000.00
Trade off financial liabilities			
Notes payable			
Account payable			
Prepayment received			
Employees' wage payable		7,927,525.00	8,042,607.00

Tax payable		466,320.21	7,398,033.00
Interest payable		111,221,455.00	87,596,150.00
Dividend payable			
Other account payable		13,556,711,178.36	8,073,869,394.00
Non-current liability due in 1 year		3,894,234,275.00	3,182,545,000.00
Other current liability			
Total of current liability		19,475,560,753.57	13,205,751,184.00
Non-current liabilities			
Long-term borrowings		8,604,667,725.00	7,261,992,275.00
Bond payable			
Long-term payable			
Special payable			
Anticipated liabilities			
Deferred income tax liability			
Other non-recurring liabilities			
Total of non-current liabilities		8,604,667,725.00	7,261,992,275.00
Total of liability		28,080,228,478.57	20,467,743,459.00
Owners' equity			
Share capital		1,717,300,503.00	1,717,300,503.00
Capital reserves		8,927,054,193.00	8,927,054,193.00
Less: Shares in stock			
Special reserves			
Surplus reserves		976,829,604.90	917,077,376.00
Common risk provision			
Retained profit		4,995,735,955.13	4,801,425,996.00
Total of shareholders' equity		16,616,920,256.03	16,362,858,068.00
Total of owners' equity and liabilities		44,697,148,734.60	36,830,601,527.00

Consolidated Income Statement

The Fiscal Year of 2012

Items	Notes	Amount of current year	Amount of Last Year
I. Total revenue		25,296,762,154.46	15,111,366,642.00
Incl. Operating revenue	V.3 9	25,296,762,154.46	15,111,366,642.00
II. Total business cost		19,069,558,395.81	10,793,593,728.00
Incl. Business cost	V.3 9	12,945,037,612.58	7,194,438,295.00
Business tax and surcharge	V.4 0	4,273,285,191.20	2,908,804,737.00
Sales expense	V.4 1	729,279,368.30	492,802,316.00
Administrative expense	V.4 2	439,348,487.64	362,892,496.00
Financial expenses	V.4 3	394,147,542.48	-168,590,320.00
Asset impairment loss	V.4 4	288,460,193.61	3,246,204.00
Plus: Gains from fluctuation of fair value (“-“ for loss)	V.4 5	1,584,406.61	18,393,669.00
Investment gains (“-“ for loss)	V.4 6	5,572,506.29	53,344,246.00
Incl. Investment gains from affiliates		2,740,621.24	29,553,535.00
III. Operation profit (“-“ for loss)		6,234,360,671.55	4,389,510,829.00
Plus: Non business income	V.4 7	24,841,162.92	108,768,445.00
Less: Non-business expenses	V.4 8	59,701,420.94	6,430,860.00
Incl. Loss from disposal of non-current assets		1,484,257.65	577,931.00
IV. Total profit (“-“ for total loss)		6,199,500,413.53	4,491,848,414.00
Less: Income tax expenses	V.4 9	1,921,981,310.04	1,178,893,904.00
V. Net profit (“-“ for net loss)		4,277,519,103.49	3,312,954,510.00
Net profit attributable to the owners of parent company		3,318,266,875.59	2,591,781,031.00
Minor shareholders’ equity		959,252,227.90	721,173,479.00

VI. Earnings per share:			
(I) Basic earnings per share	V.5 0	1.9323	1.5092
(II) Diluted earnings per share	V.5 0	1.9323	1.5092
VII. Other misc. incomes	V.5 1	638,323.38	-83,674,829.00
VIII. Total of misc. incomes		4,278,157,426.87	3,229,279,681.00
Total misc gains attributable to the parent company		3,318,905,198.97	2,514,241,783.00
Total misc gains attributable to the minor shareholders		959,252,227.90	715,037,898.00

Income Statement (Parent Company)

The Fiscal Year of 2012

Prepared by: China Merchants Property
Development Co., Ltd.

In RMB

Items	Notes	Amount of current year	Amount of Last Year
I. Turnover	XII I. 3	31,630,000.00	
Less: Operation cost	XII I. 3	6,548,488.37	
Business tax and surcharge		1,774,443.00	
Sales expense			
Administrative expense		39,321,647.22	34,295,091.00
Financial expenses		309,642,154.10	126,673,719.00
Asset impairment loss			
Plus: Gains from fluctuation of fair value (“-“ for loss)			
Investment gains (“-“ for loss)	XII I. 4	945,363,540.31	846,645,551.00

Incl. Investment gains from affiliates		-5,934,878.05	-7,114,788.00
II. Operational profit (“-“ for loss)		619,706,807.62	685,676,741.00
Plus: Non business income		12,401.40	
Less: Non-business expenses		22,196,920.03	
Incl. Loss from disposal of non-current assets			
III. Total profit (“-“ for total loss)		597,522,288.99	685,676,741.00
Less: Income tax expenses			14,893.00
IV. Net profit (“-“ for net loss)		597,522,288.99	685,661,848.00
V. Earnings per share			
(I) Basic earnings per share			
(II) Diluted earnings per share			
VI. Other misc gains			
VII. Total of integrated income		597,522,288.99	685,661,848.00

Consolidated Cash Flow Statement

The Fiscal Year of 2012

Prepared by: China Merchants Property Development Co., Ltd.

In RMB

Items	Notes	Amount of current year	Amount of Last Year
I. Net cash flow from business operation			
Cash received from sales of products and providing of services		37,098,796,920.51	20,827,133,097.00
Tax returned			11,795,675.00

Other cash received from business operation	V(1), 1)	5,604,316,499.20	5,266,286,134.00
Sub-total of cash inflow from business activities		42,703,113,419.71	26,105,214,906.00
Cash paid for purchasing of merchandise and services		23,466,485,913.43	18,939,453,170.00
Cash paid to staffs or paid for staffs		1,118,176,198.56	932,401,018.00
Taxes paid		6,251,459,270.87	3,763,688,121.00
Other cash paid for business activities	V(1), 2)	6,768,214,283.12	4,582,012,295.00
Sub-total of cash outflow from business activities		37,604,335,665.98	28,217,554,604.00
Cash flow generated by business operation, net		5,098,777,753.73	-2,112,339,698.00
II. Cash flow generated by investing			
Cash received from investment retrieving			
Cash received as investment gains			141,579,556.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		443,426.70	413,449.00
Net cash received from disposal of subsidiaries or other operational units			
Other investment-related cash received	V(1), 3)		161,835,207.00
Sub-total of cash inflow due to investment activities		443,426.70	303,828,212.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets		67,530,599.54	69,048,371.00
Cash paid as investment		251,803,226.65	210,682,744.00
Net cash received from subsidiaries and other operational units	V(3)	317,095,120.95	155,553,982.00
Other cash paid for investment activities	V(1), 4)	8,653,703.86	36,569,960.00
Sub-total of cash outflow due to investment activities		645,082,651.00	471,855,057.00
Net cash flow generated by investment		-644,639,224.30	-168,026,845.00
III. Cash flow generated by financing			
Cash received as investment		511,000,000.00	63,250,000.00
Incl. Cash received as investment from minor shareholders		511,000,000.00	63,250,000.00
Cash received as borrowings		10,400,528,146.29	12,206,606,205.00
Other financing-related cash received			

Subtotal of cash inflow from financing activities		10,911,528,146.29	12,269,856,205.00
Cash paid for recovering of debt		8,571,472,506.54	3,851,793,933.00
Cash paid for dividend, profit or interest		2,226,420,253.62	1,356,824,665.00
Incl. Dividend and profit paid by subsidiaries to minor shareholders		439,232,521.54	404,388,553.00
Other cash paid for financing activities			
Subtotal of cash outflow due to financing activities		10,797,892,760.16	5,208,618,598.00
Net cash flow generated by financing		113,635,386.13	7,061,237,607.00
IV. Influence of exchange rate alternation on cash and cash equivalents		-9,241,637.86	-35,492,132.00
V. Net increase of cash and cash equivalents		4,558,532,277.70	4,745,378,932.00
Plus: Balance of cash and cash equivalents at the beginning of term	V. (4)	13,659,974,240.00	8,914,595,308.00
VI. Balance of cash and cash equivalents at the end of term	V. (4)	18,218,506,517.70	13,659,974,240.00

Cash Flow Statement (Parent Company)

The Fiscal Year of 2012

Prepared by: China Merchants Property Development Co., Ltd.

In RMB

Items	Notes	Amount of current year	Amount of Last Year
I. Net cash flow from business operation			
Cash received from sales of products and providing of services		16,940,000.00	
Tax returned			
Other cash received from business operation		8,493,448,589.73	4,336,612,910.00
Sub-total of cash inflow from business activities		8,510,388,589.73	4,336,612,910.00
Cash paid for purchasing of merchandise and services			

Cash paid to staffs or paid for staffs		13,371,113.98	22,244,797.00
Taxes paid		52,561,776.94	11,523,730.00
Other cash paid for business activities		7,238,126,520.00	6,618,428,946.00
Sub-total of cash outflow from business activities		7,304,059,410.92	6,652,197,473.00
Cash flow generated by business operation, net		1,206,329,178.81	-2,315,584,563.00
II. Cash flow generated by investing			
Cash received from investment retrieving			
Cash received as investment gains		893,433,193.19	322,930,935.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries or other operational units			
Other investment-related cash received			
Sub-total of cash inflow due to investment activities		893,433,193.19	322,930,935.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets		2,982.00	18,800.00
Cash paid as investment		1,815,902,000.00	315,346,836.00
Net cash received from subsidiaries and other operational units			
Other cash paid for investment activities			
Sub-total of cash outflow due to investment activities		1,815,904,982.00	315,365,636.00
Net cash flow generated by investment		-922,471,788.81	7,565,299.00
III. Cash flow generated by financing			
Cash received as investment			
Cash received as loans		6,755,565,125.00	5,984,840,500.00
Other financing-related cash received			
Subtotal of cash inflow from financing activities		6,755,565,125.00	5,984,840,500.00
Cash to repay debts		5,487,436,500.00	1,933,901,300.00
Cash paid as dividend, profit, or interests		1,311,280,112.33	394,809,463.00
Other cash paid for financing activities			-
Subtotal of cash outflow due to financing activities		6,798,716,612.33	2,328,710,763.00

Net cash flow generated by financing		-43,151,487.33	3,656,129,737.00
IV. Influence of exchange rate alternation on cash and cash equivalents		211,806.62	-3,086,966.00
V. Net increase of cash and cash equivalents		240,917,709.29	1,345,023,507.00
Plus: Balance of cash and cash equivalents at the beginning of term		5,036,890,168.00	3,691,866,661.00
VI. Balance of cash and cash equivalents at the end of term		5,277,807,877.29	5,036,890,168.00

Consolidated Statement of Change in Shareholders' Equity

The Fiscal Year of 2012

Prepared by: China Merchants Property Development Co., Ltd.

In RMB

Items	Amount of current year									
	Shareholders' equity attributable to the parent company							Minor shareholders' equity	Total of owners' equity	
	Share capital	Capital reserves	Less: Shares in stock	Special reserves	Surplus reserves	Common risk provision	Retained profit			Others
I. Balance at the end of last year	1,717,300,503.00	8,387,070,659.00			968,028,769.00		9,258,046,011.00	87,768,855.00	3,858,778,902.00	24,276,993,699.10
Plus: Change of accounting policy										
Correcting of previous errors										
Others										
II. Balance at the beginning of current year	1,717,300,503.00	8,387,070,659.00			968,028,769.00		9,258,046,011.00	87,768,855.00	3,858,778,902.00	24,276,993,699.10
III. Amount of change in current year ("—" for decrease)		-144,360.88			59,752,228.90		2,915,054,545.73	638,323.38	2,186,984,564.00	5,162,285,301.03
(I) Net profit							3,318,266,875.59		959,252,227.90	4,277,519,103.49
(II) Other misc. income								638,323.38		638,323.38
Total of (I) and (II)							3,318,266,875.59	638,323.38	959,252,227.90	4,278,157,426.87
(III) Inputting or withdrawing of shareholders' investment		-144,360.88							1,907,655,151.55	1,907,510,790.57

1. Inputting of shareholders' investment									1,907,655,151.55	1,907,655,151.45
2. Amount of share payment accounted into shareholders' equity										
3. Others		-144,360.88								-144,360.88
(IV) Profit allotment					59,752,228.90		-403,212,329.86		-679,922,815.45	-1,023,382,916.41
1. Surplus reserves provided					59,752,228.90		-59,752,228.90			
2. Providing of common risk provisions										
3. Dividends to the shareholders							-343,460,100.96		-679,922,815.45	-1,023,382,916.41
4. Others										
(V) Internal transferring of shareholders' equity										
1. Capital reserves transferred to share capital										
2. Surplus reserves transferred to share capital										
3. Making up losses by surplus reserves										
4. Others										
(VI) Special reserves										
1. Drawn in current year										
2. Used in current year										

(VII) Others										
IV. Balance at end of this year	1,717,300,503.00	8,386,926,298.12			1,027,780,997.90		12,173,100,556.73	88,407,178.38	6,045,763,466.00	29,439,279,000.13

Consolidated Statement of Change in Shareholders' Equity (Cont.)

The Fiscal Year of 2012

Prepared by: China Merchants Property Development Co., Ltd.

In RMB

Items	Amount of Last Year									
	Shareholders' equity attributable to the parent company								Minor shareholders' equity	Total of owners' equity
	Share capital	Capital reserves	Less: Shares in stock	Special reserves	Surplus reserves	Common risk provision	Retained profit	Others		
I. Balance at the end of last year	1,717,300,503.00	8,484,453,421.00			899,462,584.10		6,940,907,225.00	165,308,103.00	2,938,484,570.00	21,145,916,406.10
Plus: Change of accounting policy										
Correcting of previous errors										
Others										
II. Balance at the beginning of current year	1,717,300,503.00	8,484,453,421.00			899,462,584.10		6,940,907,225.00	165,308,103.00	2,938,484,570.00	21,145,916,406.10
III. Amount of change in		-97,382,762.			68,566,18		2,317,138,78	-77,539,24	920,294,332.	3,131,077,29

current year ("--" for decrease)		00			5.00		6.00	8.00	00	3.00
(I) Net profit							2,591,781,03 1.00		721,173,479. 00	3,312,954,51 0.00
(II) Other misc. income								-77,539,24 8.00	-6,135,581.0 0	-83,674,829.0 0
Total of (I) and (II)							2,591,781,03 1.00	-77,539,24 8.00	715,037,898. 00	3,229,279,68 1.00
(III) Inputting or withdrawing of shareholders' investment		-97,382,762. 00							535,017,956. 00	437,635,194. 00
1. Inputting of shareholders' investment									297,250,000. 00	297,250,000. 00
2. Amount of share payment accounted into shareholders' equity										
3. Others		-97,382,762. 00							237,767,956. 00	140,385,194. 00
(IV) Profit allotment					68,566,18 5.00		-274,642,24 5.00		-329,761,52 2.00	-535,837,582. 00
1. Surplus reserves provided					68,566,18 5.00		-68,566,185. 00			
2. Providing of common risk provisions										
3. Dividends to the shareholders							-206,076,06		-329,761,52	-535,837,582.

							0.00		2.00	00
4. Others										
(V) Internal transferring of shareholders' equity										
1. Capital reserves transferred to share capital										
2. Surplus reserves transferred to share capital										
3. Making up losses by surplus reserves										
4. Others										
(VI) Special reserves										
1. Drawn in current year										
2. Used in current year										
(VII) Others										
IV. Balance at end of this year	1,717,300,50 3.00	8,387,070,65 9.00			968,028,7 69.10		9,258,046,01 1.00	87,768,85 5.00	3,858,778,90 2.00	24,276,993,6 99.10

Statement of Change in Shareholders' Equity (Parent Company)

The Fiscal Year of 2012

Prepared by: China Merchants Property Development Co.,
Ltd.

In RMB

Items	Amount of current year							
	Share capital	Capital reserves	Less: Shares in stock	Special reserves	Surplus reserves	Common risk provision	Retained profit	Total of shareholders' equity
I. Balance at the end of last year	1,717,300,50 3.00	8,927,054,19 3.00			917,077,3 76.00		4,801,425,9 96.00	16,362,858,0 68.00
Plus: Change of accounting policy								
Correcting of previous errors								
Others								
II. Balance at the beginning of current year	1,717,300,50 3.00	8,927,054,19 3.00			917,077,3 76.00		4,801,425,9 96.00	16,362,858,0 68.00
III. Amount of change in current year					59,752,22		194,309,95	254,062,188.

("--" for decrease)					8.90		9.13	03
(I) Net profit							597,522,28 8.99	597,522,288. 99
(II) Other misc. income								
Total of (I) and (II)							597,522,28 8.99	597,522,288. 99
(III) Inputting or withdrawing of shareholders' investment								
1. Inputting of shareholders' investment								
2. Amount of share payment accounted into shareholders' equity								
3. Others								
(IV) Profit allotment					59,752,22 8.90		-403,212,32 9.86	-343,460,100. 96
1. Surplus reserves provided					59,752,22 8.90		-59,752,228 .90	
2. Providing of common risk provisions								
3. Dividends to the shareholders							-343,460,10 0.96	-343,460,100. 96
4. Others								
(V) Internal transferring of shareholders'								

equity								
1. Capital reserves transferred to share capital								
2. Surplus reserves transferred to share capital								
3. Making up losses by surplus reserves								
4. Others								
(VI) Special reserves								
1. Drawn in current year								
2. Used in current year								
(VII) Others								
IV. Balance at end of this year	1,717,300,50 3.00	8,927,054,19 3.00			976,829,6 04.90		4,995,735,9 55.13	16,616,920,2 56.03

Statement of Change in Shareholders' Equity (Parent Company) (Cont.)

The Fiscal Year of 2012

Prepared by: China Merchants Property
Development Co., Ltd.

In RMB

Items	Amount of Last Year							
	Share capital	Capital reserves	Less: Shares in stock	Special reserves	Surplus reserves	Common risk provision	Retained profit	Total of shareholders' equity
I. Balance at the end of last year	1,717,300,50 3.00	8,927,054,19 3.00			848,511,1 91.00		4,390,406,3 93.00	15,883,272,2 80.00
Plus: Change of accounting policy								
Correcting of previous errors								
Others								
II. Balance at the beginning of current year	1,717,300,50 3.00	8,927,054,19 3.00			848,511,1 91.00		4,390,406,3 93.00	15,883,272,2 80.00
III. Amount of change in current year					68,566,18		411,019,60	479,585,788.

("--" for decrease)					5.00		3.00	00
(I) Net profit							685,661,84 8.00	685,661,848. 00
(II) Other misc. income								
Total of (I) and (II)							685,661,84 8.00	685,661,848. 00
(III) Inputting or withdrawing of shareholders' investment								
1. Inputting of shareholders' investment								
2. Amount of share payment accounted into shareholders' equity								
3. Others								
(IV) Profit allotment					68,566,18 5.00		-274,642,24 5.00	-206,076,060. 00
1. Surplus reserves provided					68,566,18 5.00		-68,566,185 .00	
2. Providing of common risk provisions								
3. Dividends to the shareholders							-206,076,06 0.00	-206,076,060. 00
4. Others								
(V) Internal transferring of shareholders'								

equity								
1. Capital reserves transferred to share capital								
2. Surplus reserves transferred to share capital								
3. Making up losses by surplus reserves								
4. Others								
(VI) Special reserves								
1. Drawn in current year								
2. Used in current year								
(VII) Others								
IV. Balance at end of this year	1,717,300,50 3.00	8,927,054,19 3.00			917,077,3 76.00		4,801,425,9 96.00	16,362,858,0 68.00

I. General Information

China Merchants Property Development Co., Ltd. (hereinafter referred to as the Company or the Group when the subsidiaries are included), originally China Merchants Shekou Shareholding Co., Ltd., is a sino-foreign joint venture established on the base of Shenkou China Merchants Port Service Co., Ltd. by China Merchants Sekou Industrial Zone Co., Ltd. (Shekou Industrial Zone). The Company was incorporated in Shenzhen China in September 1990.

On February 23 1993, the Company raised finance by issuing 27,000,000 A shares to the domestic investors, and 50,000,000 B shares to foreign investors. which increased the Company's capital shares up to 210,000,000. The A shares and B shares were listed at Shenzhen Stock Exchange in June 1993.

In July 1995, part of B shares were listed in Singapore Stock Exchange by means of SDR (Singapore Depository Receipts, “新加坡托管收据” in Chinese).

In June 2004, the Company changed its name to “China Merchants Property Development Co., Ltd.” After dividend distributions and rights issues implemented during 1994-2004, the Company's total number of shares had increased to 618,822,672 up to December 31, 2004.

On January 18, 2006, as approved by the shareholders' meeting, the A share reallocation plan was implemented. That is the holders of current A shares received 2 A shares and RMB3.14 upon each 10 current A shares from the holders of non-current A shares. The total number of capital shares remains unchanged after completion of the reallocation.

As approved by Document [2006]67 issued by China Securities Regulatory Commission, the Company has made full right issue of 15,100,000 convertible corporation bonds to original A shareholders on August 30, 2006, the part of right issue waived by the original A shareholders would be placed offline to institution investors. The bonds are with face value of RMB100 each. The convertible part became negotiable in Shenzhen Stock Exchange since September 11, 2006 with ID of “CM Convertible Bond” and the convertible date was March 1, 2007.

On May 25, 2007, CM Convertible Bond was terminated from trading and converting. All of the bonds not converted yet were repurchased by the Company. Till then, there were totally 15,093,841 bonds (with total face value of RMB1,509,384,100) converted into 115,307,691 shares. The remained 6,159 convertible bonds (with face value of RMB615,900) were repurchased by the Company. Thus the capital shares of the Company had increased up to 734,130,363 shares.

As approved by document Zheng-Jian-Fa-Xing-Zi [2007]299 issued by China Securities Regulatory Commission, the company has placed 110,736,639 shares privately to China

Merchants Shekou Industrial Zone Co., Ltd. on September 19, 2007. The Company's capital shares has increased up to 844,867,002 shares since then.

On March 17, 2008, the plan for profit distribution and capitalizing of common reserves for year 2007 was passed by the Shareholders' General Meeting 2007, which was, basing on the total capital share of 844,867,002 at December 31, 2007, 3 bonus shares were to distributed to each 10 shares, meanwhile 2 new shares were to converted to each 10 shares from the common reserves basing on the same. Since then, the total capital shares of the Company would be increased to 1,267,300,503 shares.

Under "Approval for issuing of new shares by China Merchants Property Development Co., Ltd." (Zheng-Jian-Xu-Ke[2008]989) issued by China Securities Regulatory Commission, the Company issued 450,000,000 shares to existing A-share holders on November 26, 2008, among which 279,349,288 shares were subscribed by China Merchants Shekou Industrial Zone Co., Ltd. – one of the shareholders of the Company. The total capital shares of the Company has increased up to 1,717,300,503 shares since then.

As of December 31, 2012, the total of capital shares of the Company was 1,717,300,503, including 891,641,608 shares under restriction for sale, account for 51.92% of the total shares; and 825,658,895 non-restricted shares, account for 48.08%.

The Company is in the property development industry. All of the subsidiaries and the Company (referred to as the "Group") are mainly engaged to property development, public services (power supply) and property management.

China Merchants Shekou Industrial Zone Co., Ltd. is the parent company of the Company, and China Merchants Group Ltd. is the ultimate holding shareholder, and China Merchants Group Co., Ltd. is the actual controller. Shareholders' Meeting is the top authority of the Company with the power of decision-making on (but not limited to) business strategies, financing, investment, and profit distribution. The Board of Directors reports to the Shareholders' Meeting, and exercise the power of operational decisions. The management is responsible for implementing of decisions made by the Shareholders' Meeting, and the Board, as well as conducting of business operations.

II. Main Accounting Policies, Estimations and Retrospection of Previous Accounting Errors

1. Basis of the Financial Statements

The Financial Statements of the Group are on the basis of continuous operation and actual trade, and following with the Enterprise Accounting Standard. This "Main Accounting Policies,

Estimations and Retrospection of Previous Accounting Errors” is providing the detailed rules and grounds for preparing of the Financial Reports.

2. Statement of compliance to the Enterprise Accounting Standard

The financial statements prepared by the Group comply with the requirement of Enterprise Accounting Standards, and are truly and completely reflecting the financial positions of both the Group, as well as the operation results and cash flow of the Group as well.

3. Fiscal period

The fiscal year of the Group is the solar calendar year, that is from January 1 to December 31.

4. Standard currency for bookkeeping

RMB is the primary currency in main economic environments, thus the Company and its domestic subsidiaries adopt RMB as the standard currency for bookkeeping. The business of the subsidiaries of the Group in Hong Kong, Singapore shall be accounted in Hong Kong Dollar. Standard currency used in this financial statement is RMB.

5. Basis of Presentation and Principle of Pricing

The accounting basis of the Group is the accrual system. Except for transactional financial assets and sellable financial assets are accounted according to fair value, the financial statements take the historical cost as the accounting basis.

6. Merger of companies

Merger of companies refers to the trades or issues regarding merging of two or more entities into one reporting entity. Assets and liabilities of the objects will be recognized on the date of the merger or purchasing, which is the date of acquiring control power over the objects.

As for the merging entities under common control, assets and liabilities acquired through merger are calculated at the book value of the merged party at the date of merger. The difference between the book value of net asset and the consolidated offer is adjusted to share capital premium in the capital reserves. If the share capital premium is not enough to be adjusted, the retained profit shall be adjusted.

As for the merging entities not under common control, Merger cost refers to the fair value of assets paid, liabilities undertaken, and rights instruments issued by the buyer for purchasing of the controlling power of the target entity. When the merger cost is greater than the share of fair value of recognizable net asset of the bought enterprise, the balance is

recognized as goodwill. When the merger cost is lower than the share of fair value of recognizable net asset of the bought enterprise, the balance will be accounted into current gain/loss account.

7. Preparation of Consolidated Financial Statements

(1) Principle in recognizing of consolidation range

All of the subsidiaries and special-purpose entities under actual control of the Company are included in the consolidated financial report of the Group.

(2) Accounting methods adopted in preparing of consolidated financial statements

Consolidated financial statements are prepared according to “Enterprise Accounting Standard No.33 – consolidated financial statements. Major internal trades and transactions are neutralized when consolidated. Part of shareholders’ equity not attributable to the Company are demonstrated individually as minority shareholders’ equity under shareholders’ equity item in the consolidated financial statement.

When the accounting policies and periods of the subsidiaries are not complying with those of the Company’s, they shall be adjusted according to the Company’s accounting policy and accounting period.

Subsidiaries added as merger of enterprises under different control, the individual statement shall be adjusted basing on the recognizable net asset fair value at the day of purchasing; subsidiaries added as merger of enterprise under common control, it will be regarded as occurred at the beginning of current term, and their assets, liabilities, and business performance, and cash flow shall be included in the consolidated financial statements.

8. Cash and cash equivalents

Cash refers to in-stock cash and bank savings which are available for payment whenever needed. Cash equivalent refers to the investment held by the Company within three months, strong liquidity and low risk of value fluctuation that is easy to be converted into cash of known amount.

9. Translation of businesses and accounts in foreign currency

(1) Business in foreign currency

Foreign currency transactions at initial confirmation shall be translated with the approximate exchange rate on the exchange date, the exchange rates which are approximate to the exchange rate on the exchange date shall be determined according to the spot exchange rate of the current month of the transaction.

At the balance sheet day, foreign currencies are translated to RMB at the instant exchange rate of that day, the exchange difference caused by difference of the instant rate at that day and the rate adopted in initial recognition, or the exchange rate adopted in previous balance sheet, are accounted into current gain/loss account, except for: (1) The exchange difference of special foreign currency borrowing satisfying the conditions of capitalization, which is capitalized and accounted into cost of related asset; (2) Exchange difference of hedge instruments for purpose of avoiding exchange risks is treated by the way of accounting on hedge instruments;(3) Exchange differences caused by sellable non-monetary items (shares for instance), and exchange differences caused by fluctuation of other book balance other than retained cost of sellable monetary items, are accounted into current income account.

Non-monetary items in foreign currency and measured with historical costs are still measured at standard currency with exchange rate of the day when the transaction is happened. Non-monetary foreign currency items in fair value are translated at the rate when the fair value is determined. Differences between the standard currency and original currency is handled as fair value fluctuation and accounted under current gain/loss account or other integrated income and recorded into capital reserves.

(2) Translation of foreign currency accounts

Foreign currency financial statements prepared for the Company's overseas businesses are translated by the following methods: All asset and liability items in the balance sheet are translated at the exchange rate of the balance sheet date; shareholders' equity items except for "undistributed profit" are translated at the exchange rate of the day when they happened; all items in the income statement and items reflecting the amount of profit distribution are translated at the similar exchange rate of the date when the trades happened; undistributed profit at the beginning of year is the undistributed profit translated at the end of previous year; undistributed profit at the end of year are demonstrated according to the calculation of profit distribution items after translated; the differences between the translated asset items and liability items and total amount of shareholders' equity items are demonstrated separately as difference of foreign currency statement translation under shareholders' equity items in the balance sheet.

Foreign currency cash flow and overseas subsidiaries' cash flow are translated on the similar exchange rate of the day when the cash flow happened. Influences of exchange rate movement on cash and cash equivalents are regarded as adjustment items and demonstrated under "influence of exchange rates on cash and cash equivalents" in the cash flow statement.

The initial amount at the beginning of year and the practical amount of last year are presented according to the translated amount of the financial statements of last year.

When the control power is lost for disposal of partial equity or other reasons, the fair value of retained shares shall be remeasured at the date of the change happened. The sum of consideration of equity disposal and the fair value of retained equity, less the share of net asset in the original subsidiary shall be accounted into investment gains of the current term. Other gains related to share investment in original subsidiary shall be transferred into investment gains of current term.

When the control power is lost for disposal of partial equity or other reasons, the fair value of retained shares shall be remeasured at the date of the change happened. The sum of consideration of equity disposal and the fair value of retained equity, less the share of net asset in the original subsidiary shall be accounted into investment gains of the current term. Other gains related to share investment in original subsidiary shall be transferred into investment gains of current term. When the controlling power was not lost at disposal of partial share equity or other reasons, the difference related to the foreign currency account shall be accounted into minority shareholders' equity, rather than current gain/loss account. When equity disposed was part of affiliates or joint ventures in overseas area, the differences related to the overseas business shall be transferred into current gain/loss at portion of share.

10. Financial assets and liabilities

(1) Financial assets

1) Categories of financial assets

Financial assets are categorized as: financial assets accounted at fair value with fluctuation carried into current gain/loss account, investment hold to maturity, loans, and sellable financial assets.

Financial assets accounted at fair value with fluctuation carried into current gain/loss account are those hold for sale in a short term, and are listed under transactional financial assets in the Balance Sheet.

Investment held to maturity refers to those non-derivate financial assets which has fixed expiration date, retrievable amount, and the Company has definite intention and ability to hold under its possession.

Loans and receivable accounts are those non-derivate financial assets without quotation in the active market, but with fixed retrievable amount. Financial assets categorized under loans and receivables include notes receivable, account receivable, interest receivable, dividend receivable and other receivable.

Sellable financial assets are those non-derivate financial assets recognized as sellable at initial recognition, and financial assets could not be put under any other categories.

2) Recognition and measuring of financial assets

Financial assets or liabilities are recognized as soon as the Group becomes a party of the contract of financial instrument. Financial assets and liabilities are measured at fair value initially. For financial assets and liabilities accounted at fair value with fluctuation accounted into current gain/loss account, the transaction expenses shall be accounted into gain/loss account directly. Whereas the expenses of financial assets and liabilities fall into other categories shall be accounted into initial amount recognized.

Fair value basis is adopted in successive measurement of financial assets measured by fair value and with variations accounted into current gain/loss account. Loans, other receivable accounts, and investment held to maturity are presented at retained cost.

Variation of fair value of the financial assets measured by fair value and with variations accounted into current gain/loss account is accounted to gain/loss of fair value. Interests or dividends gained during the period of holding are recognized as investment gains. The difference between the fair value and the initial book value is recognized to investment gain/loss, and the fair value gain/loss shall be adjusted accordingly.

Except for the impairment loss and exchange loss caused by foreign currency financial assets, the variation of fair value of financial assets are accounted into shareholders' equity straightly, and the accumulation of variation of fair value shall be carried over to current gain/loss at terminating of recognition of this particular financial asset. Interests announced or received upon the sellable liability instruments and sellable equity instruments are accounted into current gain/loss account.

3) Financial asset impairment

Except for financial assets accounted at fair value and variation accounted into current gain/loss account, the Company undertake inspection on the book value of other financial assets at each balance sheet day, whenever practical evidence showing that impairment occurred with them, impairment provisions are provided. Evidence for impairment on financial refers to those events actually occurred after initial recognition, produced influences on the expected cash flow, and which can be reliably measured.

Practical evidences on impairment of financial assets are the followings:

- (1) The issuer or the debtor is in serious financial difficulty;
- (2) The debtor has broken the conditions of contract, for instance default or overdue of payment for interest or principal;
- (3) With consideration of economic or legal factors, the Company decided to give way to the debtor who is in financial difficulty;
- (4) There is great possibility that the debtor will bankrupt or use other debt reorganizing process;
- (5) Financial asset is not able to be traded in the active market because the issuer is in significant financial difficulty;

(6) It is hard to tell whether the cash flow of a particular asset in a portfolio has been declining, whereas upon overall evaluation, the Company discovered that the predicted cash flow of the portfolio has practically decreased since the initial recognition, and the decrease is quantifiable, including:

- The debtor of the portfolio is becoming worse in ability of making payments;
- Particular situation happened with the country or area where the debtor is located, which may cause obstructions for payment of the financial asset;

(7) Major negative change occurred with the technical, market, economical, or legal environment of the debtors business territory, which may cause obstructions for the investor to retrieve the investment;

(8) The fair value of right investment instrument is significantly decreasing or non-contemporarily decreasing;

(9) Other practical evidence showing that impairment has happened with the financial asset.

Financial assets measured at cost after amortization are written down to the current value of predicted future cash flow, the reduced amount is recognized as impairment loss and provision shall be provided upon it. If practical evidence showing that a particular financial asset has recovered in value, and practically related to the issues occurred after recognition of the loss, the recognized impairment loss is restored, and accounted to current gain/loss.

When impairment occurred with a sellable financial asset, the accumulated losses caused by decreasing of fair value which have originally been written into owners' equity shall be carried over to current gain/loss account. If practical evidence showing that the value of a particular financial asset has recovered in value after a impairment loss has been recognized and practically related to the issues occurred after recognition of the loss, the impairment loss recognized shall be restored and accounted into current gain/loss. Impairment loss of sellable equity investment instrument will be restored to owners' equity when the fair value has increased afterward.

4) Transferring of financial assets

Recognition will be terminated when a financial asset satisfies one of the following conditions:(1) The rights setout by the contract by which the the cash flow of the financial asset is collected have been terminated;(2) The financial asset has been transferred to other parties along with almost all of the risks and rewards attached to the financial asset;(3) The financial asset has been transferred to other parties, although neither transferred nor reserved the most risks and rewards attached to the financial asset, the Company gave away its controlling power over it.

If the firm neither transferred nor reserved almost all of the risks and rewards attached to the financial asset, and did not give away the control over the financial asset, then the relative

financial asset is recognized to the extent of continuous involving in the financial asset, and relative liabilities as well. Continuous involving refers to the risk level of value fluctuation risk the financial asset may confront the firm.

When the overall transferring of particular financial asset has satisfied the conditions of termination, the difference between “the book value and offer in transferring” and “accumulation of fair value fluctuation which has been accounted into miscellaneous income” shall be accounted into current income account.

When partial transferring of particular financial asset has satisfied conditions of termination, the book value of transferred financial asset shall be amortized between the terminated part and un-terminated part according their corresponding fair value, and the difference between “the total of the offer received in transferring and the accumulative of fair value fluctuation originally accounted into other misc. income amortizable to termination part” and “amortizable aforesaid book value” shall be accounted into current income account.

(2) Financial liabilities

At initial recognition, financial liabilities are classified into financial liabilities measured by fair value with changes counted into current income account and other financial liabilities.

Financial liabilities accounted at fair value and fluctuation accounted into current gain/loss account are categorized to transactional financial liabilities and those which assigned to be financial liabilities accounted at fair value and fluctuation accounted into current gain/loss account. Successive measurement of financial liabilities measured on fair value and fluctuation accounted into current gain/loss account shall be on fair value basis. Gains or losses from fluctuation of fair value or dividend or interests related to the financial liabilities shall be accounted into current gain/loss account.

Accounting of other financial liabilities is on practical interest basis; successive measurements are on amortized balance of cost.

When the current liabilities of particular financial liability have been wholly or partially relieved, recognition of the financial asset or part of it can only be terminated. The difference between the recognized book value of the terminated part and the consideration is accounted into current gain/loss.

(3) Derivative financial instruments and embedded derivative instruments

Derivative instruments are initially measured on fair value basis at the day when the contracts are signed, and successive measurements are on fair value as well. Change of fair value of derivative instruments are accounted into current income account.

For combined instruments with embedded derivative instruments, in case they are not assigned as financial assets or liabilities on fair value basis and changes accounted into current income account, there is no close relationship between the embedded derivative instruments and the main contract regarding financial and risk characteristics, and with same conditions, and the individual instrument is satisfying the definition of derivative instrument, the embedded derivative instrument shall be separated from the combined instrument and treated as if it is an individual derivative instrument. In case individual measurement is not able to be carried out on the embedded instrument at acquisition day or successive period, then the combined instrument is assigned to financial asset or liability accounted on fair value basis with changes accounted into current income account.

(4) Recognition of fair value of financial assets and liabilities

- 1) If there is an active market for the financial instrument, its fair value is defined as the quotation in the active market.

Financial assets or liabilities held by the Group or about to be held by the Group are recognized for their fair value upon the current quotation in the active market.

If there is not such current quotation or inquiry price for the financial assets or liabilities, however there has been not significant change to the economical environment after the latest transaction, the market price of the latest transaction shall be used to recognize the fair value of the financial asset or liability. If there is significant change on aforesaid, the fair value shall be decided by adjusting of the latest transaction price with reference to the current prices or interest rates of similar financial assets or liabilities. When the Group has obtained sufficient evidence showing that the price of latest transaction is not the fair value, it could be adjusted appropriately and recognized as the fair value of the financial asset or liability.

- 2) When there is not any active market for a financial instrument, its fair value shall be decided by using of evaluating technique, which includes the prices decided by voluntary parties, current fair value of other substantial equivalent financial assets, cash flow discount method, or the pricing model of equity option.

11. Bad debt provision on receivable accounts

The Group uses the following situations as standards for recognition of bad debt lost on receivable accounts: wound-up, bankruptcy, receivership, serious shortage of cash, or serious natural disaster happened to the debtor, and the liabilities are not possible to be covered in an expectable time; the liability has not been covered for over three years; or there is definit evidence showing the liability is not possible to be covered or retrieved.

Allowance method is adopted in accounting of possible bad debts. Impairment tests are performed individually or in groups at end of period. Bad debt provisions are provided and accounted to current gain/loss account. Those receivable accounts with definite evidence showing that they are impossible to be retrieved, they will be provided for bad debt loss upon the statutory process of the Group, and shall be offset from the bad debt provisions.

(1) Recognition and providing of bad debt provision on individual receivable account with large amount

Basis of recognition or standard amount of individual account with large amount	The Group recognizes receivable accounts over RMB10 million as receivable accounts with large amount
Basis of bad debt provision	The Company performs impairment test separately on individual financial assets with large amounts; those financial assets tested separately with no impairment found shall be tested again along with the group of financial assets with similar risk characteristics. Financial assets confirmed for impairment shall not be tested along with the group of financial assets with similar risk characteristics.

(2) Recognition and providing of bad debt provisions on groups

Basis of recognition for portfolios	
Portfolio I	This portfolio mainly includes receivable accounts from the related parties, government departments, and co-operators. The risk characters are different with those of the portfolio II. The Group performs analyzes on the receivable accounts individually, and amount of bad debt provisions are provided on individual basis.
Portfolio II	This portfolio covers the receivable accounts other than those from the related parties, government departments, and co-operators. Bad debt provisions are decided by the Group with reference to its historical experiences and on age analysis basis.
Basis of bad debt provision	
Portfolio I	Individual analyze
Portfolio II	Age analysis method

1) Rate of bad debt provisions provided on account age basis

Age	Percent age of bad debt for Accounts receivables (%)	Percentage of bad debt for Other receivables (%)
within 3 months (include)	1	1
3-6 months	2	2
6-9 months	3	3
9-12 months	5	5
1-2 years	10	10
2-3 years	30	30
3-4 years	50	50
4-5 years	80	80
over 5 yrs	100	100

12. Inventories

Inventories are divided into real estate development products, raw materials, finished products and stocks, low-value and consumable products and others.

The real estate development products are the real estate development products under construction, development products which have been completed, the lands to be developed, etc. The actual costs of real estate development products include the land transfer amount, infrastructure expenses, and expenditures on construction and installation works, the borrowing costs before the completion of the development projects and other related costs. When the inventories are sent out, determine the actual cost by the individual valuation method.

Construction contracts are measured at actual costs, including related direct and indirect expenses occurred from signing to completion of the contract. Accumulated actual costs and accumulated recognized gross profit (loss) and settled prices are demonstrated at net value in the balance sheet after neutralization. The balance of “total of accumulated actual cost and accumulated recognized gross profit (loss)” over the “settled price” is demonstrated as inventory. The balance of “settled price” over “total of accumulated actual cost and accumulated recognized gross profit (loss)” is demonstrated as account received in advance.

Expenses such as travelling expenses and bidding expenses related to construction contract are accounted into contract cost when they can be distinguished and measured reliably, and the contract is possibly been engaged. Otherwise are accounted into current income account.

Inventory system is the perpetual inventory system.

Low-value consumables are amortized on one-off basis.

On the balance sheet day, inventories are accounted depending on which is lower between the cost and the net realizable value. When its net realizable value is lower than the cost, provisions for impairment of inventories shall be drawn. Realizable net value is, in daily transaction, the amount of predicted sales price less predicted cost at completion of construction, less predicted sales expense and tax. Recognition of realizable net value of inventory shall base on confirmed evidence obtained, with reference to the purpose to hold the inventory, and influence of post balance sheet issues.

Provisions for impairment of inventories shall be accounted according to the difference between the cost of individual inventory items and the net realizable value.

After providing of inventory impairment provision, if the impacting factors that caused impairment of inventory were eliminated, and the realizable value of the inventory becomes higher than the book value, the inventory impairment provision formerly provided shall be restored into current income account.

13. Long-term share equity investment

Long-term equity investments are those share equities of the entities on which the Group is holding substantial control power, common control, or major influences, and those equity investment without control power, common control or major influence, and without quotations in an active market, and no reliable measurement on their fair value.

Control power refers to the power on an enterprise regarding its financial and business decisions, and benefits can be acquired from the business operation of the enterprise.

Common control means the Group has the power of control along with other parties as setout by contract. When none of single partner may dominate the business operation of a joint enterprise, and the decision-making process has to be consent to all of the parties, it is recognized as common control.

Major influence means the Group has the power to participate in the control of financial issues and decision-making process, but has no control individually or together with other parties. Major influence is recognized basing on the Group's shareholding over 20% (included) but lower than 50%, directly or indirectly, in an entity. No major influence is recognized if there

is definit evidence showing that the Group is not able to participate in the decision-making process of the invested entity.

Long-term equity investment acquired through merger of entities under common control are recognized of its costs according to the share of book value of the owners' equities at the date of merger. Long-term equity investment acquired through merger of entities under different control can be decided for its cost by the combination of the fair values of the assets paid for trade of control power, liabilities undertaken, and equity securities issued.

Except for the long-term equity investments acquired through merger of entities, the long-term equity investments acquired by cash consideration are recognized for their costs according to the considerations paid; long-term equity investments acquired through issuing of equity securities are recognized for their costs according to the fair value of the equity securities issued; long-term share equity investment input by the investors are recognized at the price as setout by the investment contracts or agreements; long-term equity investments acquired through trading of non-monetary assets are recognized according to the relative accounting standards.

Investments of the Group on subsidiaries are on cost basis, and adjusted on equity basis at preparing of consolidated financial statements; investments on joint ventures are on equity basis; long-term equity investment without control power, common control or major influences, and there is no quotation in an active market, the fair value is not able to be measured reliably are on cost basis; long-term equity investment without control power, common control, or major influence, but there is quotation in an active market, and the fair value can be measured reliably, could be accounted as sellable financial assets. When cost basis is adopted, long-term equity investments are accounted at initial investment costs. The costs are adjusted when additional investments were made or investment retrieved. When equity basis is adopted, the gain/loss of the investment shall be the share of net gain/loss of the invested entity in current year. At recognition of the share of net gain/loss of the invested entity, recognition shall be upon adjustment of the net profit basing on the fair value of the recognizable assets, according to the accounting policies and fiscal period of the Group, with the share of gain/loss of internal trade among the joint-ventures. For those long-term equity investments in joint-ventures held prior to the initiative execution, if there is debit difference of equity investment related to the investment, the investment gain/loss shall be recognized after deducting of debit differences of the equity investment amortized to the retained period straightly.

Those long-term equity investments without common control or major influence due to reducing of investment input, and there is no quotation in an active market, and their fair value are not able to be measured reliably, are changed to be on cost basis; and those investment with control power due to increasing of investment input, are changed to be on cost basis too; those investment with common control or major influence but no control power due to additional

investment, or long-term investment without control but common control or major influence due to disposal of investment equity, are changed to be on equity basis.

At disposal of long-term equity investment, the difference between the book value and the actual consideration acquired is accounted into current investment gains. Long-term equity investment on equity basis, if it is accounted into owners' equity due to other changes in owners' equity of the invested entities, the part of investment originally accounted to owners' equity shall be transferred to current investment gains at disposal.

14. Investment property

Investment property is including the rented land use rights and the land use rights which are held and prepared for transfer after appreciation, and the rented buildings.

Investment properties are booked at their actual costs, purchased properties consists of purchase price, taxes, and other expenses directly related to the asset; cost of self-built property consists of construction costs and necessary expenses to make the asset usable.

The Group adopts the cost model to have follow-up measurements of the investment real estate, and to conduct depreciation or amortization according to the policies that are in consistent with the land use rights. The expected useful life, net retained value rate, and annual depreciation (amortizing) are:

Categories	Depreciation age (year)	Expected ratio of retained value	Annual depreciation rate (%)
Land using right	Retained useful age of the land use right	0	-
Houses & buildings	20 yrs	10%	4.5%

As soon as an investment property has changed for self use, it will be transferred to fixed asset or intangible asset since the day when the change happened. When the usage of a self-use property was changed to for rental or value adding purposes, it will be transferred from fixed assets to investment property. The book value before will be used as the book value after.

At disposal of investment properties, or retrieve from the property permanently and no further financial benefit is expected to obtain from the property, recognition of the investment property will be terminated. Balance of income from disposal, transferring, discarding, or clearing of investment properties less the book value and related taxes is counted into current gain/loss account.

15. Fixed assets

Fixed assets are defined as the tangible assets which are held for the purpose of producing goods, providing services, lease or operation & management, and have more than one year of useful life.

Fixed assets are houses and plants, equipments, vehicles, office facilities and others, which are booked as the cost of obtaining. Fixed assets purchased from abroad are booked as the price plus tariff and all necessary expenses to make the asset usable; cost of fixed assets which are built by the Group itself consists of the necessary costs of building and expenses before the asset become usable.; fixed assets input by investors are booked at the prices setup in the investment contract, however if the contract price is not a fair value, the fair value shall be adopted; fixed assets obtained in term of finance lease, shall be booked at the lower one of the fair value of the leased asset at the day of leasing and the lowest rental payment.

Subsequence expenses related to the fixed assets, including repairing, and rebuilding, etc, shall be accounted into cost of fixed assets when they are satisfying the conditions of recognition. The replaced part of the assets shall be terminated to recognition of book value; if the recognition condition is not satisfied, shall be accounted into current gain/loss account at occurring.

Except for the fixed assets which have been fully depreciated but still in use and land which is booked at its price individually, the Group provides depreciation on all fixed assets. Straight-line basis is adopted in depreciation, and accounted into costs of related assets or current expenses. The depreciation age, expected ratio of retained value, and annual depreciation ratio are as the following:

No.	Categories	Depreciation age (yrs)	Expected ratio of retained value	Annual depreciation ratio (%)
1	Houses & buildings	10-50 yrs	5%-10%	1.8%-9.5%
2	Equipment & machinery	10-20 yrs	5%-10%	4.5%-9.5%
3	Transportation equipment	5-10 yrs	5%	9.5%-19%
4	Electronics, furniture, appliances	5-10 yrs	5%	9.5%-19%

The Group performs verification on the depreciation age, expected ratio of retained value, and annual depreciation ratio at end of each fiscal year. Any change will be treated as change of accounting estimation.

When fixed asset is disposed, or made no financial benefit by using or disposing it, recognition is terminated. Income from disposal, transferring, discarding of fixed assets, less its book value and taxes, is accounted into current income account.

16. Construction in progress

Constructions in progress are measured on actual costs. Construction projects by the Group itself are measured upon direct materials, wages, and construction fee; outsourced projects are measured upon project consideration; equipment installation is measured upon the value of equipment, installation fee, and test expenses. Cost of construction in progress includes borrowing expenses and exchange gain/loss to be capitalized.

On the date when a construction in progress became usable, it will be transferred to fixed assets according to the budget and cost on its estimated value or its actual cost, and depreciation shall be provided since the next month. The difference of original value of the fixed asset shall be adjusted upon completion of acceptance procedures.

17. Borrowing expenses

Borrowing expenses include borrowing interests, amortizing of discount or premium, auxiliary expenses, and exchange balances due to borrowings in foreign currencies. Borrowing expenses that can be attributed for purchasing or construction of assets that are complying with capitalizing conditions start to be capitalized when the payment of asset and borrowing expenses have already occurred, and the purchasing or production activities in purpose of make the asset usable or sellable have started; Capitalizing will be terminated as soon as the asset that complying with capitalizing conditions has reached its usable or saleable status. The other borrowing expenses are recognized as expenses when occurred.

Interest expenses practically occurred at the current term of a special borrowing are capitalized after deducting of the bank saving interest of unused borrowed fund or provisional investment gains; Capitalization amounts of common borrowings are decided by the weighted average of exceeding part of accumulated asset expenses over the special borrowing assets multiply the capitalizing rate of common borrowings adopted. Capitalization rates are decided by the weighted average interest rates of common borrowings.

Assets satisfying conditions of capitalization refer to the fixed assets, investment property and inventory which need a long period of time (usually over one year) to be made usable or sellable.

If purchasing, construction, or manufacturing process of an asset satisfying the conditions of capitalization is suspended abnormally for over 3 months, capitalizing of borrowing expenses shall be suspended until the purchasing, construction, or manufacturing process is resumed.

18. Intangible assets

Intangible assets include land-using rights, patented technologies, non-patented technologies, etc. and measured by their initial costs when obtained. Intangible assets purchased are booked at the actual cost to purchase and relative expenses. Intangible assets inputted by investors are booked at the contract or agreement price, but if the contract or agreement price is not fairly acceptable, it will be booked at fair value.

Land using rights are amortized straightly to its usable years since the date of acquiring; patented technologies, non-patented technologies and other intangible assets are amortized straightly to the shortest one of anticipated useful life, beneficiary years stipulated by contracts, and legal effective years. The amortized amounts shall be accounted into cost of related assets and current gain/loss according to the beneficiary objects.

As for those intangible assets with limited useful life, their anticipated useful life and amortizing basis shall be revised at end of each fiscal year. Changes shall be treated as change of accounting estimation if any. The anticipated useful age of intangible asset with uncertain useful life shall be revised in each fiscal term. If there is evidence showing that the useful life is limited, then it will be estimated and amortized to the period.

19. Impairment of non-financial long-term assets

The Group performs verifications on subjects such as long-term equity investments, fixed assets, constructions in progress, and intangible assets with limited usable life. Whenever one or more of the following evidences indicating that impairment has happened, the impairment test shall be performed. Impairment tests will be undertaken upon goodwill and intangible assets with uncertain usable life, whether or not there is evidence of impairment. If it is hard to measure the retrievable amount of a single asset, it shall be tested along with a portfolio of assets.

If the book value of an asset is greater than its retrievable amount, the difference shall be recognized as impairment loss. Once the impairment losses have been recognized with the abovesaid assets, they will not be reversed in successive fiscal periods. Retrievable amount of asset refers to the higher one of the net amount of fair value minus disposal expense and the current value of anticipated future cash flow of the asset.

Evidences of impairments:

(1) When the market price of an asset has declined significantly, and the scale of decline is obviously greater than the anticipated scale of decline upon time or normal use;

(2) When there could be major changes with the economical, technical or legislative environment and in the market of the asset in current time or a close future, therefore negative influence could be made on the enterprise;

(3) Market interest or other rates of return on investment has increased, therefore influences the discount ratio of current value of anticipated future cash flow, which may cause major decrease of retrievable amount of the asset;

(4) There is evidence showing that the asset is out of date or has been damaged;

(5) The asset has already been or will be put into idle, suspended, or disposed of in advance;

(6) If there is any internal report showing that the economical performance has been or will be lower than it was expected, e.g. the net cash flow or operational profit (or loss) the asset contributed is far lower (or higher) than it was expected;

(7) Other evidence showing that impairment could have occurred.

20. Goodwill

Goodwill is the difference of the investment cost or cost of merger under different control over the share of recognizable net asset and its fair value at the date of acquisition of the acquired entity.

Goodwill related to subsidiaries are presented individually in consolidated financial statements, goodwill related to affiliates are included in the book value of long-term equity investment.

21. Long-term amortizable expenses

Long-term amortizable expenses are those already occurred and amortizable to the current term and successive terms for over one year. Long-term amortizable expenses are evenly amortized to the benefit period. In case the long-term amortizable expense item is not benefiting the successive periods, the retained value shall be transferred to current gain/loss account in whole.

22. Employees' remunerations

Employees' wages payable are recognized as liabilities in the fiscal period when the employees are providing services to the Group. It will be accounted into cost and expenses of related assets according to the beneficiary object which is served by particular employee. Compensations for dismissing of service contract with employees shall be accounted into current gain/loss.

Employees' wages are including the expenses that related to the service of the employees, such as salaries, bonus, allowances, welfare, social security, housing fund, trade union allowance, training fee.

If the service of an employee is dismissed before expiration of the service contract, or as compensation proposal for voluntary resign of employee, if the Group has already produced plan to dismiss their service or proposed compensation scheme, and will be put into operation, and the Group is not able to dismiss the service contract or lay-off proposal, the anticipated liability shall be recognized on the compensations to the employees to be dismissed, and accounted into current gain/loss.

23. Equity instrument

Equity instrument refers to the contract indicating that the Group is holding the retained equity of an asset after deducting of all liabilities. Transaction expenses occurred in issuing of equity instruments by the merger parties shall be reduced from the premium of equity instruments, if it is not sufficient to be reduced, the retained gains shall be reduced. For the other equity instruments, the consideration received by issuing shall be added to shareholders' equity after deducting of transaction expenses. Consideration and transaction expense at repurchasing of equity instruments are reduced from shareholders' equity. No gains or losses are recognized at issuing, repurchasing, disposing, or cancelling of equity instruments.

Allocations made by the Group against equity instruments (exclude share dividends), is reduced from the shareholders' equity. The Group doesn't recognize the fluctuate amount of fair value of equity instruments.

24. Anticipated liabilities

Liabilities are recognized when all of the following conditions are satisfied by business operation regarding contingent issues such as external guarantee, discounting of commercial drafts, unsettled lawsuit or arbitrations, and quality warrant: It is an contemporary obligation the Group undertakes; executing of the obligation may cause benefit outflow; the amount of the obligation can be measured reliably.

Expected liabilities are initially measured at the best estimation on the expenses to exercise the current responsibility, and with considerations to the relative risks, uncertainty, and periodic value of currency. When the periodic value of currency is with major influence, then the best estimation will be determined at the discount of future cash outflow. The book value of expected liability is revised at balance sheet day, and adjustment will be made to reflect current best estimation.

25. Recognizing of revenue

(1) Principles to recognize revenue: business revenues of the Group are mainly sales of property products, rental, property management fee, and construction contracts. Recognition of revenues is under the followings:

- 1) Property product revenue is recognized when the following conditions are satisfied:
 - A. The sales contract is filed by the authority of land administration;
 - B. Completion and reception of the property;
 - C. All of the payments or rights on the payment from buyers of property have been obtained by the company (e.g. the bank has issued written approval to accept the mortgage);
 - D. Handover procedures have been completed, or it may be regarded as accepted by the buyer according to the property trade contract.
- 2) Rental income: rental incomes from investment property are recognized on straight basis to the periods of rental as set by the contract.
- 3) Property management fee: recognized when service has been delivered, the related monetary benefit can inflow to the company, and both of the income and cost can be measured reliably.

26. Construction contracts

Construction contract incomes and costs are recognized on percentage basis at balance sheet day when the income could be measured reliably, the monetary benefit may inflow to the Group, actual costs could be divided and measured significantly, the completed costs and expected successive costs could be determined reliably. When percentage basis is adopted, the percentage of progress is determined by the ratio of cost already occurred on expected total cost / completed workload on planned total workload, or actually measured progress.

If the results of construction contract are not able to reliably estimated, but the costs can be recovered, income shall be recognized at the cost actually recovered, contract costs are recognized as contract expenses at current term; if the costs are not recoverable, they are recognized instantly as contract cost rather than contract income.

Construction contracts are verified at end of each term. Loss provisions are provided whenever the anticipated total cost of a construction contract will be greater than the anticipated total income. The predicted loss is recognized as current gain/loss.

27. Government subsidy

Government subsidies are recognized as soon as all of the supplementary conditions attached are satisfied and can be received. When the government subsidy is a monetary capital, it is measured as the actual amount, while if it is a fixed amount allowance, it is measured as the

receivable amount; if the government subsidy is a non-monetary asset, it is measured at fair value, if no fair value could be obtained, it will be measured by nominal value (RMB1).

Asset-related government subsidies are recognized as deferred income, and accounted on average basis to current gain/loss for the useful life of the asset. Income-related government subsidies are recognized as deferred income when they are used to compensate expenses or losses in future period, and accounted to gain/loss account of the related period; whereas accounted to current gain/loss when they are used to compensate expenses or losses already occurred.

28. Deferred income tax asset and deferred income tax liability

Income tax expenditures include current income tax and differed income tax.

At the balance sheet date, the income tax liabilities (or assets) formed at current term or previous terms are measured by the predicted income tax payable according to the tax law.

The differences between the book values and taxable basis of certain assets and liability items, and provisional differences occurred between the book value and taxable basis which are not recognized as assets and liabilities, but may be recognized for taxable basis according to the law, are recognized as deferred income tax asset and deferred income tax liabilities on liability basis of the balance sheet.

Generally all of the provisional differences are recognized for related differed income tax. Whereas for the provisional deductible differences, the Group may possibly recognize differed income tax asset to the limit of taxable income could be used to neutralize the provisional differences. Those taxable provisional differences, which are related to initial recognition of goodwill, and neither enterprise merger, nor initial recognition of assets or liabilities generated by trades make no influence on the accounting profit and taxable income (or deductible losses), are not recognized as relative differed income tax liabilities.

Deductible losses and tax deduction which could be transferred to successive years are recognized as differed income tax assets to the limit of future taxable income which could be used to deduct deductible losses and tax deduction.

Meanwhile, those taxable provisional differences related to investments in subsidiaries, joint businesses, and cooperative businesses, if the Company is able to control the writing back time of the provisional differences, and these provisional differences may neither be written back in an expectable future, are not recognized as relative differed income tax liabilities.

Deductible provisional differences related to investment in subsidiaries, affiliates, and joint ventures, are recognized as differed income tax asset only when the provisional differences

could be written back in predicable future, and the taxable income amount could be obtained to deduct the deductible provisional differences.

At the balance sheet day, those differed income tax assets and income tax liabilities, according to the tax law, calculation will be on tax rate applicable to retrieving period of assets or clearing of liabilities.

Except for those current income taxes and differed income taxes related to trades which are directly accounted into shareholders' equity are accounted into other incomes, and differed income tax generated by merger of businesses are adjusted in the book value of goodwill, all current income taxes and differed income taxes expenditures or incomes are accounted into current gain/loss account.

At the balance sheet day, verification will be performed on the book value of differed income tax assets. If it is not possible to obtain enough taxable income to neutralize the benefit of differed income tax assets, then the book value of the differed income tax assets shall be reduced. Whenever obtaining of taxable income became possible, the reduced amount shall be restored.

When accounting with net amount is a stipulated rights, and tending to account with net amount or acquire of asset and clearing of debts are performed simultaneously, the income tax asset and liabilities of the current term are accounted at net amount after neutralization.

When accounting of income tax asset and liabilities of current term with net amount is the stipulated rights, and the income tax asset and liabilities are related to the same subject recognized by the same taxation authority, or to the different subjects but within each period of writing back the differed income tax asset and liabilities with great importance, and tending to account with net amount or acquire of asset and clearing of debts are performed simultaneously, the income tax asset and liabilities of the current term are accounted at net amount after neutralization.

29. Leases

The Group categorizes the leasing businesses to finance leasing and operational leasing at the date of occurring.

Finance leasing refers to those leased assets with all of risks and rewards attached to them being practically transferred. When the Group is the lessee, the book value of the leased asset will be the lower one of fair value and the current value of lowest rental payment; while the lowest rental payment will be booked as long-term payable account; the difference between the above two will be recorded as un-recognized financial expenses.

Operational leasing refers to leased assets other than finance leasing. When the Group is the leasee, the rental shall be accounted into asset cost or current gain/loss on straight basis; while the Group is the leaser, the rental shall be accounted as revenue on straight basis to the rental period.

30. Accounting of income tax

Liability method is adopted in accounting of income tax in the balance sheet. Income tax expense consists of current year income tax and deferred income tax. Except for the current year income tax which is accounted into shareholders' equity, and the deferred tax into shareholders' equity, and the deferred income tax due to merger of entities used to adjust the book value of goodwill, other current year income tax and deferred income tax are accounted into current gain/loss.

Current year income tax refers to the amount of tax payable to the tax bureau upon the trade and transactions occurred in current year, i.e. tax payable. Deferred tax refers to the the difference between the deferred income tax asset recognized on the basis of balance sheet liability basis and the the payable amount of deferred income tax liability at the end of year.

31. Segment information

Business segments are decided according to the organization structure, management requirement and internal reporting system. Reporting segments are decided according to business segments. Business segments refer to the components within the group satisfying the following conditions: the component is able to contribute income in daily operation and costs as well; it is possible for the management to evaluate the business results, so that it could be decided to allocate resources; financial position, business performance and cash flow information may be acquired by the company.

Transactions among segments are decided upon market prices, common expenses are allocated on rational portions, except for those could not be allocated.

32. Transferring of financial assets

When financial assets are transferred, judgement shall be done upon all of the risks and rewards attached to the financial assets: when all of them are transferred, the financial asset shall be terminated; almost all of the risks and rewards attached to the financial asset are reserved, it will not be terminated; If neither transferring nor reserving of all the risks and rewards happened, the level of control power shall be determined: when the control power on the asset is abandoned, it will be terminated; if the control power is not abandoned, the level of involvement shall be decided to recognize the amount of assets and liabilities. When the financial asset is satisfying the conditions of overall terminating recognition, the difference between the consideration and book value shall be accounted into current gain/loss account. The

accumulated variation of fair value of the financial asset shall be transferred to current gain/loss too; When the conditions of partial transferring are satisfied, the fair values of the terminated part and the non-terminated part are splited, and the splited book value shall be used as reference to the overall transferring. If no condition of termination is satisfied, the consideration shall be recognized as a financial liability.

33. Remarks on main accounting estimations

The Group adopts a number of estimations and assumptions at preparing of financial statements, these estimations and assumptions could make influences on the application of accounting policies and amounts of assets, liabilities, revenue, and expenses. Actual situation may be different with these estimations. Whereas the management will perform continuous evaluation on the judgement of key assumptions and uncertain factors. Influences of change in accounting estimations will be recognized in the current term or the future term.

The following estimations and assumptions could cause major risks on adjusting of the book value of assets and liabilities in future periods.

(1) Impairment of account receivable

The Group measures account receivable upon the retained costs at balance sheet day to evaluate whether impairment has occurred, and the amount of impairment. Objective evidences of impairment include observable data which indicates great decline of future cash flow with individual or portfolio of receivable accounts, or data shows significant negative situation of the debtor. Whenever there is evidence showing that the value of particular receivable account has recovered, and practically related to the issue which had been recognized, the impairment loss recognized originally shall be restored.

(2) Inventory impairment provision

The Group evaluates the realizable net value of inventories on a regular base, and the difference of inventory cost over the realizable value will be recognized as inventory impairment loss. When the Group is estimating the realizable net value of an inventory, it is decided upon the amount of anticipated sales price minus costs to completion, sales expenses and taxes. If the actual selling price or cost is different to the estimated amounts, the management shall adjust the realizable net value accordingly. Therefore the estimated results upon current experience may be different with those of in the future, which may cause adjustment on the book values of balance sheet. Thus the amount of inventory impairment provision could change along with the aforesaid situation. Adjustment on inventory impairment provision will therefore influence the gain/loss account of current term.

(3) Accounting estimation of goodwill impairment provision

The Group performs impairment test on goodwill items. Accounting estimations are used to determine the current value of future cash flow, which is the retrievable amount of the group of assets.

If the management is revising the gross interest rate adopted in accounting of future cash flow of an asset group or portfolio of groups, additional impairment provision shall be provided on goodwill if the revised gross interest rate is lower than the current one.

If the management is revising the discount rate before tax which is applying on the cash flow, additional impairment provision shall be provided on goodwill if the revised discount rate before tax is higher than the current one.

If the actual gross interest rate or discount rate before tax is higher or lower than the estimation of management, the Group doesn't write back the impairment loss of goodwill which has been provided previously.

(4) Accounting estimation of fixed asset impairment provision

Impairment test is done upon fixed assets such as houses and plants, and equipment, which are showing evidence of impairment. Retrievable amount of fixed asset is the higher one of current value of anticipated cash flow and fair value of the asset after deducting of disposal expenses, accounting estimation is adopted in accounting of this subject.

If the management is revising the gross interest rate adopted in accounting of future cash flow of an asset group or portfolio of groups, additional impairment provision shall be provided on the fixed asset if the revised gross interest rate is lower than the current one.

If the management is revising the discount rate before tax which is applying on the cash flow, additional impairment provision shall be provided on the fixed asset if the revised discount rate before tax is higher than the current one.

If the actual gross interest rate or discount rate before tax is higher or lower than the estimation of management, the Group doesn't write back the impairment loss of fixed asset which has been provided previously.

(5) Accounting estimation of recognition of deferred income tax assets

Estimation of deferred income tax asset is basing on the estimation of tax payable and applicable tax rate of each year, actualizing of the deferred income tax asset is dependent on whether the Group could obtain sufficient taxable income. Change of future tax rate and writing back of provisional difference could influence the income tax expense (income) and balance of deferred income tax. These change in estimation could cause major adjustment on deferred income tax.

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The Group revises the anticipated useful life of fixed assets and intangible assets as least once at end of each year. Useful life is decided by the management basing on historical experiences about similar assets, and with reference to the estimation widely adopted in the industry as well as expected technical upgrading. Depreciation expenses and amortized expenses of future periods are adjusted as soon as major changes happened to previous estimations.

III. Taxation

Class of tax	Tax basis	Tax rate
Enterprise income tax	Amount of income taxable	Note 1
Business tax	Income from sales or leasing of property	5%
VAT	Income from sales of goods (Note 2)	17%
	Income from power supply (Note 2)	17%
Land VAT	Income from property sales – amount of deducted items	On Excess Ratio Progressive of Tax Rate 30%-60%
Contract tax	Amount received for land using rights and estates	3%
Property tax	70% of the original value of estates or rental(Note 3)	1.2% or 12%
City maintenance and construction tax	Operational tax (or VAT paid)	1%-7%
Education surtax	Operational tax (or VAT paid)	3%

Note 1: According to Tax Regulations of Hong Kong, the income tax rate on the subsidiaries of the Company located in Hong Kong is 16.5%, while the income tax rate on other subsidiaries is 25%.

Note 2: VAT amount is the balance of output tax less deductible input tax. Output tax is calculated basing on the sales income and related tax rates provided by tax law.

Note 3: Property taxes are paid upon statutory tax rate times 70% of the fixed property and rental property, or rental income.

IV. Merger of enterprises and consolidated financial statements

1.Subsidiaries

Name of companies	Type of business	G rade	Reg. Add.	Business property	Registered capital (RMB0'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Vo ting rights (%)	Consolid ated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Subsidiaries acquired from merger of enterprises under common control													
Shenzhen China Merchants Property Co., Ltd.	Ltd. liability	G rade I	Shenz hen	Property development	RMB30, 000	Property development and sales	105,747. 00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Shenzhen CM Power Supply Co., Ltd.	Ltd. liability	G rade I	Shenz hen	Power supply	RMB5,7 00	Power supply and sales	59,297.8 0		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Shenzhen China Merchants Electric Power Measurement Co., Ltd.	Ltd. liability	G rade II	Shenz hen	Measuren ment & test	RMB15 0	Special measurement technologies authorized by Shenzhen Quality and Technical Supervisory Bureau	15000		100.0 0	10 0.00	Yes	Not applicable	Not applicable
China Merchants Property Management Co., Ltd.	Ltd. liability	G rade I	Shenz hen	Property management	RMB2,5 00	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	16,920.0 0		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Shenzhen China Merchants Property Management Co., Ltd.	Ltd. liability	G rade II	Shenz hen	Property management	RMB1,1 20	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	1,120.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable

Name of companies	Type of business	G rade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Vo ting rights (%)	Consolid ated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Shenzhen CM Qile Property Management Ltd.	Ltd. liability	G rade III	Shenz hen	Property management	RMB20 0	Managing of properties under possession	120.00		60.00	60. 00	Yes	-1,806,633.39	217,456.02
Shekou Xinghua Industrial Holdings Co., Ltd.	Ltd. liability	G rade II	Shenz hen	Property development	HKD4,7 42	Operating and developing of land T105-0114 located in Shekou, renting and managing of own properties	3,806.50		65.07	65. 07	Yes	43,400,003.39	
Shekou Zhaofa Property Co., Ltd.	Ltd. liability	G rade II	Shenz hen	Property management	RMB3,6 00	Developing of land SKN401 located in Shekou, construction of commerce buildings and facilities	3,600.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Zhangzhou China Merchants Properties Co., Ltd.	Ltd. liability	G rade I	Zhang zhou	Property development	RMB45, 000	Property development and sales	22,950.0 0		51.00	51. 00	Yes	295,788,060.9 3	
Zhangzhou CM Property Management Ltd.	Ltd. liability	G rade II	Zhang zhou	Property management	RMB50	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	50.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Zhangzhou CM Honglong Property Ltd.	Ltd. liability	G rade II	Zhang zhou	Property development	RMB4,0 00	Property development and sales	3,844.80		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Ruijia Investment Industrial Ltd.	Ltd. liability	G rade I	HK	Investme nt	HKD16 0,000	Investment	130,132. 45		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Subsidiaries merged under different control													

Name of companies	Type of business	G grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Shenzhen Haitao Hotel Co., Ltd. (Note 1)	Ltd. liability	G grade II	Shenzhen	Hotel service	RMB600	Consultancy and training service to hotels. Operation of hotels, restaurants, laundromats, recreation facility and grocery store	97257		85.00	85.00	是	1,833,766.31	
Shenzhen Vanke Binhai Property Co., Ltd. (Note 2)	Ltd. liability	G grade II	Shenzhen	Property development	RMB100,000	Real-estate development and operation on legal lands	50,050.00		50.00	50.00	Yes	497,418,684.54	4,798,742.39
Shenzhen Meiyue Properties Consultants Co., Ltd.	Ltd. liability	G grade II	Shenzhen	Property development	RMB100	Property consultancy, planning and brokerage	8,266.60		100.00	100.00	Yes	Not applicable	Not applicable
Shenzhen CM Ruide Property Co., Ltd.	Ltd. liability	G grade II	Shenzhen	Property development	RMB500	Property development, operation, and agency service; investment in industry	255.00		51.00	51.00	Yes	148,047,111.18	31,549.50
Guanhua gang Trade (Shenzhen) Co., Ltd. (Note 3)	Ltd. liability	G grade IV	Shenzhen	Trade	RMB100	TV, stereo, set-top box, DVD player, electronic materials, tubes	100.00		100.00	100.00	Yes	Not applicable	Not applicable
Tianjin CM Taida Investment Co., Ltd.	Ltd. liability	G grade II	Tianjin	Property development	RMB30,000	Investing in property development by its own capital	18,000.00		60.00	60.00	Yes	117,215,859.41	2,784,140.60
Tianjin Zhaojiang Investment Co., Ltd. (Note 4)	Ltd. liability	G grade II	Tianjin	Property development	RMB3,000	Investment in property development, high-tech, construction, gardening by its own capital	2,310.00		77.00	77.00	Yes	3,714,698.54	3,167,978.97

Name of companies	Type of business	G grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Qingdao Zhongrunde Auto Trade Co., Ltd.	Ltd. liability	Grade I	Qingdao	Property development	RMB264	Property development and sales	1,837.30		51.00	51.00	Yes	167,238,507.10	9,288,159.52
Shanghai CM Fengrui Property Ltd.	Ltd. liability	Grade II	Shanghai	Property development	RMB1,000	Property development, internal decoration service, trade of construction materials	1,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Shanghai Fengyang Property Development Co., Ltd.	Ltd. liability	Grade II	Shanghai	Property development	RMB3,000	Property development and sales	35,325.00		60.00	60.00	Yes	291,648,802.00	
Yunnan CM Chengtuo Property Co., Ltd.	Ltd. liability	Grade II	Kunming	Property development	RMB1,000	Property development, sales, rent, decoration, agency, property management	600.00		60.00	60.00	Yes	3,999,207.44	
Ha'erbin CM Jiantian Property Development Co., Ltd. (Note 6)	Ltd. liability	Grade I	Harbin	Property development	RMB5,000	Property development, property management, agency, interior decoration, investment in commerce and education, property leasing	8,025.00		50.00	50.00	Yes	69,877,327.29	10,372,672.72
Tonic Industries Holdings Ltd. (Note 3)	Shareholding Ltd.	Grade III	Cayman Islands	Investment	HKD1,069	Investment and shareholding; with subsidiaries involved in manufacturing, processing and trading of civil electronic appliances and parts	611.28		70.18	70.18	Yes	-579,091.83	2,846,210.32

Name of companies	Type of business	G rade	Reg. Add.	Business property	Register ed capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Vo ting rights (%)	Consolid ated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Huaxian Co., Ltd. (Note 3)	Ltd. liability	G rade IV	HK	Investme nt	HKD1	Investment	0.81		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Chuangjinli Co., Ltd. (Note 3)	Ltd. liability	G rade IV	HK	Investme nt	HKD1	Investment	0.81		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Subsidiaries acquired through incorporation or investment													
Shenzhen China Merchants Shangzhi Investment Co., Ltd.	Ltd. liability	G rade I	Shenz hen	Property development	RMB20, 000	Property development, property management, project investment, property agency	188,336. 75		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Shenzhen China Merchants Xin'an Properties Co., Ltd.	Ltd. liability	G rade I	Shenz hen	Property development	RMB25 00	Leasing of self-owned properties	3,680.30		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Shenzhen Meilun Hotel Management Co., Ltd. (former Shenzhen City Hoster Investment Co., Ltd.)	Ltd. liability	G rade II	Shenz hen	Investme nt	RMB1,0 00	Industry and domestic commerce			100.0 0	10 0.00	Yes	Not applicable	Not applicable
Shenzhen CM Property Consultancy Ltd.	Ltd. liability	G rade II	Shenz hen	Property aggent	RMB20 0	Real-estate operation, information & consulting	200.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Shenzhen Taige Apartment Management Co.,	Ltd. liability	G rade II	Shenz hen	Hotel service	RMB10 0	Indoor golf court, Property rental, restaurant, shopping mall,	100.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable

Name of companies	Type of business	Grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Ltd.						sales of water supply facilities							
Shenzhen CM Anye Investment Development Co., Ltd.	Ltd. liability	Grade II	Shenzhen	Investment	RMB1,000	Industrial investment, domestic commerce	510.00		51.00	51.00	Yes	-1,719,075.32	3,278,289.72
Shenzhen CM Construction Co., Ltd.	Ltd. liability	Grade II	Shenzhen	Property development	RMB15,000	Construction engineering, decoration, elevator, air conditioner maintaining, sales of construction materials	15,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Shenzhen CM Commercial Development Co., Ltd.	Ltd. liability	Grade II	Shenzhen	Property development	RMB10,000	Developing of commercial property, operation, management, leasing investment in industry	5,100.00		51.00	51.00	Yes	35,926,581.60	6,330,768.94
Shenzhen China Merchants OCT Investment Co., Ltd. (Note 7)	Ltd. liability	Grade II	Shenzhen	Property development	RMB10,000	Property development, management, agency, and decoration	5,000.00		50.00	50.00	Yes	387,624,764.63	
Shenzhen Shekou Sea World Hotel Management Co., Ltd.	Ltd. liability	Grade II	Shenzhen	Hotel management	RMB3,000	Hotel management, export of goods and technologies	1,531.40		51.00	51.00	Yes	14,105,273.27	304,014.45
Shenzhen Jinyu Rongtai Investment Co., Ltd. (Note 8)	Ltd. liability	Grade II	Shenzhen	Property development	RMB3,000	Property development; agency; property management; interior and exterior decoration	1,500.00		50.00	50.00	Yes	15,009,274.13	
Shenzhen Xingzhao	Ltd.	Grade II	Shenzhen	Property	RMB15,000	Property management and	150.00		100.00	10.00	Yes	Not applicable	Not

Name of companies	Type of business	Grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Property Management Co., Ltd.	liability	Grade III	Shenzhen	management	0	services; trade of construction materials, decoration materials, bathroom facilities, environment protection applications, and office appliances.			0	0.00			applicable
Guangzhou Wanshang Property Development Co., Ltd. (Note 9)	Ltd. liability	Grade II	Guangzhou	Property development	RMB10,000	Property development and sales	3,400.00		34.00	51.00	Yes	61,693,925.68	4,347,995.78
Guangzhou China Merchants Real-estate Co., Ltd.	Ltd. liability	Grade II	Guangzhou	Property development	RMB5,000	Specialized property development, leasing and sales	5,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Foshan CM Jiulongchang Property Co., Ltd. (Note 10)	Ltd. liability	Grade II	Foshan	Property development	USD990	Developing, rent, and sales of property on land < 佛山 (拍)2010-001, 002, 003> in Nanhai Foshan	34,097.80		50.00	50.00	是	338,234,084.90	1,815,449.03
Foshan CM Xincheng High-tech Co., Ltd.	Ltd. liability	Grade II	Foshan	Property development	RMB600	Property development, sales, and services	600.00		100.00	10.00	Yes	Not applicable	Not applicable
Foshan Xincheng Property Co., Ltd. (Note 10)	Ltd. liability	Grade III	Foshan	Property development	USD12,700	Property development, sales, and services	47,869.00		50.00	50.00	Yes	677,634,227.7	
Foshan Xinjie Property	Ltd.	Grade II	Foshan	Property	USD21,	Property development, sales,	151,157.		100.00	10	Yes	Not applicable	Not

Name of companies	Type of business	G rade	Reg. Add.	Business property	Register ed capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balanc e of other items actually formed net investment in the subsidiaries	Share proportion (%)	Vo ting rights (%)	Consolid ated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Ltd. (Note 10)	liability	rade III	n	development	980	and services	80		0	0.00			applicable
Foshan Yiyun Property Co., Ltd. (Note 10)	Ltd. liability	G rade III	Fosha n	Property development	RMB3,0 00	Property development, construction, sales, rent, and property management	1,500.00		50.00	50. 00	Yes	10,556,916.28	3,897,620.16
Zhuhai China Merchants Property Co., Ltd.	Ltd. liability	G rade II	Zhuha i	Property development	RMB80 0	Property development and sales	800.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Zhuhai Yuanfeng Property Co., Ltd.	Ltd. liability	G rade II	Zhuha i	Property development	RMB80 0	Property development and sales	408.00		51.00	51. 00	Yes	81,074,734.77	
Hainan CM Offshore Development Co., Ltd. (Note 5)	Ltd. liability	G rade I	Haina n	Property development	RMB20 0,000	Development of tourism projects, commercial projects, hotel management	24,000 0		60.00	60. 00	Yes	4 800,117,098.0	62,501.96
CM Property (Beijing) Ltd.	Ltd. liability	G rade I	Beijin g	Property development	RMB2,0 00	Property development and sales	2,000.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Beijing CM Property Management Co., Ltd.	Ltd. liability	G rade II	Beijin g	Property management	RMB50 0	Managing and operating of Hanghua Technologies and Trade Center including the parking lot, property management, redecorating, consulting, sales of property equipment, and	400.00		80.00	80. 00	Yes	5,207,373.24	

Name of companies	Type of business	Grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
						maintenance							
China Merchants Jianing (Beijing) Property Development Co., Ltd. (Note 7)	Ltd. liability	Grade II	Beijing	Property development	RMB35,000	Property development, interior decoration, sales of construction material, import and export of technologies	17,500.00		50.00	50.00	Yes	3 602,280,853.7	
Beijing Kanglade Property Development Co., Ltd.	Ltd. liability	Grade II	Beijing	Property development	RMB38,000	Property development, sales of its products, hotel development, import & export of goods and technologies	22,800.00		60.00	60.00	Yes	3 134,137,107.0	4 13,489,667.9
Tianjing Zhaosheng Property Co., Ltd.	Ltd. liability	Grade I	Tianjin	Property development	RMB3,000	Property development, sales and services	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Tianjin China Merchants Properties Co., Ltd.	Ltd. liability	Grade II	Tianjin	Property development	RMB4,000	Property development, sales and services	3,000.00		75.00	75.00	Yes	14,517,903.88	1,707,273.52
Tianjin Gangwei Property Development Co., Ltd. (Note 10)	Ltd. liability	Grade III	Tianjin	Property development	RMB3,000	Property development, sales, leasing, management and information service	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Qingdao Zhongrun Property Co., Ltd.	Ltd. liability	Grade II	Qingdao	Property development	RMB1,000	Property development and management; construction and decoration	1,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Qingdao Haide Property Development Co., Ltd.	Ltd. liability	Grade I	Qingdao	Property development	USD4,000	Development of the project located to the east of line 48, to the	14,414.91		100.00	10.00	Yes	Not applicable	Not applicable

Name of companies	Type of business	G grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
		IV				south of Tongshun Road, to the west of Hexin Road, and to the north of Haiyuan Road (G-2012-030), sales and lease of property; property service; interior and exterior decoration							
Shanghai China Merchants Properties Co., Ltd.	Ltd. liability	G grade II	Shanghai	Property development	RMB3,000	Property development and sales of construction materials	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Shanghai CM Property Management Co., Ltd.	Ltd. liability	G grade II	Shanghai	Property	USD62	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	512.92		100.00	10.00	Yes	Not applicable	Not applicable
Shanghai CM Minsheng Property Ltd.	Ltd. liability	G grade II	Shanghai	Property development	RMB3,000	Property development, interior decoration, trade of construction materials	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Shanghai CM Fengsheng Property Ltd.	Ltd. liability	G grade II	Shanghai	Property development	RMB3,000	Property development, interior decoration, trade of construction materials	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Shanghai China Merchants Real-estates Co., Ltd.	Ltd. liability	G grade II	Shanghai	Property development	RMB3,000	Property development, sales, and services	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Shanghai Jingyuan	Ltd.	G	Shang	Property	RMB55,	Property development, rent of	30,525.0		55.00	55.	Yes	147,977,793.0	95,252,487.6

Name of companies	Type of business	G rade	Reg. Add.	Business property	Registered capital (RMB'000)	BusinessScope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Vo ting rights (%)	Consolid ated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Property Development Co., Ltd.	liability	rade III	hai	development	500	properties, property management, interior decoration	0			00		0	0
Shanghai CM Hongfa Property Co., Ltd. (Note 11)	Ltd. liability	G rade III	Shang hai	Property development	RMB3,0 00	Property development, rent of properties, property management, interior decoration, business consultancy, parking lot management	3,000.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
CM(Nanjing)Ltd.	Ltd. liability	G rade II	Nanjin	Property development	RMB3,0 00	Property development, sales, and services	3,000.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Nanjing CM Property Management Co., Ltd.	Ltd. liability	G rade II	Nanjin	Property management	RMB50 0	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	500.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Nanjing China Merchants Ruisheng Property Co., Ltd.	Ltd. liability	G rade III	Nanjin	Property development	RMB3,0 00	Property development, property management, project investment, property agency	3,000.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
China Merchants Property (Zhenjiang) Co., Ltd.	Ltd. liability	G rade I	Zhenji ang	Property development	RMB5,0 00	Property development, property management, project investment, property agency	5,000.00		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Zhenjiang Yingsheng Property Development Co., Ltd.	Ltd. liability	G rade III	Zhenji ang	Property development	USD93 00	Property development, property management, project investment, property agency	61,579.6 0		100.0 0	10 0.00	Yes	Not applicable	Not applicable

Name of companies	Type of business	Grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
China Merchants (Suzhou) Co., Ltd.	Ltd. liability	Grade I	Suzhou	Property development	RMB3,000	Property development, operation and sales	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Suzhou CM Nanshan Property Co., Ltd.	Ltd. liability	Grade I	Suzhou	Property development	RMB10,000	Property development, sales, and services	6,000.00		60.00	60.00	Yes	94,231,312.80	
Suzhou CM Yonghuafu Property Co., Ltd.	Ltd. liability	Grade II	Suzhou	Property development	RMB3,000	Property development, rent of properties, property management, interior decoration, business consultancy, parking lot management	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Suzhou Shuanghu Property Co., Ltd. (Note 10)	Ltd. liability	Grade II	Suzhou	Property development	USD24,400	Property developing, sales, and after-sale services within the authorized land	86,729.9		50.00	50.00	Yes	892,061,967.18	
CM Property (Changzhou) Co., Ltd. (Note 12)	Ltd. liability	Grade I	Changzhou	Property development	RMB3,000	Property development, rent of properties, property management, interior decoration, business consultancy, parking lot management	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Chengdu China Merchants Beihu Property Co., Ltd.	Ltd. liability	Grade I	Chengdu	Property development	RMB5,000	Property development, project investment, property agency, and management service	5,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Chengdu CM Property	Ltd.	Grade I	Cheng	Property	RMB1,0	Property development,	1,000.00		100.00	10	Yes	Not applicable	Not

Name of companies	Type of business	Grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Co.,Ltd.	liability	Grade I	du	development	00	property management, project investment, property agency			0	0.00			applicable
Chengdu CMBeicheng Property Development Co., Ltd.	Ltd. liability	Grade II	Chengdu	Property development	RMB1,000	Property development, project investment, property agency, and management service	1,000.00		100.00	10.00	Yes	Not applicable	Not applicable
CM(Chongqing) Ltd.	Ltd. liability	Grade I	Chongqing	Property development	RMB3,000	Property development, leasing of self-owned properties	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
China Merchants Properties (Chongqing) Co., Ltd.	Ltd. liability	Grade I	Chongqing	Property development	RMB3,000	Property development, interior decoration service, trade of construction materials	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Chongqing China Merchants Property Development Co., Ltd. (Note 10)	Ltd. liability	Grade V	Chongqing	Property development	USD53,400	Developing, leasing, sales and management of property	355,690.25		100.00	10.00	Yes	Not applicable	Not applicable
Fujian Zhonghiansheng Property Development Co., Ltd. (Note 13)	Ltd. liability	Grade I	Xiamen	Property development	RMB5,000	Property development, property rent and sales, property management, construction works, interior decoration, rent of construction equipment	2,500.00		50.00	50.00	Yes	2,729,318.77	15,362,622.18
China Merchants Property (Xiamen) Co., Ltd.	Ltd. liability	Grade I	Xiamen	Property development	RMB5,000	Property development, rent and sales, property service, construction works, interior service,	5,000.00		100.00	10.00	Yes	Not applicable	Not applicable

Name of companies	Type of business	Grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
						sales of construction materials							
China Merchants Property (Wuhan) Co., Ltd.	Ltd. liability	Grade I	Wuhan	Property development	RMB3,000	Property development, property management, project investment, property agency	3,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Wuhan CM Property Management Co., Ltd.	Ltd. liability	Grade II	Wuhan	Property management	RMB500	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	500.00		100.00	10.00	Yes	Not applicable	Not applicable
Wuhan Xinde Property Development Co., Ltd. (Note 14)	Ltd. liability	Grade IV	Wuhan	Property development	USD9,800	Property development, sales and lease, property service, interior and exterior decoration	61,814.36		100.00	10.00	Yes	Not applicable	Not applicable
Wuhan Aoming Property Development Co., Ltd. (Note 14)	Ltd. liability	Grade IV	Wuhan	Property development	USD9,800	Property development, sales and lease, property service, interior and exterior decoration	61,814.36		100.00	10.00	Yes	Not applicable	Not applicable
Wuhan Mingjie Property Development Co., Ltd. (Note 14)	Ltd. liability	Grade IV	Wuhan	Property development	USD7,906	Property development, sales and lease, property service, interior and exterior decoration	49,869.47		100.00	10.00	Yes	Not applicable	Not applicable
China Merchants Property (Bijie Guizhou) Co.,	Ltd.	Grade	Guizhou	Property	RMB3,000	Property investment, sales and lease, property agency, interior and	3,000.00		100.00	10.00	Yes	Not applicable	Not

Name of companies	Type of business	Grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Ltd. (Note 15)	liability	Grade I	Guizhou	development	00	exterior decoration							applicable
China Merchants Shangzhi (Bijie Guizhou) Investment Co., Ltd. (Note 16)	Ltd. liability	Grade II	Guizhou	Property development	RMB2,000	Property investment, sales and lease, property agency, interior and exterior decoration. Property investment is the main business.	2,000.00		100.00	10.00	Yes	Not applicable	Not applicable
Bijie CM Property Management Ltd. (Note 17)	Ltd. liability	Grade II	Guizhou	Property management	RMB300	Property management, sales of property equipment, door to door maintenance service	300.00		100.00	10.00	Yes	Not applicable	Not applicable
Huipeng Property Development Co., Ltd. (Note 7)	Ltd. liability	Grade II	HK	Property development	HKD1	Property development, sales, and services	0.44		50.00	50.00	Yes	19,159,894.86	
Yingze Development Co., Ltd.	Ltd. liability	Grade II	HK	Investment	HKD1	Investment	0.85		100.00	10.00	Yes	Not applicable	Not applicable
Leyi Shareholding Co., Ltd. (Note 18)	Ltd. liability	Grade II	HK	Investment	USD0.01	Investment	0.06		100.00	10.00	Yes	Not applicable	Not applicable
Yungao Co., Ltd. (Note 18)	Ltd. liability	Grade II	HK	Investment	USD0.01	Investment	0.06		100.00	10.00	Yes	Not applicable	Not applicable

Name of companies	Type of business	G grade	Reg. Add.	Business property	Registered capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balance of other items actually formed net investment in the subsidiaries	Share proportion (%)	Voting rights (%)	Consolidated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
JumboPacificHoldingLimited (Note 18)	Ltd. liability	G grade II	HK	Investment	USD0.001	Investment	0.0006		100.00	10.00	Yes	Not applicable	Not applicable
UnionBloomLimited (Note 19)	Ltd. liability	G grade II	HK	Investment	USD0.01	Investment	0.06		51.00	51.00	Yes	-572,711.84	572,711.85
VastJointLimited (Note 19)	Ltd. liability	G grade II	HK	Investment	USD0.01	Investment	0.06		51.00	51.00	Yes	-10,553.71	10,553.71
CMProperty Management (HK) Ltd.	Ltd. liability	G grade II	HK	Property management	HKD1	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	1.10		100.00	10.00	Yes	Not applicable	Not applicable
KollMerchantsLimited	Ltd. liability	G grade III	HK	Property management	HKD0.1	Cleaning service, facility maintenance, general trade	0.08		100.00	10.00	Yes	Not applicable	Not applicable
CMKProperty Management Co., Ltd.	Ltd. liability	G grade III	HK	Property management	HKD10	Property management, sales of property equipment, door to door maintenance service	8.11		100.00	10.00	Yes	Not applicable	Not applicable
Yinrong Co., Ltd. (Note 7)	Ltd. liability	G grade III	British Virgin Island	Investment	USD0.01	Investment	0.03		50.00	50.00	Yes	75,989,098.44	
Aoming Development Co., Ltd.	Ltd. liability	G grade III	HK	Investment	HKD0.01	Investment	0.008		100.00	10.00	Yes	Not applicable	Not applicable

Name of companies	Type of business	G rade	Reg. Add.	Business property	Register ed capital (RMB'000)	Business Scope	Actual input at end of year (RMB)	Balanc e of other items actually formed net investment in the subsidiaries	Share proportion (%)	Vo ting rights (%)	Consolid ated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Mingjie Development Co.,Ltd.	Ltd. liability	G rade III	HK	Investme nt	HKD00 1	Investment	0.008		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Xinde Development Co.,Ltd.	Ltd. liability	G rade III	HK	Investme nt	HKD00 1	Investment	0.008		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Chenghui Investment Co.,Ltd. (Note 18)	Ltd. liability	G rade III	HK	Investme nt	USD00 1	Investment	0.06		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Jihong International Co., Ltd. (Note 19)	Ltd. liability	G rade III	HK	Investme nt	HKD1	Investment	0.82		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Jianli International Co., Ltd.	Ltd. liability	G rade III	HK	Investme nt	HKD1	Investment	0.82		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Maosheng Co., Ltd.	Ltd. liability	G rade III	HK	Investme nt	HKD00 1	Investment	0.008		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Yuyue Co., Ltd.	Ltd. liability	G rade IV	HK	Investme nt	HKD00 02	Investment	0.0002		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Huiju Shareholding Co., Ltd.	Ltd. liability	G rade II	British Virgin Island	Investme nt	USD00 002	Investment	0.001		100.0 0	10 0.00	Yes	Not applicable	Not applicable

Name of companies	Type of business	G rade	Reg. Add.	Business property	Register ed capital (RMB'000)	BusinessScope	Actual input at end of year (RMB)	Balanc e of other items actually formed net investment in the subsidiaries	Share proportion (%)	Vo ting rights (%)	Consolid ated?	Minor shareholders' equity at year end	Amount for deducting minor shareholder's equity in the minor shareholder's equity
Li Bang Shareholding Co., Ltd.	Ltd. liability	G rade II	British Virgin Island	Investme nt	USD0.0 002	Investment	0.001		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Juyang Co., Ltd.	Ltd. liability	G rade II	British Virgin Island	Investme nt	USD0.0 002	Investment	0.001		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Huihao Co., Ltd.	Ltd. liability	G rade II	British Virgin Island	Investme nt	USD0.0 002	Investment	0.001		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Huiyu Co., Ltd.	Ltd. liability	G rade II	British Virgin Island	Investme nt	USD0.0 002	Investment	0.001		100.0 0	10 0.00	Yes	Not applicable	Not applicable
Zengtian Shareholding Co., Ltd.	Ltd. liability	G rade II	British Virgin Island	Investme nt	USD0.0 002	Investment	0.001		100.0 0	10 0.00	Yes	Not applicable	Not applicable

Note 1: Shenzhen CM Property Co., Ltd. – one of the subsidiaries of the Company, originally held 45% of the equity of Shenzhen Haitao Hotel Co., Ltd. According to the agreement with Meilihua (pronunciation) Internaitonal Investment (Panama) Co., Ltd. (and Libia Fukasi (pronunciation) Co., Ltd. engaged in May 2012, Ruijia Investment takes over the 30% and 10% share quity held by them in Shenzhen Haitao Hotel Co., Ltd. Upon completion of this transaction, the Company will hold 85% of the equity shares in total. According to the new Articles of Association and Agreements, Shenzhen CM Property Co., Ltd. will take over the decision-making on finance and business issues of Haitao Hotel, i.e. the Company is holding control power over Shenzhen Haitao Hotel Co., Ltd., therefore it is added to consolidation range.

Note 2: In June 2012, Shenzhen CM Property Co., Ltd. – one of the subsidiaries of the Company, entered the agreement with Shenzhen Vanke Property Co., Ltd. to takeover the 50% share equity of Shenzhen Vanke Binhai Property Co., Ltd. with consideration of RMB5.5 million. The procedures had been completed in July 2012. Shenzhen CM Property Co., Ltd. is holding majority votes in the board of Shenzhen Vanke Binhai Property Co., Ltd., therefore has control over the decision-making on finance and business issues, and it is added to consolidation range.

Note 3. In April 2012, Chenghui Investment Co., Ltd. – one of the Company’s subsidiaries entered the share transferring agreement respectively with Huaneng Co., Ltd. and Greatest Mark Limited to takeover their shares of 66.18% and 4% in Tonic Industries Holdings Ltd. with considerations of HKD177,484,819 and HKD21,369,377 respectively. The filing procedures have been accomplished in March 2012, and the Company is now holding 70.18% capital share of Tonic Industries Holdings Ltd., therefore it is consolidated. Guanhuagang Trade (Shenzhen) Co., Ltd., Huaxian Co., Ltd. and Chuangjinli Co., Ltd. are the fully-owned subsidiaries of Tonic Industries Holdings Ltd., therefore all of them are consolidated.

Note 4: In March 2012, Tianjing Zhaosheng Property Co., Ltd. – subsidiary of the Company entered the agreement with Tianjin Songjiang Shareholding Co., Ltd. to takeover the 77% share equity in Tianjin Zhaojiang Investment Co., Ltd. with consideration of RMB23.10 million. The procedures had been completed in May 2012. The Company is holding 77% of the share equity of Tianjin Zhaojiang Investment Co., Ltd., therefore it is consolidated.

Note 5: In December 2012, the Company entered the investment agreement with Hainan Zhongyuan Bo’ao Co., Ltd. to setup Hainan CM Offshore Development Co., Ltd.

The Company was to input RMB1.2 billion and take 60% of the share capital. It is consolidated thereof.

Note 6: In August 2012, the Company entered the share transferring agreement with Ha'erbin Hadian Property Co., Ltd. to takeover the 50% share capital it held in Ha'erbin CM Jiatian Property Development Co., Ltd. with consideration of RMB80.25 million. For the Company is holding the majority votes in the board of Ha'erbin CM Jiatian Property Development Co., Ltd., therefore has control over the decision-making on finance and business issues, and it is added to consolidation range.

Note 7: The Company respectively holds 50% equity capital of China Merchants Jiaming (Beijing) Property Co., Ltd. and Shenzhen CM OCT Investment Co., Ltd. through Shenzhen CM Property Co., Ltd. Because the Group holds major voting rights in the board of these companies, controls the financial and business decisions, thus the Group incorporates it into the range of consolidated financial statements.

Note 8: In July 2012, Shenzhen CM Shangzhi Investment Co., Ltd. – one of the subsidiaries of the Company, entered the agreement with Shenzhen CM Financial Service Co., Ltd. to setup Shenzhen Jinyu Rongtai Investment Development Co., Ltd., in which Shenzhen CM Shangzhi Investment holds 50% of share capital. Shenzhen CM Shangzhi Investment Co., Ltd. is holding majority votes in the board of Shenzhen Jinyu Rongtai Investment Development Co., Ltd., therefore has control over the decision-making on finance and business issues, and it is added to consolidation range.

Note 9: Shenzhen China Merchants Property Co., Ltd. entered the capital increasing agreement with Guangzhou Vanke Property Co., Ltd. and Hangzhou Songlong Property Management Co., Ltd. Shenzhen China Merchants Property Co., Ltd. invested RMB34 million to hold 34% of the capital shares of Guangzhou Wanshang Property Development Co., Ltd. For Shenzhen China Merchants Property Co., Ltd. has the majority of the voting rights in the board of Guangzhou Wanshang Property Development Co., Ltd., it has control power over the financial and business decisions. Therefore it was consolidated.

Note 10: Through its subsidiary Ruijia Investment & Industry Co., Ltd., the Company is holding 50% of the voting capital of Foshan Xincheng Real Estate Co., Ltd., Huipeng Real Estate Co., Ltd., Suzhou Shuanghu Real Estate Co., Ltd., Yinrong Co., Ltd., Foshan CM Jiulongcang Property Co., Ltd. and Foshan Yiyun Property Co., Ltd. respectively. Because Ruijia is holding the major amount of voting capital in these companies, it is substantially controlling over the financial and business operations of these companies. Thus the Company includes them in the consolidate range of the consolidated financial statements. In which, Huipeng Real Estate Co., Ltd. is holding 100% of the equity capital

of Foshan Xinjie Real Estate Co., Ltd., Suzhou Shuanghu is holding 100% shares of Tianjin Gangwei Property Development Co., Ltd., and Yinrong is holding 100% of the shares of Chongqing CM Property Development Co., Ltd, thus these companies are included in the consolidation range.

Note 11: In September 2012, Shanghai CM Property Co., Ltd. – subsidiary of the Company, invested RMB 30 million to setup Shanghai CM Hongfa Property Co., Ltd. and held 100% of the capital share. It was consolidated.

Note 12: In October 2012, the Company invested RMB 30 million to setup CM Property (Changzhou) Co., Ltd. and held 100% of the capital share. It was consolidated.

Note 13: The Company is holding 50% of capital shares of Fujian Zhongliansheng Property Development Co., Ltd. For the Company is holding major voting rights in the board of Fujian Zhongliansheng Property Development Co., Ltd., thus take control over the financial and business decisions. Therefore it was included in the consolidation range.

Note 14: In March 2012, Xinde Development Co., Ltd., Aoming Development Co., Ltd. and Minjie Development Co., Ltd. – subsidiaries of the Company, invested to setup Wuhan Xinde Property Development Co., Ltd., Wuhan Aoming Property Development Co., Ltd. and Wuhan Mingjie Property Development Co., Ltd., and hold 100% of their equity capital respectively. These companies are consolidated.

Note 15: In March 2012, the Company invested RMB30 million to incorporate China Merchants Property (Bijie Guizhou) Co., Ltd. and is holding 100% of its share capital, therefore it has been consolidated into the financial statements.

Note 16: March 2012, Shenzhen China Merchants Shangzhi Investment Co., Ltd. invested RMB20 million to incorporate China Merchants Shangzhi (Bijie Guizhou) Investment Co., Ltd. and holding 100% of its share equity. It has been consolidated into the financial statements.

Note 17: In August 2012, CM Property Management Co., Ltd. – subsidiary of the Company invested RMB3 million to setup Bijie CM Property Management Co., Ltd. to hold 100% of the equity capital. It has been consolidated into the financial statements.

Note 18: In March 2012, Ruijia Investment Co., Ltd. – subsidiary of the Company, invested to setup Leyi Shareholding Co., Ltd., Yungao Co., Ltd., Jumbo Pacific Holding Limited, Chenghui Investment Co., Ltd., and Maosheng Co., Ltd. Ruijia is holding 100% of capital shares of these companies, thus they are consolidated.

Note 19: In Year 2012, Ruijian Investment Co., Ltd. – subsidiary of the Company, invested along with Dafeng International Co., Ltd., to setup Union Bloom Limited and Vast Joint Limited, in which Ruijia is holding 51% of the capital shares; Union Bloom Limited invested HKD10 thousand to setup Jihong International Co., Ltd, and holds 100% of its share capital; Vast Joint Limited invested HKD10 thousand to setup Jianli International Co., Ltd. And holds 100% of its share capital; They are consolidated.

2. Change of consolidation range in the current year

1) Particulars of the newly added entities

Name of companies	Reason of added to consolidation range	Share proportion (%)	Net asset at end of year	Net profit realized this year
Shenzhen Haitao Hotel Co., Ltd.	merger under different control	85.00	13,529,876.18	589,530.87
Ha'erbin CM Jiatian Property Development Co., Ltd.	merger under different control	50.00	27,870,767.99	-22,129,232.01
Shenzhen CM Ruide Property Co., Ltd.	merger under different control	51.00	677,872.66	-64,386.74
Shenzhen Vanke Binhai Property Co., Ltd.	merger under different control	50.00	984,702,934.51	-19,611,125.24
Tianjin Zhaojiang Investment Co., Ltd.	merger under different control	77.00	16,150,863.20	-13,773,821.59
Tonic Industries Holdings Ltd.	merger under different control	70.18	-86,070.37	-9,877,762.96
Guanhuagang Trade (Shenzhen) Co., Ltd.	merger under different control	100.00	227,057.79	-320,353.32
Huaxian Co., Ltd.	merger under different control	100.00	13,502,046.78	1,110,917.95

Name of companies	Reason of added to consolidation range	Share proportion (%)	Net asset at end of year	Net profit realized this year
Chuangjinli Co., Ltd.	merger under different control	100.00	558,204.81	-121,001.45
Shenzhen Jinyu Rongtai Investment Co., Ltd.	Newly incorporated	50.00	30,018,548.26	18,548.26
Shanghai CM Hongfa Property Co., Ltd.	Newly incorporated	100.00	29,773,208.28	-226,791.72
Suzhou CM Yonghuafu Property Co., Ltd.	Newly incorporated	100.00	29,898,034.91	-101,965.09
Qingdao Haide Property Development Co., Ltd.	Newly incorporated	100.00	142,925,415.85	-1,223,676.32
Wuhan Xinde Property Development Co., Ltd.	Newly incorporated	100.00	609,260,992.65	-8,882,573.34
Wuhan Aoming Property Development Co., Ltd.	Newly incorporated	100.00	604,912,736.49	-13,230,829.50
Wuhan Mingjie Property Development Co., Ltd.	Newly incorporated	100.00	491,538,349.61	-7,156,318.38
CM Property (Changzhou) Co., Ltd.	Newly incorporated	100.00	29,359,076.84	-640,923.16
Foshan CM Xincheng High-tech Co., Ltd.	Newly incorporated	100.00	5,946,289.60	-53,710.40
China Merchants Shangzhi (Bijie Guizhou) Investment Co., Ltd.	Newly incorporated	100.00	15,286,149.55	-4,713,850.45
China Merchants Property (Bijie Guizhou) Co., Ltd.	Newly incorporated	100.00	18,406,247.51	-11,593,752.49
Bijie CM Property Management Ltd.	Newly incorporated	100.00	2,989,836.49	-10,163.51
Hainan CM Offshore Development Co., Ltd.	Newly incorporated	60.00	1,040,292,745.11	-156,254.89
Chenghui Investment Co., Ltd.	Newly incorporated	100.00	-732,463.26	-733,093.35

Name of companies	Reason of added to consolidation range	Share proportion (%)	Net asset at end of year	Net profit realized this year
Leyi Shareholding Co., Ltd.	Newly incorporated	100.00	-5,102.97	-5,733.06
Yungao Co., Ltd.	Newly incorporated	100.00	-6,622.09	-7,254.58
Maosheng Co., Ltd.	Newly incorporated	100.00	-26,628.95	-26,710.47
Jihong International Co., Ltd.	Newly incorporated	100.00	69,317.58	61,165.58
Jianli International Co., Ltd.	Newly incorporated	100.00	-7,095.38	-15,247.38
JumboPacific Holding Limited	Newly incorporated	100.00	6,778.25	6,771.92
UnionBloom Limited	Newly incorporated	51.00	-5,658.34	-6,290.83
VastJoint Limited	Newly incorporated	51.00	-5,658.34	-6,290.83

2) Particulars about companies eliminated from the consolidation

Name of companies	Reason of eliminating	Share proportion (%)	Net asset at day of disposal	Net profit at disposal day
Foshan CM Longyuan Property Co., Ltd. (Note)	Shift of control power	50.00	50,140,399.31	244,634.77

Note: In August 2012, Shenzhen CM Property Co., Ltd. – subsidiary of the Company, transferred the 50% share capital held in Foshan CM Longyuan Property Co., Ltd. to Foshan Shunde Baoli Property Co., Ltd., therefore its share of capital has reduced to 50%, according to the articles of association of Foshan CM Longyuan Property Co., Ltd. and

related agreements, all of the financial and business decisions of the company shall be upon negotiation of the two parties, i.e. Shenzhen CM Property Co., Ltd. is not holding control power over CM Longyuan. Thus it is eliminated from the range of consolidation.

3. Mergers of entities in the year

1) Subsidiaries procured through merger of entities under different control

No.	Name of companies	Reg. Add.	Registered capital RMB'000	Investment RMB'000	Share proportion (%)	Business Scope
1	Tianjin Zhaojiang Investment Co., Ltd.	Tianjin	3,000.00	2,310.00	77.00	Invested by own capital (particular industry)
2	Shenzhen Vanke Binhai Property Co., Ltd.	Shenzhen	100,000.00	50,050.00	50.00	Property development and operation
3	Ha'erbin CM Jiatian Property Development Co., Ltd.	Harbin	5,000.00	8,025.00	50.00	Property development and management, etc.
4	Shenzhen CM Runde Property Co., Ltd.	Shenzhen	500.00	11,500.00	51.00	Property development & trade, property agency
5	Shenzhen Haitao Hotel Co., Ltd.	Shenzhen	600.00	972.57	85.00	Hotel service
6	Tonic Industries Holdings Ltd.	Cayman Islands	HKD1,068.50	HKD19,885.42	70.18	Investment

Note 1: The Group acquired Tianjin Zhaojiang Investment Co., Ltd., Shenzhen Vanke Binhai Property Co., Ltd., Ha'erbin CM Jiatian Property Development Co., Ltd., Shenzhen CM Runde Property Co., Ltd, Shenzhen Haitao Hotel Co., Ltd. with consideration of the evaluated net asset of these companies.

Note 2: In April 2012, Chenghui Investment Co., Ltd. – the subsidiary of the Company, entered share transferring agreements with Huaneng Co., Ltd., and Greatest Mark Limited respectively to takeover 66.18% and 4% share capital of Tonic Industries

Holdings Ltd. with consideration of HKD177,484,819 and HKD21,369,377 respectively and Tonic Industries Holdings Ltd. becomes a subsidiary of the Company.

4. Translation of foreign currency

Currency	Balance Sheet	Income Statement
HKD	0.8109	0.8134

V. Notes to the consolidated financial statements

In the following financial information, except for otherwise stated, “Beginning of year” or “beginning of term” refers to January 1 2012, “End of term” refers to December 31, 2012, “current year” refers to the period between January 1 to December 31 of 2012. “The previous year” refers to the period from January 1, 2011 to December 31, 2011. All of amounts are in RMB except for stated otherwise.

1. Monetary capital

Items	Balance at end of year			Amount at the beginning of year		
	Original currency	Exchange rate	Translated to RMB	Original currency	Exchange rate	Translated to RMB
Cash in stock			203,589.82			437,180.00
RMB	194,214.86	1.0000	194,214.86	40,873.00	1.0000	40,873.00
HKD	11,561.18	0.8109	9,374.96	3,510.00	0.8107	2,845.00
Bank deposit			17,102,255.18352			13,659,930.52200
RMB	16,101,503.94861	1.0000	16,101,503.94861	12,919,303.86900	1.0000	12,919,303.86900
HKD	358,806.38123	0.8109	290,965.22050	14,762,474.000	0.8107	11,967,938.000
USD	112,924.35001	6.2855	709,786.01441	115,643.59300	6.3009	728,658.71500
Other			1,136,813.474			823,823.760

Items	Balance at end of year			Amount at the beginning of year		
	Original currency	Exchange rate	Translated to RMB	Original currency	Exchange rate	Translated to RMB
Other monetary fund			59			0
RMB	1,129,333,729.59	1.0000	1,129,333,729.59	817,522,876.00	1.0000	817,522,876.00
USD	1,190,000.00	6.2855	7,479,745.00	1,000,000.00	6.3009	6,300,900.00
Total			18,239,272,247.93			14,483,798,016.00

Note: In “other monetary capital” the balance of prepaid sales was including RMB1,108,567,999.36 which was supervised by “Supervision Rules of Prepaid Sales”; RMB28,245,475.23 which was restricted for usage, with RMB3,359,366.73 for wage deposit for labor workers, RMB2,726,618.50 as bank accepted draft deposit, and RMB22,159,490.00 for property project capital fund.

2. Transactional financial assets

Items	Fair value at end of year	Fair value at beginning of year
Deductive Derivative financial assets		417,906.00
Total		417,906.00

The opening balance was the fair value of the future contract of foreign currency without handover of principal which was signed by the Company’s subsidiary Ruijia Investment Industrial Co. Ltd and INGBank N.V., Hongkong Branch. These contracts have expired during the period from April 13, 2012 to April 30, 2012.

3. Notes receivable

(1) Categories of notes receivable

Type of notes	Balance at end of year	Amount at the beginning of year
Bank acceptance	5,748,800.00	500,000.00
Commercial acceptance		
Total	5,748,800.00	500,000.00

(2) No accepted drafts under pledge, discount or endorsed at end of year

4. Account receivable

(1) Categories of account receivable

Categories	Balance at end of year				Amount at the beginning of year			
	Book balance		Bad debt provision		Book balance		Bad debt provision	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Receivables with major individual amount and bad debt provision provided individually								
Receivables provided bad debt provision in groups								
Portfolio I	94,344,063.99	53.75	9,479,852.52	100.5	59,640,907.00	58.24	6,063,658.00	101.7
Portfolio II	81,166,515.78	46.25	3,931,564.52	4.84	42,764,976.00	41.76	4,786,398.00	11.19
Sub-total of group	175,510,579.77	100.00	13,411,417.04	7.64	102,405,883.00	100.00	10,850,056.00	106.0
Account receivable with minor individual amount but bad debt provision is provided								
Total	175,510,579.77	100.00	13,411,417.04		102,405,883.00	100.00	10,850,056.00	

1) Overall ages of account receivable

Age	Balance at end of year			Amount at the beginning of year		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	R atio (%)		Amount	R atio (%)	
wit hin 1 yr	156,087,37 1.13	88. 93	2,558,411. 64	90,218,743. 00	88.0 0	2,153,276. 00
1-2 yrs	8,307,742.6 4	4.7 3	1,818,101. 90	5,313,619.0 0	5.00	3,641,636. 00
2-3 yrs	4,281,696.9 0	2.4 4	3,870,306. 00	3,033,421.0 0	3.00	1,319,538. 00
Ove r 3 yrs	6,833,769.1 0	3.9 0	5,164,597. 50	3,840,100.0 0	4.00	3,735,606. 00
Tot al	175,510,57 9.77	10 0.00	13,411,41 7.04	102,405,88 3.00	100. 00	10,850,05 6.00

2) Account receivable in the portfolio which are provided bad debt provision on age basis

Age	Balance at end of year			Amount at the beginning of year		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	R atio (%)		Amount	R atio (%)	
wit hin 1 yr	80,099,727. 25	98. 69	3,227,989. 09	36,559,285. 00	85.0 0	1,888,179. 00
1-2	145,812.44	0.1 8	14,581.24	1,667,937.0 0	4.00	162,492.0 0

Age	Balance at end of year			Amount at the beginning of year		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	R atio (%)		Amount	R atio (%)	
yrs						
2-3 yrs	213,435.20	0.26	64,030.56	2,487,190.00	6.00	746,158.00
Over 3 yrs	707,540.89	0.87	624,963.63	2,050,564.00	5.00	1,989,569.00
Total	81,166,515.78	10.00	3,931,564.52	42,764,976.00	100.00	4,786,398.00

(2) No writing back (or retrieving) of bad debt provision in the year

(3) No debts due from shareholders with 5% or over of the Company's share capital

(4) The top five debtors at the year end

The debtor	Name of the companies	Relation with the Company	Amount	Age	Portion in total receivables	Account property
Chengdu CM Property Co., Ltd.	Client	Third parties	79,364,279.40	within 1 yr	45.22	sales of apartments
Tonic Industries Holdings Ltd.	Client	Third parties	20,387,432.06	within 1 yr	11.62	sales of cable
CM Jiaming (Beijing) Property Co., Ltd.	Client	Third parties	12,293,464.00	within 1 yr	7.00	sales of apartments
Shenzhen CM Construction	Shenzhen CM Qianhaiwan Property	Under same controlling	11,454,102.00	within 1 yr	6.53	construction projects

The debtor	Name of the companies	Relation with the Company	Amount	Age	Portion in total receivables	Account property
Co., Ltd.	Co., Ltd.	shareholder				
CM Property Management Co., Ltd. Dongguan Branch	Client IV	Third parties	7,637,030.11	within 1 yr	4.35	Property management fee
	Total		131,136,307.57		74.72	

5. Prepayment

(1) Ages of prepayment accounts

Items	Balance at end of year		Amount at the beginning of year	
	Amount	Ratio (%)	Amount	Ratio (%)
within 1 yr	8,287,184.01	100.00	7,602,167.00	100.00
Total	8,287,184.01	100.00	7,602,167.00	100.00

(2) No debt due from shareholders with 5% or over of the Company's share capital

6. Other account receivable

(1) Categories of other account receivable

Categories	Balance at end of year			
	Book balance		Bad debt provision	
	Amount	Ratio (%)	Amount	Ratio (%)
Other receivables with major individual amount and bad debt provision provided				

Categories	Balance at end of year			
	Book balance		Bad debt provision	
	Amount	Ratio (%)	Amount	Ratio (%)
individually				
Other receivables provided bad debt provision in groups				
Portfolio I	7,488,500,046.63	99.40	5,920,777.53	0.08
Portfolio II	45,145,079.06	0.60	6,942,147.06	15.38
Sub-total of group	7,533,645,125.69	100.00	12,862,924.59	0.17
Other account receivable with minor individual amount but bad debt provision is provided				
Total	7,533,645,125.69	100.00	12,862,924.59	

(Cont.)

Categories	Amount at the beginning of year			
	Book balance		Bad debt provision	
	Amount	Ratio (%)	Amount	Ratio (%)
Other receivables with major individual amount and bad debt provision provided individually				
Other receivables provided bad debt provision				

Categories	Amount at the beginning of year			
	Book balance		Bad debt provision	
	Amount	Ratio (%)	Amount	Ratio (%)
in groups				
Portfolio I	6,134,875,248.00	99.44	1,446,225.00	0.02
Portfolio II	34,472,723.00	0.56	2,888,406.00	8.38
Sub-total of group	6,169,347,971.00	100.00	4,334,631.00	0.07
Other account receivable with minor individual amount but bad debt provision is provided				
Total	6,169,347,971.00	100.00	4,334,631.00	

1) Other account receivable in the portfolio on which bad debt provisions are provided on age basis

Age	Balance at end of year			Amount at the beginning of year		
	Amount	Ratio (%)	Bad debt provision	Amount	Ratio (%)	Bad debt provision
within 1 yr	27,917,804.16	61.84	1,157,877.68	21,108,004.00	61.23	392,074.00
1-2 yrs	4,288,414.95	9.50	428,841.50	10,830,762.00	31.42	1,083,076.00
2-3 yrs	10,404,902.95	23.05	3,121,470.88	1,294,875.00	3.76	388,462.00
Over 3	2,533,957.00	5.61	2,233,957.00	1,239,082.00	3.59	1,024,794.00

Age	Balance at end of year			Amount at the beginning of year		
	Amount	Ratio (%)	Bad debt provision	Amount	Ratio (%)	Bad debt provision
yrs						
Total	45,145,079.06	100.00	6,942,147.06	34,472,723.00	100.00	2,888,406.00

- (2) No writing back (or retrieving) of bad debt provision in the year
- (3) No debts due from shareholders with 5% or over of the Company's share capital
- (4) Top five debtors at the year end

Name of the companies	Relation with the Company	Amount	Age	Portion in total other receivable accounts (%)	Description
Client I	Third parties	1,328,584,095.30	with in 2 yrs	17.64	Transaction of co-operation
Beijing Guangying Property Development Co., Ltd.	Affiliates	1,243,733,636.26	with in 1 yr	16.51	Current account
Client II	Third parties	900,000,000.00	with in 2 yrs	11.95	Transaction of co-operation
Foshan China Merchants Longyuan Property Co., Ltd.	Joint ventures	673,084,122.36	with in 2 yrs	8.93	Current account

Name of the companies	Relation with the Company	Amount	Age	Portion in total other receivable accounts (%)	Description
Client III	Third parties	482,591,546.22	with in 2 yrs	6.41	Transaction of co-operation
Total		4,627,993,400.14		61.44	

(5) Receivable from related parties

Name of the companies	Relation with the Company	Amount	Portion in total other receivable accounts (%)
Beijing Guangying Property Development Co., Ltd.	Joint ventures	1,243,733,636.26	16.51
Foshan China Merchants Longyuan Property Co., Ltd.	Joint ventures	673,084,122.36	8.93
Shenzhen TCL Optical-Electronics Technologies Ltd.	Affiliates	227,145,300.70	3.02
Shanghai Xinanshan Property Development Co., Ltd.	Affiliates	143,654,905.22	1.91
JonesTechLimited	Affiliates	64,454,177.05	0.86
HollyProfitLimited	Affiliates	73,958,515.34	0.98
Total	-	2,426,030,656.93	32.21

7. Inventories

(1) Categories of inventories

Items	Balance at end of year			Amount at the beginning of year		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Real property development costs	62,910,239.87	368,210.00	62,542,029.87	49,292,709.29	296,210.00	48,996,499.29
Property products	11,290,417.25	206,493.32	11,083,924.92	2,435,017.59	7.00	2,435,017.59
Raw materials	7,389,048.21		7,389,048.21	5,018,878.00		5,018,878.00
Low price consumable	4,759,616.43	162,981.66	4,596,634.77	3,811,855.66	162,981.66	3,648,874.00
Total	74,212,806.08	574,866.13	73,637,940.73	51,736,557.62	296,372.91	51,440,184.64

(2) Inventory composition

Items	Beginning of Term	Increased this year	Decreased this year	End of Term
Real property development costs	49,292,709.29	34,124,974.31	20,507,443.70	62,910,239.89
Property products	2,435,017.59	20,507,443.70	11,652,043.77	11,290,417.52
Raw materials	5,018,878.00	76,722,404.26	74,352,234.05	7,389,048.21
Low price consumable	3,811,855.66	34,328,102.41	33,380,341.64	4,759,616.43
Total	51,736,557.62	54,743,468.52	32,267,220.05	74,212,806.08

A. Property development costs:

Projects	Start date	Planned finish date	Expected total investment RMB0'000	Opening balance	Closing balance
Development costs of real estate under construction:					
Ha'erbin CM Nortin Hill (Note 1)	April 2012	April 2015	347,581		921,586,898.98
Beijing Park 1872	Jan 2006	July 2014	422,646	739,311,900.65	1,317,812,839.82
Beijing Kanglade Hotel	April 2009	Jan 2013	120,419	706,945,498.00	903,304,663.56
Beijing Longyuan and Xicheng project	Jan 2008	June 2015	408,328	1,896,435,011.00	1,070,885,449.18
Tianjin Beiken Hill Phase I to III	August 2012	Oct 2015	512,700		1,861,879,170.47
Tianjin Yiyunjun Project (Note 2)	May 2011	Feb 2015	133,329		321,105,199.71
Tianjing Yonghuafu Project	March 2010	Oct 2012	129,031	1,040,566,327.67	
Tianjin Diamond Hill Project (former Tianjin Xingcheng Project)	Jan 2007	July 2014	356,494	1,081,480,576.00	759,295,816.69
Qingdao IAVIE Commune (former Chengyang project)	April 2012	July 2014	67,665	481,941,079.14	637,113,174.68
Shanghai Haide Garden Land	May	Dec	183,8	929,020,364.	1,081,736,114

Projects	Start date	Planned finish date	Expected total investment RMB0'000	Opening balance	Closing balance
No.2	2006	2014	12	00	.89
Shanghai Hongqiao House	Dec 2012	Aug 2014	144,300		895,913,993.26
Shanghai Sheshan Longyuan Project	Oct 2010	Dec 2014	303,342	2,279,459,472.11	1,417,579,036.86
Shanghai CM Haiwan Garden phase IV to VII	May 2011	Jun 2014	139,059	836,133,369.76	1,011,213,032.27
Nanjing Yonghua House (former Longyuan project)	Dec 2012	May 2015	315,026	1,341,437,521.82	1,979,792,978.04
Nanjing No.1 Zijin Mountain phase II	Dec 2011	Aug 2013	234,919	1,772,082,662.28	758,574,389.01
Suzhou Shuanghu Yongjing Bay	Mar 2011	Dec 2014	339,234	1,245,357,871.65	758,426,624.12
Suzhou Little Rock Town Phase IV to X	March 2010	Dec 2015	485,432	1,780,596,318.37	1,903,656,583.88
Zhenjiang Beigu Bay Project Phase I-V	May 2011	Dec 2015	621,044	3,225,506,809.00	3,718,180,565.68
Foshan Yiyunshangcheng Phase II, III	Feb 2011	Oct 2013	188,732	1,386,997,480.24	816,889,187.63
Foshan Yiyunshui'an Phase I - IV	April 2008	July 2012	303,213	1,107,546,637.00	
Foshan Yiyun	Feb	July	238,6	1,430,717,22	1,853,826,581

Projects	Start date	Planned finish date	Expected total investment RMB0'000	Opening balance	Closing balance
Tianhui	2011	2014	12	9.01	.22
Foshan Yiyun Xicheng Phase II	Oct 2012	April 2015	27,466	91,548,204.47	98,766,132.28
Foshan Yiyun Xicheng phase I	Dec 2010	Dec 2013	70,849	409,961,304.58	589,067,134.69
Guangzhou Donghui Town Lan B phase I	Mar 2012	Dec 2013	81,541	340,457,313.12	501,633,643.90
Guangzhou Donghui Town Lan B phase II	Sept 2012	Dec 2015	109,728	465,270,584.73	478,912,193.13
Guangzhou Donghui Town Lan B phase III	Dec 2012	Dec 2016	109,815	465,139,105.94	469,695,405.94
Guangzhou Jinshangu phase III, 2-9	July 2009	Nov 2019	670,181	1,523,380,235.00	994,924,450.50
Shenzhen Behind-ship Plaza	Dec 2011	June 2013	45,546	82,201,125.26	315,444,138.73
Shenzhen Ship-tail Plaza	Dec 2011	June 2013	44,355	90,133,929.61	310,827,137.81
Shenzhen Maritime World Plaza	Mar 2011	June 2013	39,056	234,686,417.22	300,721,937.21
Shenzhen Marine World Hotel	Dec 2010	May 2013	81,209	122,492,086.93	393,841,738.71
Shenzhen Jingxiu Guanyuan	Dec 2011	Jun 2014	96,890	129,294,462.31	493,291,709.16
Shenzhen CM Jinhai (former	May 2011	Dec 2013	328,268	1,411,317,798.26	1,781,133,329.40

Projects	Start date	Planned finish date	Expected total investment RMB0'000	Opening balance	Closing balance
Jingshan phase IX)					
Shenzhen Wuzi Apartment	May 2010	June 2013	75,530	503,062,545.64	600,483,590.84
Shenzhen Xichong and Sanlian rebuilding project	-	-	-		7,481,094.00
Shenzhen old town reconstructin project	-	-	-		270,500,204.12
Shenzhen Xicheng Phase VI	Feb 2011	Sept 2012	82,814	622,099,942.35	
Shenzhen Xicheng Phase V Business Center	Feb 2010	June 2013	117,267	1,216,053,006.00	417,107,883.37
Shenzhen Yihaicheng Phase I-VI (Note 3)	July 2011	Jan 2014	735,678		3,391,412,164.87
Shenzhen Yongjinwan	July 2009	August 2012	176,059	1,403,264,750.31	
Shenzhen CM Guanyuan	Aug 2008	Jan 2012	195,073	1,831,280,984.80	
Shenzhen CM Guoling Garden	May 2010	June 2013	143,588	680,137,327.60	1,011,457,417.66
Shenzhen CM Plaza	May 2010	Mar 2013	142,073	700,397,013.11	979,241,139.72
Shenzhen Center Plaza	Feb 2011	Jan 2013	6,918	14,671,629.00	48,677,798.86
Zhuhai CM Garden City Phase II and III	Dec 2009	Aug 2013	151,667	730,774,776.62	1,048,047,147.34

Projects	Start date	Planned finish date	Expected total investment RMB0'000	Opening balance	Closing balance
Zhuhai CM Garden City Phase I	Dec 2008	Mar 2012	68,467	640,151,113.00	
Wuhan Property Yonghua House	July 2011	Sept 2013	99,183	459,242,063.00	747,642,304.26
Wuhan Moshui Lake land A	Mar 2012	Dec 2015	373,771		1,591,462,010.86
Xiamen Haide Park Phase I	May 2011	Oct 2013	141,784	796,320,381.64	735,960,773.75
Xiamen Haishang Wuyuehua	Mar 2011	Jun 2014	256,949	1,200,866,195.83	1,135,901,179.42
Zhangzhou Kadakaisi	May 2010	Dec 2020	332,501	702,252,385.00	996,617,103.26
Zhangzhou Kadakaisi Meilun Houses and Apartments	July 2011	June 2013	16,852	117,970,971.00	146,068,168.67
Zhangzhou CM Garden City	July 2008	April 2013	65,806	107,736,121.44	188,111,987.35
Zhangzhou CM Holiday 365	June 2010	Dec 2014	44,205	114,204,082.87	181,922,265.61
Bijie Guizhou, CM Garden City	April 2012	Dec 2014	30,000		274,214,602.24
Bijie Guizhou CM Garden City AB Zone	April 2012	Oct 2014	90,972		186,568,666.02
Chongqing Changjiahui (former Danzishi Project)	May 2011	Dec 2019	1,281,749	2,702,594,059.00	4,328,065,650.40

Projects	Start date	Planned finish date	Expected total investment RMB0'000	Opening balance	Closing balance
Chongqing Garden City (phas II III)	Aug 2011	June 2015	425,195	1,522,760,035.82	648,035,944.39
Chongqing Jiangwan City (phase IV, V)	Jan 2009	Feb 2013	155,000	676,366,938.19	1,474,108,871.21
Chengdu CM Dongcheng International Business Plaza	Jan 2011	Sept 2012	60,255	356,768,498.00	
Chengdu CM Yonghua House	May 2011	July 2015	390,465	1,847,048,311.00	1,428,532,996.87
Others				162,037,201.00	57,605,647.54
Subtotal:				47,755,479,027.35	52,612,257,864.04
Projected costs of property development					
Shenzhen Maritime World Museum	May 2013	May 2015	113,969		11,049,579.82
Shenzhen Maritime Apartment Phase I, II	July 2013	Feb 2016	1,203,461		2,724,661,013.54
Shenzhen Finance Center Phase II	Jan 2013	Dec 2015	188,942		961,880,807.23
Shenzhen Pingshan Garden	April 2013	Dec 2015	TBD		1,224,000,000.00
Foshan Yiyun	Feb	July	TBD		198,405,020.0

Projects	Start date	Planned finish date	Expected total investment RMB0'000	Opening balance	Closing balance
International	2013	2015			0
Foshan Longyuan Project (Note 4)	Jan 2013	Jan 2014	TBD	672,924,122.00	
Foshan Yiyun Xicheng Phase III	May 2013	Jan 2015	48,096	127,543,220.75	127,543,220.75
Foshan Yiyun Xicheng Phase IV	Jan 2014	Sept 2015	37,925	125,959,015.57	135,743,591.10
Foshan Yiyun Xicheng Phase V	May 2013	Sept 2015	29,373	149,055,852.75	149,055,852.75
Hainan Bo'ao Project	TBD	TBD	TBD		800,449,000.00
Qingdao Haide Garden	May 2013	Oct 2014	43,000		97,243,519.06
Changzhou Garden 1872	Feb 2013	May 2015	67,308		553,128,937.55
Suzhou Yonghua House	Mar 2013	Dec 2014	TBD		692,324,205.17
Xiamen Haide Park Phase II	Mar 2013	June 2015	91,572	461,748,054.58	485,897,280.09
Wuhan Moshui Lake land B	TBD	TBD	TBD		919,503,851.95
Wuhan Moshui Lake land C	TBD	TBD	TBD		1,217,096,154.10
Subtotal:				1,537,230,265.65	10,297,982,033.11
Total:				49,292,709,293.00	62,910,239,897.15

Note 1: In August 2012, the Company obtained Ha'erbin Nortin Hill project through acquisition of the 50% share capital of Ha'erbin CM Jiatian Property Development Co., Ltd. The project has been launched in April 2012.

Note 2: In March 2012, Tianjin Zhaoshen Property Co., Ltd. – subsidiary of the Company, obtained Tianjin Yiyunjun Project through acquisition of 77% share capital of Tianjin Zhaojiang Investment Co., Ltd. This project has been launched in May 2011.

Note 3: In August 2012, Shenzhen CM Property Co., Ltd. obtained Shenzhen Yihaicheng Project through acquisition of the 50% share capital of Shenzhen Vanke Binhai Property Co., Ltd. The project has been launched in November 2011.

Note 4: Foshan Longyuan Project was once a project of Foshan CM Longyuan Property Development Co., Ltd. – one of the subsidiaries of the Company. It was not included in the balance of development costs at year end for the Company was no longer in the consolidation this year. For details please go to Note IV (II) – Companies eliminated from consolidation range in the year.

B. Property development projects

Projects	Date of completion	Initial amount	Current debit	Current credit	Amount at end of term
Beijing Park 1872 Phase I,II	June 2011	94,777,125.00	3,600,922.60	41,356,195.21	57,021,852.39
Beijing Longyuan phase I	June 2012		1,332,034,032.24	986,920,467.87	345,113,564.37
Beijing Xicheng Jiayuan	Sept 2010	284,711,666.00	28,951,568.26	194,846,138.62	118,817,095.64
36 Xikang Road Tianjin	Nov 2009	2924,604.00		650,461.45	2,274,142.55
Tianjing Yonghuaafu Project	Oct 2012		1,255,880,937.10	916,514,770.56	339,366,166.54
Tianjin Diamond Hill Phase I	August 2012		749,955,333.77	76,512,203.23	673,443,130.54
Shanghai Haide Garden	Dec	133,940,926.00		27,986,740.04	105,954,185.96

Projects	Date of completion	Initial amount	Current debit	Current credit	Amount at end of term
Land No.1	2010	0			6
Shanghai Sheshan Longyuan Project Phase I	Jan 2012		1,025,001,421.53		1,025,001,421.53
Shanghai CM Haiwan Garden Phase I - III	June 2011	51,378,666.00	138,176,188.02	90,767,842.23	98,787,011.79
Shanghai CM Nanqiao Yayuan	Jan 2010	614,282.00	1,154,784.84	1,769,066.84	
Shanghai CM Yonghuayuan Phase I, II	Aug 2011	407,336,352.00	447,009,486.75	838,666,670.75	15,679,168.00
Nanjing Yunxigu	Oct 2010	22,972,504.00		12,498,237.75	10,474,266.25
Nanjing No.1 Zijin Mountain, phase I	Nov 2012		1,478,141,969.32	440,032,849.39	1,038,109,119.93
Suzhou Xiaoshicheng Phase IV	June 2012		530,106,571.00	502,599,692.35	27,506,878.65
Suzhou Xiaoshicheng phase I to III	Dec 2010	3,524,493.00	505,398.10	2,694,120.69	1,335,770.41
Suzhou Yongjingwan	May 2012		796,915,109.87	270,576,523.98	526,338,585.89
Shenzhen CM Guanyuan	Jan 2012		1,920,206,930.98	1,338,287,885.81	581,919,045.17
Shenzhen Haiyue Huating	Sept 2009	7,014,451.00		625,720.89	6,388,730.11

Projects	Date of completion	Initial amount	Current debit	Current credit	Amount at end of term
Phase V. Garden City	August 2010	2287,524.00		2,287,524.00	
Shenzhen Lanxigu Phase II.	Jun 2007	36,961,104.00		25,076,021.38	11,885,082.62
Shenzhen Lanxigu phase III	May 2011	58,717,073.00		52,558,719.49	6,158,353.51
Shenzhen Xicheng Phase VI	Sept 2012		777,564,065.8 3	339,275,623.2 8	438,288,442.5 5
Shenzhen Xicheng Phase III	March 2010	30,637,752.00		30,637,752.00	
Shenzhen Xicheng Phase IV	June 2011	486,395,402.0 0	35,963,047.17	311,439,668.8 4	210,918,780.3 3
Shenzhen Xicheng phase V	May 2012		1,205,676,737. 27	252,097,392.8 5	953,579,344.4 2
Shenzhen Yishanjuan phase II, III	Oct 2009	13,440,925.00			13,440,925.00
Shenzhen Yongjinwan	August 2012		1,562,672,448. 59	1,317,714,536. 29	244,957,912.3 0
Shenzhen CM Lanyuan	Oct 2010	19,928,203.00	186,198.77	5,033,707.75	15,080,694.02
Foshan Yiyunshangcheng Phase II	Oct 2012		880,509,350.6 1	7,670,660.13	872,838,690.4 8
Foshan Yiyun Shangcheng phase I	Aug 2011	175,051,682.0 0	45,491,155.47	81,327,015.75	139,215,821.7 2
Foshan Yiyun Waterfront Phase III	Sept 2012		983,168,156.0 8		983,168,156.0 8

Projects	Date of completion	Initial amount	Current debit	Current credit	Amount at end of term
Foshan Yiyun Waterfront Phase IV	Jan 2012		454,600,055.19	199,995,982.28	254,604,072.91
Foshan Yiyun Shui'an phase I,II	Apr 2011	136,725,224.00	12,704,412.25	116,484,445.23	32,945,191.02
Guangzhou Jinshan Valley phase II	Jan 2010	22,145,288.30		413,092.67	21,732,195.63
Guangzhou Jinshan Valley phase III, section 1	May 2010	46,758,195.70	154,737,394.10	75,232,966.72	126,262,623.08
Guangzhou Jinshan Valley phase IV	July 2012		814,713,909.84	740,154,748.18	74,559,161.66
Zhuhai CM Garden City Phase I	Mar 2012		742,514,251.41	455,226,541.50	287,287,709.91
Xiamen Haide Park Phase I houses	Dec 2012		349,467,133.47	21,109,590.47	328,357,543.00
Xiamen Mayflower phase I land #3-4	Dec 2012		387,717,497.75		387,717,497.75
Zhangzhou Jinshanjiao Apartment	Dec 2004	1,439,657.00			1,439,657.00
Zhangzhou Sun Garden Phase I	Jun 2006	11,479,422.00		8,823,043.11	2,656,378.89
Zhangzhou Yinshanghai Phase II	Dec 2007	5,023,065.00		4,957,555.86	65,509.14
Zhangzhou	Dec	38,195,402.00	56,780.00	16,610,275.83	21,641,906.17

Projects	Date of completion	Initial amount	Current debit	Current credit	Amount at end of term
CM Garden City	2011				
Zhangzhou CM Holiday 365 phase I	Dec 2011	70,399,489.00		26,545,275.04	43,854,213.96
Zhangzhou CM Jianzhu	Dec 2007	7,347,721.00		7,281,002.00	66,719.00
Zhangzhou CM Kadakaisi Phase I	Dec 2011	173,980,500.00		123,200,784.82	50,779,715.18
Chengdu Dongcheng Int'l	Sept 2012		520,606,886.64	445,875,313.16	74,731,573.48
Chengdu Yonghuaafu Phase I	Sept 2012		861,136,548.40	741,453,148.03	119,683,400.37
Chongqing Garden City Phase I	Dec 2012		630,805,744.89	219,274,792.06	411,530,952.83
Chongqing CM Jiangwancheng Phase II	Dec 2010	36,941,607.00		21,096,311.10	15,845,295.90
Chongqing CM Jiangwancheng Phase III	Sept 2012		378,586,686.81	255,465,785.36	123,120,901.45
Chongqing CM. Jiangwancheng Phase I	Nov 2009	50,433,305.00		3,494,323.91	46,938,981.09
Others		1,533,987.00	924,591.00	924,591.00	1,533,987.00
Total		243,501,757.00	20,507,443.70 592	11,652,043.77 775	11,290,417.52 517

(3) Inventory impairment loss provision

Items	Amount at the beginning of year	Increased this year	Decreased this year		Balance at end of year
			Writ ten back	Other transferred out	
Real property development costs	296,210,0 00.00	72,000,00 0.00			368,210,0 00.00
Property products		206,493,0 32.19			206,493,0 32.19
Low price consumable	162,981.6 6				162,981.6 6
Total	296,372,9 81.66	278,493,0 32.19			574,866,0 13.85

Note 1: Nanjing CM Ruisheng Property Co., Ltd., - subsidiary of the Company, has provided RMB72,000,000.00 of inventory impairment loss provision on Nanjing CM Longyuan project at the balance of realizable net value lower than the book value.

Note 2: Shanghai Jingyuan Property Co., Ltd., - subsidiary of the Company, has provided RMB206,493,032.19 of inventory impairment loss provision on Shanghai Sheshan Longyuan project at the balance of realizable net value lower than the book value.

(4) Inventory impairment provision

Items	Basis of provision	Reason for writing back	Portion of written back in balance at end of term
Real property development costs	book value lower than expected retrievable amount	None	
Property products	book value lower than expected retrievable amount	None	
Low price consumable	book value lower than expected retrievable amount	None	

(5) The accumulated interest paid and capitalized in the cost of property development was RMB1,601,734,251.25, including RMB985,875,959.79 accounted into cost of property development.

(6) Inventories under pledge:

A. Suzhou CM Nanshan Property Co., Ltd. – subsidiary of the Company, used the land using rights certificate (吴国用(2008)第 20592 号) for pledging of bank loan amounted to RMB71,400,000.00, which will be mature within one year.

B. China Merchants Jiaming (Beijing) Property Development Co., Ltd. – one of the subsidiaries of the Company, entered the Pledge Contract with China Merchants Bank Beijing Sanhuan Branch, by which the 106,700 square meters of land of Beijing Xicheng Jiayuan (Land CY-09 in Changping) was pledged to the bank for the loan of RMB187,000,000.00.

C. Fujian Zhongliansheng Property Co., Ltd. – subsidiary of the Company has entered the Pledge Contract, by which the land 2012JTP-3-1 located to the south of Yinghuan Road zone 11-14 was pledged to the bank for loan of RMB200,000,000.00.

D. Chongqing CM Property Development Co., Ltd. – subsidiary of the Company, used the property certificate (106D 房地证 2011 字第 50022 号、50023 号) as pledge to the bank for loan of RMB109,350,000.00.

E. Qingdao Zhongrunde Auto Trade Co., Ltd. – subsidiary of the Company used the land certificate (青房地权市字第 20081837 号,青房地权市字第 20081837 号) as pledge to the bank for loan of RMB51,710,000.00. The loan will mature within one year; and the land (青房地权市字第 20081844 号) of CM Zhongrunde Airport Business Garden, and construction in progress (青房地建市字第 201274753 号) as pledge to the bank for loan of RMB100,000,000.00).

As of December 31, 2012, no pledge, guarantee, or suspended projects amongst the inventory properties of the Company other than the above.

(7) As of December 31, 2012, the Group has the land reserve of 2.3148 million square meters, which total cost of RMB10,297,982,033.11.

8. Other current asset

Items	Balance at end of year	Amount at the beginning of year	Property
Operation tax and surcharges prepaid	1,628,732,751.40	727,356,283.00	Tax prepaid
Prepaid income tax	650,461,689.23	416,148,740.00	Tax prepaid
Land VAT prepaid (Note)	526,737,961.72	595,188,164.00	Tax prepaid
Others	12,337,541.63	13,603,503.00	Other tax prepaid
Total	2,818,269,943.98	1,752,296,690.00	

Note: For the property sales income collected prior to finishing of construction, the Company pays Land VAT at legal portion and accounts them into other current asset. Upon finishing of the construction, the actual Land VAT is calculated upon the income from sales of property less the legal deductive items, and is accounted into other current liabilities after deducting of prepaid amount.

9. Long-term receivable

Items	Balance at end of year	Amount at the beginning of year
Entrusted loan	49,721,270.00	157,577,000.00
Total	49,721,270.00	157,577,000.00

Note: Shenzhen CM Property Co., Ltd. – one of the subsidiaries of the Company, entered the Entrusted Loan Contract with Shekou Branch of Bank of China, by which the bank is entrusted to provide RMB250,000,000 of loans to Huizhou Taitong Property Investment Co., Ltd. As of December 31, 2012, RMB49,721,270.00 of loan was raised, and interest receivable was RMB12,097,044.70.

10. Long-term share equity investment

(1) Long-term equity investment segment

Items	Balance at end of year	Amount at the beginning of year
Long-term equity investment on cost basis		10,000,000.00
Long-term equity investment on equity basis	1,083,249,770.92	804,539,459.00
Total of long-term equity investment	1,083,249,770.92	814,539,459.00
Less: Long-term investment impairment provision		
Value of long-term equity investment	1,083,249,770.92	814,539,459.00

(2) Long-term equity investment on cost basis and equity basis

Name of the Companies	Share proportion (%)	Voting rights (%)	Investment cost	Amount at the beginning of year	Increase of this year	Decreased this year	Balance at end of year	Cash dividend this year
Onequity basis								
Shanghai Xinanshan Property Development Co., Ltd (Note 1)	2000	2000	98,000,000	10,000,000	88,000,000		98,000,000	
China Merchants Guangming Technologies Garden Ltd	4900	4900	196,000,000	174,407,353		5,934,878	168,472,479	
Beijing Guangying Property Development Co., Ltd	5000	5000	5,000,000		5,000,000	263,624.18	4,736,375.82	

Name of the Companies	Share proportion (%)	Voting rights (%)	Investment cost	Amount at the beginning of year	Increase d this year	Decreased this year	Balance at end of year	Cash dividend this year
(Note 2)								
Beijing CM Tiaping Property Management Co., Ltd.	49.00	49.00	490,000.00	231,039.60	130,171.51		244,056.751	
Shenzhen China Merchants OCT Investment Co., Ltd.	50.00	50.00	2,500,000.00	3,062,325.00	383,241.66		3,445,566.66	
Tianjin Xinhai Real Estate Development Co., Ltd.	45.00	45.00	6,750,000.00	97,440,319.00		170,193.42	97,270,125.58	
TCL Photoelectric Tech (Shenzhen) Co., Ltd.	40.00	40.00	42,010,652.00	114,090.814.00	77,382,443.88		191,473,257.88	
Huizhou Taitong Property Investment Co., Ltd. (Note 3)	49.00	49.00	25,484,900.00	4,741,303.00	20,584,900.55	5,249,809.29	20,076,394.26	
Shenzhen Dehan Investment Development Co., Ltd. (Note 4)	70.00	50.00	14,000,000.00	13,694,762.00		144,557.26	13,550,204.74	
Foshan China Merchants Longyuan Property Co., Ltd. (Note 5)	50.00	50.00	50,000,000.00		50,000,000.00	50,000,000.00		
Guangzhou Panyu Innovation Technology Garden Co., Ltd. (Note 6)	51.00	51.00	350,000,000.00	322,386,335.00		7,105,449.47	315,280,885.53	

Name of the Companies	Share proportion (%)	Voting rights (%)	Investment cost	Amount at the beginning of year	Increase of this year	Decreased this year	Balance at end of year	Cash dividend this year
Shanghai Ledu Property Co., Ltd.	33.33	33.33	66,660,000	66,466,023.00	102,023,616.40		168,489,639.40	
Jones Tech Limited	49.00	49.00	309.92		6689.11		6689.11	
Holy Profit Limited	49.00	49.00	309.92		7,589.46		7,589.46	
Shenzhen Haitao Hotel Co., Ltd. (Note 7)	85.00	85.00	9,725,705.18	5,939,829.00		5,939,829.00		
Total			866,621,877.02	814,539,459.00	343,518,652.57	748,083,406.5	1,083,249,770.92	

Note 1: In August 2011, Shenzhen CM Property Co., Ltd. – subsidiary of the Company invested with Shanghai Nanshan Property Development Co., Ltd. to setup Shanghai New Nanshan Property Co., Ltd. with registered capital of RMB100 million, in which RMB10 million was input by Shenzhen CM Property Co., Ltd., and Shenzhen CM is holding 10% of the capital share. According to the investment agreement revised in 2012, Shenzhen CM Property Co., Ltd. has input another RMB88 million. Therefore Shenzhen CM Property Co., Ltd. is holding RMB98 million of equity and 20% of the share. Equity basis was adopted in accounting of the asset of Shanghai New Nanshan Property Development Co., Ltd. for Shenzhen CM Property is having significant influence on it.

Note 2: On May 25, 2012, CM Property (Beijing) Co., Ltd. – subsidiary of the Company, invested with Dalian Yingzhi Enterprise Management Co., Ltd. to setup Beijing Guangying Property Development Co., Ltd. with registered capital of RMB10 million, in which RMB5 million was input by CM Property (Beijing) Co., Ltd. representing 50% of the equity share. According to the Articles of Association of Beijing Guangying Property Development Co., Ltd. and the investment agreement, the finance and business decisions of the company must be decided by the two parties together. Therefore CM Property (Beijing) Co., Ltd. is not holding substantial control over Beijing Guangying Property Development Co., Ltd. It was not consolidated thereof.

Note 3: In September 2012, Huizhou Taitong Property Investment Co., Ltd. has increased its registered capital up to RMB42.01 million. According to the Articles of

Association and the investment agreement, Shenzhen CM Property Co., Ltd. – subsidiary of the Company, increased input of RMB20.5849 million according to its equity share.

Note 4: Shenzhen CM Property Co., Ltd. is holding 70% of equity share of Shenzhen Dehan Investment Co., Ltd. According to the Articles of Association of Shenzhen Dehan Investment Development Co., Ltd. and the related agreement, the financial and business decisions must be made upon mutual agreement of the two shareholders. Therefore Shenzhen China Merchants Property Co., Ltd. has no control over the company, and this company was not included in the consolidation range.

Note 5: In August 2012, Shenzhen CM Property Co., Ltd. – subsidiary of the Company, transferred the 50% share capital held in Foshan CM Longyuan Property Co., Ltd. to Foshan Shunde Baoli Property Co., Ltd., therefore its share of capital has reduced to 50%, according to the articles of association of Foshan CM Longyuan Property Co., Ltd. and related agreements, all of the financial and business decisions of the company shall be upon negotiation of the two parties, i.e. Shenzhen CM Property Co., Ltd. is not holding control power over CM Longyuan. Thus it is eliminated from the range of consolidation. Shenzhen CM Property Co., Ltd. adopts equity basis with Foshan CM Longyuan Property Development Co., Ltd., and the book value of long-term equity investment after recognition of investment gains was zero in this year.

Note 6: Shenzhen CM Property – subsidiary of the Company, is holding 51% of the equity share of Guangzhou Panyu Innovative Tech Garden Co., Ltd. For the Articles of Association of Guangzhou Panyu Innovative Tech Garden Co., Ltd. has stated that all financial and business decisions can only be adopted with favorable votes from over 2/3 of the directors. Therefore the Company is not holding control power over Guangzhou Panyu Innovative Tech Garden Co., Ltd. It was not consolidated.

Note 7: For details please go to Note IV (I) Subsidiaries Note 1.

(3) Investment in affiliates

Name of the Companies	Share proportion (%)	Voting rights (%)	Total asset at end of year	Total liability at end of year	Total net asset at end of year	Total of turnover	Net profit realized this year
Joint ventures							
Shenzhen Dehan Investment Development	70.00	5.00	19,702,208.03	344,772.68	19,357,435.35		-206,510.66

Name of the Companies	Share proportion (%)	Voting rights (%)	Total asset at end of year	Total liability at end of year	Total net asset at end of year	Total of turnover	Net profit realized this year
Co., Ltd.							
Foshan China Merchants Longyuan Property Co., Ltd.	50.00	5.000	652,334,833.98	672,924,222.36	-20,589,388.38		-120,485,152.92
Beijing Guangying Property Development Co., Ltd.	50.00	5.000	251,721,681.93	2,507,744.6233	9,472,751.60		-527,248.40
Shenzhen China Merchants OCT Investment Co., Ltd.	50.00	5.000	12,287,085.49	5,614,068.67	6,673,016.82	20,950,617.59	766,482.68
Affiliates							
Guangzhou Panyu Innovation Technology Garden Co., Ltd.	51.00	5.100	607,235,716.31	37,725,630.64	569,510,085.67	3,855,058.67	-13,932,253.87
Huizhou Taitong Property Investment Co., Ltd.	49.00	4.900	150,231,930.48	111,118,285.63	39,113,644.85		-10,499,618.57
Shanghai Xinanshan Property Development Co., Ltd.	20.00	2.000	1,182,566,472.03	884,501,709.72	298,664,762.31		-1,785,320.07
China Merchants Guangming Technologies Garden Ltd.	49.00	4.900	618,115,110.67	274,293,733.15	343,821,377.52	20,113,075.00	-12,111,996.01
Beijing CM Tianping Property Management Co., Ltd.	49.00	4.900	5,917,311.36	998,236.68	4,919,074.68	9,967,144.58	265,659.12
Tianjin Xinhai real Estate Development Co., Ltd.	45.00	4.500	256,947,558.05	25,232,859.77	231,714,698.28		-378,207.65
Shanghai	33.33	3	1,358,507.5	852,988.1	505,519.3	114,884	2,628.10

Name of the Companies	Share proportion (%)	Voting rights (%)	Total asset at end of year	Total liability at end of year	Total net asset at end of year	Total of turnover	Net profit realized this year
Ledu Property Co., Ltd.		333	16.08	74.07	42.01	.97	
JonesTech Limited	49.00	49.00	62,909,936.38	62,896,357.36	13,579.02		129,900.1
HollyProfit Limited	49.00	49.00	69,198,962.40	69,183,555.62	15,406.78		148,234.0
TCL Photoelectric Tech (Shenzhen) Co., Ltd.	40.00	40.00	1,179,912,274.16	555,915,389.03	623,996,885.13	486,653.951.69	193,456.10891

11. Investment real estates

(1) Investment property on cost basis

Items	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year
Original value	4,344,203,080.00	7,346,340.73	4,410,661.03	4,347,138,687.70
Houses & buildings	3,022,979,510.00	7,346,340.73	4,410,661.03	3,025,915,189.70
Land using right	1,321,223,498.00			1,321,223,498.00
Accumulated depreciation and amortization	1,077,045,379.00	153,199,876.49	442,552.03	1,229,802,703.46
Houses & buildings	923,418,516.00	119,020,489.73	442,552.03	1,041,996,453.70
Land using right	153,626,863.00	34,179,386.76		187,806,249.76
Net book value	3,267,157,629.00			3,117,335,984.24
Houses & buildings	2,099,560,916.00			1,983,918,716.70

Items	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year
	94.00			36.00
Land using right	1,167,596,635.00			1,133,417,248.24
Impairment provision				
Houses & buildings				
Land using right				
Book value	3,267,157,629.00			3,117,335,984.24
Houses & buildings	2,099,560,994.00			1,983,918,736.00
Land using right	1,167,596,635.00			1,133,417,248.24

Note 1: Among the increased amount of accumulated depreciation and amortization, RMB153,199,876.49 was provided in the current year.

Note 2: As of December 31, 2012, there were still some of the investment properties not granted property certificates yet, they were amounted to RMB479,047,279.29. Among them were Zhangzhou Ziweiyuan Phase I, Jingshan Valley Phase II shops, Meilun Apartment, and Beike Enterprise Building. Application of certificates were in process.

Note 3: As of December 31, 2012, no investment property were put into pledge.

12. Fixed assets

(1) Particulars of fixed assets

Items	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year
Original value	721,079,018.00	65,206,127.13	17,217,100.54	769,068,044.59

Items	Amount at the beginning of year	Increased this year		Decrease d this year	Balance at end of year
Houses & buildings	380,423,730.00			504,961.02	379,918,768.98
Equipment & machinery	198,510,038.00		36,149,311.15	7,355,052.98	227,304,296.17
Transportation equipment	67,392,789.00		14,434,307.35	4,322,304.67	77,504,791.68
Office equipment	74,752,461.00		14,622,508.63	5,034,781.87	84,340,187.76
Accumulated depreciation:		Increased this year	Provided this year		
	284,849,079.00	11,472,196.98	51,304,921.33	13,753,130.48	333,873,066.83
Houses & buildings	60,662,258.00	7,818,975.11	20,283,984.33	226,774.73	88,538,442.71
Equipment & machinery	140,568,211.00	2,390,619.11	13,106,277.89	6,617,036.79	149,448,071.21
Transportation equipment	40,561,902.00	807,030.49	7,083,700.48	3,725,230.34	44,727,402.63
Office equipment	43,056,708.00	455,572.27	10,830,958.63	3,184,088.62	51,159,150.28
Net book value	436,229,939.00				435,194,977.76
Houses & buildings	319,761,472.00				291,380,326.27
Equipment & machinery	57,941,827.00				77,856,224.96
Transportation equipment	26,830,887.00				32,777,389.05
Office	31,695,753.00				33,181,037.00

Items	Amount at the beginning of year	Increased this year	Decrease d this year	Balance at end of year
equipment	00			48
Impairment provision				
Houses & buildings				
Equipment & machinery				
Transportation equipment				
Office equipment				
Book value	436,229,939.00			435,194,977.76
Houses & buildings	319,761,472.00			291,380,326.27
Equipment & machinery	57,941,827.00			77,856,224.96
Transportation equipment	26,830,887.00			32,777,389.05
Office equipment	31,695,753.00			33,181,037.48

(2) Among the fixed assets increased in the year, RMB13,261,195.68 were transferred from construction-in-progress. The accumulated depreciation of the year includes RMB51,304,921.33 provided in this year.

(3) Accumulated depreciation increased with subsidiaries acquired through merger was RMB11,472,196.98 for the year, including RMB11,409,869.27 attributable to Shenzhen Haitao Hotel Co., Ltd. and RMB62,327.71 attributable to Shenzhen Vanke Binhai Property Co., Ltd.

(4) As of December 31, 2012, there were some of the properties under application of property certificates, they were amounted to RMB36,178,909.20 in net value.

13. Construction in process

(1) Particulars of construction-in-progress

Items	Balance at end of year			Amount at the beginning of year		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Transformer Station	85,522,230.19		85,522,230.19	58,643,789.00		58,643,789.00
Construction project	2,936,043.39		2,936,043.39	2,936,043.00		2,936,043.00
Total	88,458,273.58		88,458,273.58	61,579,832.00		61,579,832.00

(2) The change of important construction in progress

Amount at the beginning of year	Increased this year	Decreased this year	
		Transferred into fixed assets	Other decreases
58,643,788.61	40,139,637.26	13,261,195.68	
2,936,043.39			
61,579,832.00	40,139,637.26	13,261,195.68	

(cont.)

Project	Budget	% of investment on budget	Accumulate of interest capitalized	Incl. Interest capitalized in the year	Capitalization rate of interest of the year	Fund recourse
Transfer	200,360,0	51.44				Independent

Project	Budget	% of investment on budget	Accumulate of interest capitalized	Incl. Interest capitalized in the year	Capitalization rate of interest of the year	Fund recourse
mer Station	00.00					
Construct ion project	660,035,400.00	0.44				Independent
Total	860,395,400.00	51.88				

14. Goodwill

Name of the Companies	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year	Impairment provision at end of year
Tonic Industry Holding Co., Ltd. Tonic Industries Holdings Ltd.		159,560,861.23		159,560,861.23	
Total		159,560,861.23		159,560,861.23	

Note 1: RMB159,560,861.23 of goodwill was formed by acquisition of Tonic Industry Holding Co., Ltd.

Note 2: Impairment loss of goodwill was recognized at the difference between the current value of future net cash flow and book value of a portfolio of goodwills. As the result of testing, no impairment occurred with goodwill.

15. Long-term amortizable expenses

Items	Amount at the beginning of year	Increased this year	Amortized this year	Other decrease in this year	Balance at end of year	Other reason of decreasing
Renewing of fixed assets for rent	223,719,415.00	6,433,352.25	19,609,230.65		210,543,536.60	
Others	28,626,044.00	24,560,590.01	14,291,477.49		38,895,156.52	
Total	252,345,459.00	30,993,942.26	33,900,708.14		249,438,693.12	

16. Deferred income tax asset and deferred income tax liability

(1) Deferred income tax assets and liabilities already recognized

Items	Balance at end of year	Amount at the beginning of year
Deferred income tax asset		
Land VAT drawn in advance	914,031,960.23	719,009,314.00
Reserved expenses	20,589,965.05	4,981,624.00
Anticipated liabilities	3,504,252.82	
Bad debt provision on other receivables	1,592,806.37	460,897.00
Amortizing of other long-term assets	1,218,876.73	1,218,877.00
Bad debt provision on receivables	1,209,564.16	702,530.00
Neutralizable losses		7,927,333.00
Total	942,147,425.36	734,300,575.00

(2) Details of un-recognized deferred income tax assets

Items	Balance at end of year	Amount at the beginning of year
Deductible provisional differences	504,593,980.48	587,536,910.00
Neutralizable losses	1,103,153,022.92	398,752,917.00
Total	1,607,747,003.40	986,289,827.00

(3) Deductible losses of the un-recognized deferred income tax asset will expire in the following years

Items	Balance at end of year	Amount at the beginning of year	Notes
2012		7,228,893.00	
2013	7,913,547.81	11,227,195.00	
2014	9,070,705.50	26,216,438.00	
2015	74,476,260.35	105,920,651.00	
2016	200,825,226.11	248,159,740.00	
2017	810,867,283.15		
Total	1,103,153,022.92	398,752,917.00	

(4) Details of taxable differences and deductible differences

Items	Amount
Neutralizable different items	
Land VAT drawn in advance	3,656,127,840.92
Reserved expenses	82,359,860.19
Anticipated liabilities	14,017,011.29
Bad debt provision on other receivables	6,371,225.48
Amortizing of other long-term assets	4,875,506.92
Bad debt provision on receivables	4,838,256.64
Sub-total	3,768,589,701.44

17. Detailed Table of Asset Impairment Provisions

Items	Amount at the beginning of year	Increased this year	Decreased this year		Balance at end of year
			Written back	Other transferred out	
Bad debt provision (note)	15,184,687.00	11,089,654.63			26,274,341.63
Inventory impairment provision	296,372,981.66	278,493,031.85			574,866,013.85
Total	311,557,668.66	289,582,686.48			601,140,355.48

Note: Among the increased amount of bad debt provision, RMB9,967,161.76 was provided this year, and RMB1,122,492.87 was caused by change of consolidation range.

18. Short-term loans

(1) Categories of short-term loans

Categories	Balance at end of year	Amount at the beginning of year
Loan by pledge		
Mortgage loan		57,000,000.00
Guaranteed loan (Note 1)	850,000,000.00	1,026,202,269.00
Credit loan	1,255,000,000.00	1,790,000,000.00
Total	2,105,000,000.00	2,873,202,269.00

Note 1: The Company has provided guarantee to Shenzhen CM Power Supply Co., Ltd. – subsidiary of the Company, for the bank loan of RMB850,000,000.00.

19. Trade off financial liabilities

Items	Fair value at end of year	Fair value at beginning of year
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Items	Fair value at end of year	Fair value at beginning of year
Deductive financial liability		2,022,312.00
Total		2,022,312.00

The opening balance was the fair value of the future contract of foreign currency without handover of principal entered by Ruijia Investment Industry Co., Ltd. and INGBankN.V.,HongkongBranch. These contracts have expired during the period from April 13, 2012 to April 30, 2012.

20. Notes payable

Type of notes	Balance at end of year	Amount at the beginning of year
Bank acceptance	19,151,995.76	3,714,276.00
Commercial acceptance	28,458,666.83	
Total	47,610,662.59	3,714,276.00

RMB47,610,662.59 will expire in the next fiscal year.

21. Account payable

(1) Particulars of account payable

Items	Balance at end of year	Amount at the beginning of year
Project payment	6,265,912,326.22	3,043,087,571.00
Land price	5,360,808,997.86	1,325,303,129.00
Payment for purchasing of share equity (Note)	70,650,000.00	70,650,000.00
Warranty fee	51,325,997.23	59,449,642.00
Others	48,201,575.64	60,828,647.00
Total	11,796,898,896.95	4,559,318,989.00

Items	Balance at end of year	Amount at the beginning of year
Project payment	6,265,912,326.22	3,043,087,571.00
Land price	5,360,808,997.86	1,325,303,129.00
Payment for purchasing of share equity (Note)	70,650,000.00	70,650,000.00
Warranty fee	51,325,997.23	59,449,642.00
Others	48,201,575.64	60,828,647.00
Incl. Over one year	1,856,114,489.14	513,023,721.00

Note: Payment for purchasing of equity was the amount payable to Shanghai Meiyang Property Co., Ltd. for the shares of Shanghai Fengyang Property Development Co., Ltd. It was not disbursed yet because the payment conditions of the agreement were not satisfied yet.

(2) Large account payable aged over one year:

Name of the companies	End of term	Age	Reason of overdue	Amount to repay after the report term
Zhenjiang National Land Resource Bureau	1,005,000,000.00	1-2 yrs	Not expired according to contract	
Shanghai Baoshan Yanghang Town Government	95,503,129.40	Over 3 yrs	Payment condition not satisfied yet	
Shanghai Meiyang Property Co., Ltd.	70,650,000.00	Over 3 yrs	Share acquisition payment not disbursed yet	
Foshan Yiyun Waterfront Phase II construction payment	61,804,945.77	1-2 yrs	Project not settled yet	
Foshan Yiyun Waterfront Phase I construction payment	23,100,155.85	2-3 yrs	Project not settled yet	

Name of the companies	End of term	Age	Reason of overdue	Amount to repay after the report term
Foshan Yiyun Shangcheng Phase I construction payment	21,797,152.60	1-2 yrs	Project not settled yet	
Nanjing Yiyun Xigu construction payment	22,495,653.26	2-3 yrs	Warranty not expired	
Shenzhen Xicheng phase IV construction payment	53,943,808.72	1-2 yrs	Project not settled yet	
Shenzhen Xicheng phase III construction payment	9,615,563.78	2-3 yrs	Project not settled yet	
Shenzhen Xicheng phase III construction payment	27,300,496.12	Over 3 yrs	Project not settled yet	
Shenzhen Yishanjuan phase III outstanding balance	24,521,969.25	2-3 yrs	Project not settled yet	
Xiamen Huanhaihua Construction Group Co., Ltd.	22,170,000.00	1-2 yrs	Project not settled yet	
Zhangzhou Holiday 365 phase I interior decor	20,329,349.60	1-2 yrs	Project not settled yet	
Fujian Land Mining Construction Group Co., Ltd.	18,760,000.00	1-2 yrs	Project not settled yet	
Fujian Kaidi Construction Engineering Co., Ltd.	12,250,598.43	1-2 yrs	Project not settled yet	
Zhongtian Construction Group Co., Ltd.	27,620,000.00	1-2 yrs	Project not settled yet	
Zhongjian No.3 Construction Co., Ltd.	11,495,807.00	1-2 yrs	Project not settled yet	
Total	1,528,358,629.78			

(3) Account payable to shareholders' holding 5% or above of the Company's shares at end of year.

Name of the companies	Balance at end of year	Amount at the beginning of year
China Merchants Shekou Industrial Zone Co., Ltd.	900,000,000.00	
Total	900,000,000.00	

22. Advances received

(1) Advances received

Items	Balance at end of year	Amount at the beginning of year
Total	28,463,966,430.34	16,882,302,009.00
Incl. Over one year	2,962,002,551.39	1,645,720,831.00

Note: Most of the advance received were the advances for property sales. Advances overdue for over one year were those properties not accepted yet.

(2) No advance received from shareholders holding 5% or above of the Company's shares.

(3) Prepayment for properties

Projects	End of term	Beginning of term	Plan ned finish date	% of presales
Beijing Park 1872 Phase III	3,154,064,691.00	933,930,241.00	2013	93.85
Beijing Xicheng Home and Longyuan	2,901,459,060.00	2,147,777,793.00	2013	100.00
Chengdu Dongcheng Int'l	26,330,800.00	361,882,820.00	comple ted	100.00

Projects	End of term	Beginning of term	Plan ned finish date	% of presales
Chengdu Yonghuafu Phase I	42,383,304.00	174,408,991.00	comple ted	100.0 0
Chengdu Yonghuafu phase II	314,930,041.00		2013	10.00
Foshan Yiyuntianhui phase I	695,223,079.00		2013	97.00
Foshan Yiyun Shangcheng phase I	12,407,243.00	97,855,756.00	comple ted	78.00
Foshan Yiyunshangcheng Phase II	841,604,878.00	376,872,235.00	comple ted	100.0 0
Foshan Yiyunshangcheng phase III	228,738,382.00		2013	78.07
Foshan Yiyunshui'an Phase I	32,607,264.22	83,152,542.00	comple ted	20.91
Foshan Yiyunshui'an Phase II	34,973,024.96	273,878,722.00	comple ted	43.61
Foshan Yiyunshui'an Phase III	1,850,890,613.50	711,005,885.00	comple ted	52.15
Foshan Yiyunshui'an Phase IV	188,418,622.00	476,580,000.00	comple ted	100.0 0
Foshan Yiyun Xicheng phase I	415,276,326.00		2013	100.0 0
Guangzhou Donghui Town Lan B phase I	391,754,210.00		2013	61.67
Guangzhou Jinshan Valley Phase VIII	185,510,375.00		comple ted	98.77
Guangzhou Jinshan Valley Creative Industry Garden phase I	31,354,653.00		2014	51.00
Guangzhou Jinshan Valley Garden Phase II	2,320,661.00	677,842.00	comple ted	53.66
Guangzhou Jinshan Valley Garden Phase II, shops	59,029,331.00		comple ted	17.99
Guangzhou Jinshan Valley Garden Phase III	272,530,641.00	54,605,738.00	comple ted	68.69

Projects	End of term	Beginning of term	Plan ned finish date	% of presales
Guangzhou Jinshan Valley Garden Phase IV	93,230,686.00	1,932,271,695.00	comple ted	94.30
Guangzhou Jinshan Valley Garden Phase IV, shops	35,496,619.00	108,264,270.00	comple ted	74.07
Zhuhai CM Garden City Phase I	14,786,944.00		2014	31.60
Bijie CM Garden City	83,700,991.00		2014	44.92
Ha'erbin Nortin Hill phase I	134,345,182.98		2013	85.02
Nanjing Yunxigu	15,363,662.92		comple ted	72.64
Nanjing Zijinshan No.1 (former G67 project)	356,405,403.70	108,911,909.00	comple ted	99.04
Qingdao LAVIE Commune	43,515,038.00		2013	97.64
Shanghai Haide Garden Phase I Commercial		5,376,246.00	comple ted	73.31
Shanghai No. 2 Haide Park land 2 phase I	79,038,219.00		2013	81.89
Shanghai Haide Garden Phase III	23,605,652.00	25,025,916.00	comple ted	86.63
Shanghai Haiwan phase I	5,440,000.00	10,970,000.00	comple ted	49.18
Shanghai Haiwan Phase II	4,270,000.00	16,880,000.00	comple ted	74.30
Shanghai Haiwan Phase III	31,436,606.00	61,777,885.00	comple ted	57.05
Shanghai Haiwan Phase IV	160,621,377.00	12,382,000.00	comple ted	3.88
Shanghai Haiwan Phase V	69,444,234.00		comple ted	95.82
Shanghai Sheshan Longyuan Project Phase I	10,293,698.00		comple ted	85.45
Shanghai CM Yonghuayuan Phase II		52,880,769.00	comple ted	83.17

Projects	End of term	Beginning of term	Plan ned finish date	% of presales
Shanghai CM Yonghuayuan Phase III		808,865,694.00	comple ted	93.26
Shenzhen Guoling Garden	2,358,203,307.90	275,699,315.00	2013	96.75
Shenzhen Haiyue Huating		1,237,550.00	comple ted	96.79
Shenzhen Lanxigu Phase II.	23,839,614.00	16,487,885.00	comple ted	98.70
Shenzhen Lanxigu phase III		15,986,789.00	comple ted	76.00
Shenzhen Wuzi Apartment	400,973,143.00		2013	81.68
Shenzhen Yongjinwan	337,120,918.00	1,708,396,562.00	comple ted	
Shenzhen CM Guanyuan	203,949,030.00	797,864,615.90	comple ted	
Shenzhen CM Lanyuan		7,768,346.00	comple ted	100.00
Shenzhen Xicheng Phase IV	91,623,330.00	154,762,162.00	comple ted	78.07
Shenzhen Xicheng phase V	344,270,069.00		comple ted	20.91
Shenzhen Xicheng Phase VI	25,588,605.00		comple ted	43.61
Shenzhen Yihaicheng	1,457,269,767.00		2014	52.15
Suzhou Xiaoshicheng Phas II, III	1,650,772.00	4,093,113.00	comple ted	100.00
Suzhou Xiaoshicheng Phase IV	14,453,160.88	689,158,922.00	comple ted	100.00
Suzhou Xiaoshicheng Phase V	644,188,471.00	23,907,078.00	2013	61.67
Suzhou Xiaoshicheng Phase VI	740,216,242.00	50,144,147.00	2014	98.77
Suzhou Yongjingwan Phase I	62,107,900.00	102,603,079.00	comple ted	51.00
Suzhou Yongjingwan Phase II	128,388,995.00		2014	53.66

Projects	End of term	Beginning of term	Plan ned finish date	% of presales
Tianjin Beiken Hill Phase I house A	30,096,975.00		2014	17.99
Tianjin Yiyunjun Phase I	272,839,291.00		2013	68.69
Tianjing Yonghuaifu	118,291,105.00	715,821,514.00	completed	94.30
Tianjin Star City	1,507,911,417.10	724,792,867.00	2013	74.07
Wuhan Yonghuaifu	248,993,182.00		2013	31.60
Xiamen Haide Park (Former Xiamen P08 project)	582,760,542.00	37,880,181.00	2014	44.92
Xiamen Maritime Mayflower phase I	826,821,656.00	216,496,647.00	completed	85.02
Xiamen Maritime Mayflower phase II	659,504,979.30		2015	72.64
Zhangzhou CM Garden City Phase I	7,534,141.20	17,081,650.00	completed	99.04
Zhangzhou CM Garden City Phase II	197,846,955.00	41,889,135.00	2013	97.64
Zhangshou Holiday 365, phase I	42,521,192.00	23,106,466.00	completed	73.31
Zhangshou Holiday 365, phase II	49,559,295.40		2014	81.89
Zhangzhou Kadakaisi Phase I	110,756,087.60	148,935,473.00	completed	86.63
Zhangzhou Kadakaisi Phase II	96,640,549.83		2013	49.18
Zhangzhou Kadakaisi Demenstration Apartment	53,138,184.68		2013	74.30
Zhenjiang Beiguwan Project Phase I	805,304,558.90	154,419,755.00	2013	57.05
Chongqing Changjiahui phase I	645,325,350.80		2014	3.88
Chongqing CM Jiangwancheng Phase II	23,651,660.00	47,136,828.00	completed	95.82
Chongqing CM Garden City Phase I	139,854,624.00		completed	85.45

Projects	End of term	Beginning of term	Planed finish date	% of presales
Chongqing CM Garden City Phase II	275,766,313.00		2013	83.17
Chongqing CM. Jiangwancheng Phase I	26,102,453.00	24,017,952.00	completed	93.26
Chongqing CM Jiangwancheng Phase III	152,668,296.00	421,804,087.00	completed	96.75
Chongqing CM Jiangwancheng Phase IV	543,905,418.00	50,507,580.00	completed	96.79
Chongqing CM Jiangwancheng Phase V	225,458,789.00	139,663,181.00	2013	98.70
Zhuhai CM Garden City Phase I	79,768,525.00	892,252,710.00	completed	76.00
Zhuhai CM Garden City Phase II, III	980,029,523.00	185,604,814.00	completed	81.68
Others	23,053,805.73	268,758,643.00		
Total	28,402,749,707.60	16,794,513,996.00		

23. Employees' wage payable

Items	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year
I. Wage, bonus, allowances	230,787,946.00	975,399,803.79	904,989,346.66	301,198,403.13
II. Employees' welfare		62,515,411.16	62,515,411.16	
III. Social security	965,049.00	118,256,566.93	117,921,827.21	1,299,788.72
Incl. 1. Medical insurance	170,440.00	28,671,717.42	28,648,647.05	193,510.37
2. Basic life insurance	176,690.00	63,076,604.25	62,877,156.89	376,137.36
3. Annual fee (supplementary life insurance)	463,644.00	17,900,890.72	17,920,523.89	444,010.83

Items	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year
4.Unemployment insurance	48,176.00	3,922,411.81	3,853,692.43	116,895.38
5.Workplace injury insurance	48,870.00	2,422,516.55	2,385,814.78	85,571.77
6.Maternity insurance	57,229.00	2,262,426.18	2,235,992.17	83,663.01
7.Others				
IV.Housing fund	797,432.00	39,448,677.79	39,013,180.79	1,232,929.00
V.Trade Union Fee and Training Fee	24,871.322.00	23,562,734.59	25,009,707.56	23,424,349.03
VI.Non-monetary welfare				
VII.Dismissing and retirement compensation	1,280,000.00	973,234.80	973,234.80	1,280,000.00
Incl.Compensation for dismissing of labor service contract	1,280,000.00	973,234.80	973,234.80	1,280,000.00
VIII.Others	1,788,319.00	11,695,653.08	7,878,947.84	5,605,024.24
Incl.Dividend paid in cash				
Total	260,490,68.00	1,231,852,082.14	1,158,301,656.02	334,040,494.12

24.Tax payable

Items	Balance at end of year	Amount at the beginning of year
Enterprise income tax	1,456,225,181.67	734,762,013.00
Land VAT	228,643,835.33	466,308,453.00
Business tax	213,733,667.61	5,458,942.00
Personal income tax	9,960,146.29	4,139,951.00
VAT	-2,768,550.18	5,698,516.00
City maintenance and construction tax	15,374,675.69	1,903,939.00

Items	Balance at end of year	Amount at the beginning of year
Land using tax	7,173,790.53	7,745,316.00
Others	23,239,606.24	46,483,801.00
Total	1,951,582,353.18	1,272,500,931.00

25. Interest payable

Items	Balance at end of year	Amount at the beginning of year
Long-term loan interest with instalments	116,181,985.15	110,022,202.00
Short-term borrowing interests payable	3,585,837.77	9,157,791.00
Total	119,767,822.92	119,179,993.00

26. Dividend payable

Name of the companies	Balance at end of year	Amount at the beginning of year	Reason of overdue for over 1 year
Shenzhen OCT Property Co., Ltd.	215,517,078.84		
Shenzhen Nanshan Property Development Co., Ltd.	64,670,051.82	39,604,987.00	Postponed upon negotiation with the cooperator
Tianjin Shenmiao Investment Group Co., Ltd.	9,692,329.22	9,692,329.00	Postponed upon negotiation with the cooperator
Shenzhen Huayuan Seafood Restaurant	285,600.10	285,600.00	To be neutralized
合计	290,165,059.98	49,582,916.00	

Name of the companies	Balance at end of year	Amount at the beginning of year	Reason of overdue for over 1 year
		0	

27. Other account payable

(1) Details of other payable accounts

Items	End of term	Beginning of term
Interchange with co-operative companies	5,512,860,268.43	4,505,441,156.00
Interchange with related parties	1,232,898,435.23	1,024,975,736.00
Deposit	304,845,498.21	440,625,762.00
Temporary payment	1,319,445,449.77	786,663,763.00
Others	132,302,941.45	113,706,402.00
Total:	8,502,352,593.09	6,871,412,819.00

(2) Ages of other payable accounts

Items	Balance at end of year	Amount at the beginning of year
Total	8,502,352,593.09	6,871,412,819.00
Incl. Over one year	2,355,234,416.27	2,968,798,133.00

Note: Large amount other payables over one year were mainly the payment made by minority shareholders on behalf.

(3) Amount payable to shareholders' holding 5% or above of the Company's shares

Name of the companies	Balance at end of year	Amount at the beginning of year
China Merchants Shekou Industrial Zone Co., Ltd.	2,097,500.00	

Name of the companies	Balance at end of year	Amount at the beginning of year
Total	2,097,500.00	

(4) Other payable accounts with large amount at end of year

Items	Amount	Age	Description
Zhidi Holding Co., Ltd.	1,678,138,580.10	Within 3 yrs	Prepaid by minority shareholder
Shenzhen China Merchants Financing Service Co., Ltd.	753,539,867.35	within 2 yrs	Prepaid by minority shareholder
Hong Kong Huidéfeng Property Co., Ltd.	719,056,477.12	Within 3 yrs	Prepaid by minority shareholder
Guangzhou Vanke Property Co., Ltd.	357,615,474.40	1-2 yrs	Prepaid by minority shareholder
Hangzhou Hanglong Property Management Co., Ltd.	347,490,000.00	1-2 yrs	Prepaid by minority shareholder
Shanghai Langda Industry Co., Ltd.	267,490,768.57	1-2 yrs	Prepaid by minority shareholder
China International Marine Container Co., Ltd.	147,095,730.30	Over 3 yrs	Prepaid by minority shareholder
Zhuhai Jiancheng Engineering Co., Ltd.	111,021,475.00	Over 3 yrs	Prepaid by minority shareholder
Beijing Huarong Infrastructure Investment Co., Ltd.	70,565,329.46	Within 3 yrs	Contract security
Gao Hong (individual shareholder)	67,036,160.01	1-2 yrs	Payment for share transfer
Total	1,297,749,608.28		

28. Non-current liability due in 1 year

(1) Non-current liability due in 1 year

Items	Balance at end of year	Amount at the beginning of year
Long-term loans due in 1 year	7,380,992,296.97	3,608,045,000.00
Total	7,380,992,296.97	3,608,045,000.00

(2) Categories of non-current liabilities due in 1 year

Categories	Balance at end of year	Amount at the beginning of year
Mortgage loan (Note 1)	123,110,000.00	309,000,000
Guaranteed loan (Note 2)	3,363,648,021.97	1,056,500,000
Credit loan	3,894,234,275.00	2,242,545,000
Total	7,380,992,296.97	3,608,045,000

Note 1: See Note V. 7 Inventory (7)

Note 2: See Note V.30 Long-term loans Note 2.

(3) Top 5 non-current liabilities due in one year

Loan provided by	Loans Start date	Loans Ending date	Currency	Interest rate %	Balance at end of year	
					Amount of foreign currency	
Financial Institution I	2011-7-8	2013-7-8	RM B	Floating		Financial Institution I
Financial Institution I	2011-7-7	2013-7-7	RM B	Floating		Financial Institution I
Financial Institution II	2010-1-5	2013-12-23	USD	Floating	130,000,000.00	Financial Institution II
Financial	2011	2013-	RM	Floating		Financial

al Institution III	-8-9	8-9	B	at		l Institution III
Financi al Institution IV	2011 -7-15	2013- 7-14	RM B	Flo at		Financia l Institution IV
Total:						Total:

29. Other current liability

Items	Balance at end of year	Amount at the beginning of year
Land VAT drawn in advance (Note 1)	4,205,770,576.95	3,152,088,802.00
Outsourced cleaning and security guard services	17,330,139.00	6,019,679.00
Agencies	2,617,000.00	3,716,512.00
Clothing fee	2,586,575.00	1,907,827.00
Differed income (Note 2)	4,710,020.00	
Others	23,721,330.05	15,866,729.00
Total	4,256,735,641.00	3,179,599,549.00

Note 1: The Group provides land VAT in accordance with the document 国税发 [2006]187 号文 issued by National Tax Bureau General and other regulations. The land VAT are carried in current gain/loss account. The amount of taxable amounts are adjusted according to the regulations of local area in which the subsidiaries are located.

Note 2: See Note V. 32. Other non-current liabilities

30. Long-term borrowings

(1) Categories of long-term loans

Categories	Balance at end of year	Amount at the beginning of year
Loan by pledge		

Categories	Balance at end of year	Amount at the beginning of year
Pledged loan (Note 1)	596,350,000.00	51,990,000.00
Guaranteed loan (Note 2)	7,334,235,222.21	8,870,471,800.00
Credit loan	5,810,018,350.57	6,113,992,275.00
Entrusted loan (Note 3)	637,410,300.00	584,980,300.00
Total	14,378,013,872.78	15,621,434,375.00

Note 1: See Note V. 7 Inventory (7)

Note 2:1) The Company raised bank loan of RMB2,000,000,000.00, which was secured by China Merchants Group Co., Ltd.; The bank loan of RMB310,000,000.00 was secured by CMSIZ Co., Ltd.; The bank loan of RMB920,000,000.00 was secured by Shenzhen CM Property Co., Ltd. – subsidiary of the Company.

2) Shenzhen CM Property Co., Ltd. has raised loan of RMB470,500,000.00, which was secured by China Merchants Shekou Industry Zone Co., Ltd.; and another RMB200,000,000.00 was secured by the Company.

3) Beijing Kanglade Property Development Co., Ltd. – subsidiary of the Company has raised RMB184,450,244.18 of loan from the bank, which was secured by Shenzhen CM Property Co., Ltd. and CMSIZ on their shares of equity, and in which RMB16,600,521.97 will become mature within one year.

4) Shanghai Jingyuan Property Development Co., Ltd. – subsidiary of the Company has raised the loan of RMB336,000,000.00 which was secured by Shenzhen CM Property Co., Ltd. and Shanghai Vanke Property Co., Ltd. on their shares of equity; the loan of RMB448,000,000.00 which was secured jointly by Shanghai Vanke Property Co., Ltd. Both of the two loans will become mature within one year.

5) Foshan CM Jiulongcang Property Co., Ltd. – subsidiary of the Company has raised the loan of RMB101,000,000.00 from the bank, which was secured by the Company and Jiulongcang Group Co., Ltd. on their share of equity.

6) Guangzhou Wanshang Property Co., Ltd. – subsidiary of the Company has raised loan of RMB16,000,000.00 from the bank, which was secured by the Company and

Guangzhou Vanke Property Co., Ltd. and Shanghai Laiyuan Property Development Co., Ltd. jointly on their share portions of equity.

7) Fujian Zhongliansheng Property Co., Ltd. – subsidiary of the Company raised the loan of RMB127,700,000.00 from the bank, which was secured by the Company and Baoli Property (Group) Co., Ltd. at percentage of their share portions.

8) Ruijia Investment Co., Ltd. – subsidiary of the Company, raised bank loan of USD538,000,000.00 (RMB3,381,599,000.00) and HKD980,000,000.00 (RMB794,682,000.00), which were secured by China Merchants Group (HK). Among these loans, USD167,000,000.00 (RMB1,049,678,500.00) and HKD130,000,000.00 (RMB105,417,000.00) will become mature within one year; and another USD194,000,000.00 (RMB105,417,000.00) was secured by the Company and will become mature within one year.

9) Shenzhen CM Power Supply Co., Ltd. – subsidiary of the Company, raised USD30,000,000.00 (RMB188,565,000.00) of loan from the bank, which was secured by the Company and will mature within one year.

Note 3: 1) According to the Entrusted Loan Contract engaged amongst Foshan Yiyun Property Co., Ltd., the bank, and Jiulongcang (Guangzhou) Co., Ltd., Jiulongcang (Guangzhou) Co., Ltd. has provided the entrusted loan of RMB584,980,300.00 through the bank.

2) According to the Entrusted Loan Contract engaged amongst Qingdao Zhongrunde Auto Trade Co., Ltd. – subsidiary of the Company, the bank, and Qingdao Haiyuda Development Co., Ltd., Qingdao Haiyuda Development Co., Ltd. has provided entrusted loan of RMB52,430,000.00 to Qingdao Zhongrunde Auto Trade Co., Ltd.

(2) Top 5 long-term loans in amounts

Loan provider	Commence date	Termination date	Currency	Interest rate %	Balance at end of year		Amount at the beginning of year	
					Amount of foreign currency	Amount of original currency		
Financial Institution	2010-4-20	2017-4-19	RMB	Fluctuate on annual base		2,000,000,000.00	Financial Institution	2010-4-20

Financial Institution II	2012-10-9	2015-10-9	RMB	Fixed		1,000,000.00	Financial Institution II	2012-10-9
Financial Institution III	2011-10-17	2014-10-17	USD	Fluctuate	100,000.00	628,550.00	Financial Institution III	2011-10-17
Financial Institution IV	2012-9-25	2015-9-25	RMB	Fixed		500,000.00	Financial Institution IV	2012-9-25
Financial Institution V	2011-10-14	2014-7-18	USD	Fluctuate	70,000.00	439,985.00	Financial Institution V	2011-10-14

31. Long-term payable

Loans from	Term	Amount at the beginning of year	Interest rate %	Interest payable	Balance at end of year	Condition
Total		83,565,123.00			100,207,107.75	
In which:						
Main body maintaining fund		82,365,123.00			99,007,107.75	
Shenzhen China Merchants Landmark Co., Ltd.		1,200,000.00			1,200,000.00	

32. Anticipated liabilities

Items	Amount at the beginning of year	Increased this year	Transferred this year	Balance at end of year
Unsettled lawsuit		14,017,011		14,017,011

Items	Amount at the beginning of year	Increased this year	Transferred this year	Balance at end of year
		.26		.26
Total		14,017,011.26		14,017,011.26

Anticipated liabilities were caused by the lawsuit raised by some of the owners of projects under Zhuhai Yuanfeng Property Co., Ltd. The anticipated liabilities were provided upon the compensation unsettled about the lawsuit.

33. Other non-recurring liabilities

Items	Balance at end of year	Amount at the beginning of year
Special allowance for hotel project	14,130,060.00	
Special grant for culture development	1,500,000.00	1,500,000.00
Differed rental income	983,380.00	1,650,040.00
Total	16,613,440.00	3,150,040.00

34. Government subsidy

Type of government subsidy	Book balance at end of year		Amount accounted to gain/loss of current year	Returned amount of the year	Reason to return
	Amount carried to other non-current liability	Amount carried to other current liability			
Special allowance for hotel project	14,130,060.00	4,710,020.00	4,710,020.00		

Type of government subsidy	Book balance at end of year		Amount accounted to gain/loss of current year	Returned amount of the year	Reason to return
	Amount carried to other non-current liability	Amount carried to other current liability			
Special grant for culture development	1,500,000.00				
Total	15,630,060.00	4,710,020.00	4,710,020.00		

35. Share capital

Items	Amount at the beginning of year		Changed this year (+/-)					Balance at end of year	
	Amount	Ratio (%)	Issuing of new shares	Donation shares	Transferred from reserves	Others	Sub-total	Amount	Ratio (%)
I. Shares with trade restriction conditions									
1. State-owned shares									
2. State-owned legal person shares	693,419,317.00	4.038						693,419,317.00	40.38
3. Other domestic shares									

Incl. Non-gover nment domestic legal person shares									
Dom estic natural person shares									
4. Share held by foreign investors	197,709,4 4000	1 151						197,709,44 000	11. 51
Incl. Shares held by foreign legal persons	197,709,4 4000	1 151						197,709,44 000	11. 51
Foreig n natural person shares									
5. Executive shares	477,1500 0	0 .03				35, 701	35,70 100	512,851.00	00 3
Total of conditiona l shares	891,605,9 0700	5 192				35, 701	35,70 100	891,641,60 800	51. 92
II. Shares without trading limited conditions									
1. Common shares in RMB	684,285,8 9600	3 985				-18 ,301	-183 01.00	684,267,59 500	39. 85
2. Foreign shares in domestic market	141,408,7 0000	8 23				-17 ,400	-174 00.00	141,391,30 000	82 3
3. Foreign									

shares in overseas market									
4. Others									
Total of unconditional shares	825,694,596.00	4,808				-35,701	-357,010.00	825,688,950.00	48,080
Total of shares	1,717,300,503.00	1,000						1,717,300,503.00	10,000

36. Capital reserves

Items	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year
Share capital premium	8,272,566,848.00		144,360.88	8,272,422,487.12
Transferred from capital reserves under original system	104,411,758.00			104,411,758.00
Other capital reserves	10,092,053.00			10,092,053.00
Total	8,387,070,659.00		144,360.88	8,386,926,298.12

37. Surplus reserves

Items	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year
Statutory surplus reserves	827,908,731.10	59,752,228.90		887,660,960.00
Optional surplus reserves	140,120,038.00			140,120,038.00
Total	968,028,769.10	59,752,228.90		1,027,780,998.00

Statutory surplus reserve can be used to makeup losses of the Group, expand business or capitalized.

38. Retained profit

Items	Amount	Percentage of providing or allocating
Amount at end of previous year	9,258,046,011.0 0	
Plus: adjusted amount of retained profit at beginning of year		
Opening amount	9,258,046,011.0 0	
Plus: net profit attributable to owners of the parent company for the year	3,318,266,875.5 9	
Less: Statutory surplus reserves	59,752,228.90	Note 1
Less: Dividend payable to common shares	343,460,100.96	Note 2
Closing amount	12,173,100,556. 73	

Note 1: According to the Articles of Association, statutory surplus reserve is provided at 10% of the net profit.

Note 2: 1) According to the resolutions adopted at the Shareholders' Meeting 2011 held in April 2012, on the basis of 1,717,300,503 shares at December 31, 2011, the Company distributed RMB343,460,100.96 of cash dividend.

2) Profit distribution plan adopted after the balance sheet date

According to the profit distribution plan adopted at the meeting of Board held on March 16, 2013, RMB515,190,151 is about to be distributed to 1,717,300,503 shares as of December 31, 2012. This plan is subject to approval by the Shareholders' Meeting.

3) Surplus reserves drawn by subsidiaries

As of December 31, 2012, the balance of retained profit was including RMB837,578,108.99 of surplus reserves provided by subsidiaries. (December 31, 2011: RMB674,678,692.00)

39.Minor shareholders' equity

Name of the subsidiaries	% of minor shares	Balance at end of year	Amount at the beginning of year
Suzhou Shuanghu Property Co., Ltd.	50.00	892,061,967.18	787,688,203.00
Hainan CM Offshore Development Co., Ltd.	40.00	800,117,098.04	
Foshan Xincheng Property Co., Ltd.	50.00	677,634,227.69	866,358,706.00
CM Jiaming (Beijing) Property Co., Ltd.	50.00	602,280,853.72	231,072,447.00
Shenzhen Vanke Binhai Property Co., Ltd.	50.00	497,418,684.54	
Shenzhen China Merchants OCT Investment Co., Ltd.	50.00	387,624,764.63	342,529,875.00
Foshan CM Jiulongchang Property Co., Ltd.	50.00	338,234,084.86	340,049,534.00
Zhangzhou China Merchants Properties Co., Ltd.	49.00	295,788,060.93	182,450,274.00
Shanghai Fengyang Property Development Co., Ltd.	40.00	291,648,802.00	276,902,429.00
Qingdao Zhongrunde Auto Trade Co., Ltd.	49.00	167,238,507.10	176,526,667.00
Shenzhen CM Ruide Property Co., Ltd.	49.00	148,047,111.18	
Shanghai Jingyuan Property Development Co., Ltd.	45.00	147,977,793.00	243,230,281.00
Beijing Kanglade Property Development Co., Ltd.	40.00	134,137,107.03	7,626,775.00
Tianjin CM Taida Investment Co., Ltd.	40.00	117,215,859.41	12,000,000.00

Name of the subsidiaries	% of minor shares	Balance at end of year	Amount at the beginning of year
Suzhou CM Nanshan Property Co., Ltd.	40.00	94,231,312.80	92,640,783.00
Yinrong Co., Ltd.	50.00	75,989,098.44	84,312,535.00
Zhuhai Yuanfeng Property Co., Ltd.	49.00	81,074,734.77	-8,544,451.00
Ha'erbin CM Jiatian Property Development Co., Ltd.	50.00	69,877,327.28	
Guangzhou Wanshang Property Co., Ltd.	66.00	61,693,925.68	66,041,921.00
Shekou Xinghua Industry Co., Ltd.	34.93	43,400,003.39	41,066,841.00
Shenzhen CM Commercial Development Co., Ltd.	49.00	35,926,581.60	42,215,848.00
Huipeng Property Development Co., Ltd.	50.00	19,159,894.86	2,313,256.00
Tianjin China Merchants Properties Co., Ltd.	25.00	14,517,903.88	16,225,177.00
Shenzhen Jinyu Rongtai Investment Co., Ltd.	50.00	15,009,274.13	
Shenzhen Shekou Sea World Hotel Management Co., Ltd.	49.00	14,105,273.27	14,409,286.00
Foshan Yiyun Property Co., Ltd.	50.00	10,556,916.28	14,454,536.00
Beijing CM Property Management Co., Ltd.	20.00	5,207,373.24	5,175,805.00
Yunnan CM Chengtuo Property Co., Ltd.	40.00	3,999,207.44	3,970,196.00
Tianjin Zhaojiang Investment Co., Ltd.	23.00	3,714,698.54	
Fujan Zhongliansheng Property Development Co., Ltd.	50.00	2,729,318.77	18,091,941.00

Name of the subsidiaries	% of minor shares	Balance at end of year	Amount at the beginning of year
Shenzhen Haitao Hotel Co., Ltd.	15.00	1,833,766.31	
UnionBloomLimited	49.00	-572,711.84	
VastJointLimited	49.00	-10,553.71	
Shenzhen CM Anye Investment Development Co., Ltd.	49.00	-1,719,075.32	1,559,214.00
Tonic Industry Holding Co., Ltd.	29.82	-579,091.83	
Shenzhen CM Qile Property Management Ltd.	40.00	-1,806,633.39	-1,589,177.00
Total		6,045,763,465.90	3,858,778,902.00

40.Operational turnover and costs

Items	Amount of current year	Amount of Last Year
Major business turnover	25,296,762,154.46	15,111,366,642.00
Other business income		
Total	25,296,762,154.46	15,111,366,642.00
Major business cost	12,945,037,612.58	7,194,438,295.00
Other business cost		
Total	12,945,037,612.58	7,194,438,295.00

(1) Main business – on industrial segments

Nam	Amount of current year	Amount of Last Year
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e of industry	Turnover	Operation cost	Turnover	Operation cost
Property development	24,037,579,089.49	11,917,978,730.15	14,013,413,716.00	6,346,200,598.00
Public Utilities	685,696,144.08	533,010,897.66	619,401,840.00	437,768,548.00
Property management	573,486,920.89	494,047,984.77	478,551,086.00	410,469,149.00
Total	25,296,762,154.46	12,945,037,612.58	15,111,366,642.00	7,194,438,295.00

(2) Turnover from top 5 clients

Name of clients	Turnover	% in total revenue
Client I	428,460,376.00	1.69%
Client II	121,972,352.10	0.48%
Client III	102,511,920.00	0.41%
Client IV	64,870,754.90	0.26%
Client V	47,991,537.00	0.19%
Total	765,806,940.00	3.03%

41. Business tax and surcharge

Items	Amount of current year	Amount of Last Year	Rate
Land VAT	2,823,618,712.75	2,107,843,843.00	See note III
Business tax	1,293,100,840.67	719,626,396.00	See note III
City maintenance and construction tax	85,642,992.39	41,280,630.00	See note III
Education surtax	58,159,231.39	30,108,220.00	See note III

Items	Amount of current year	Amount of Last Year	Rate
Others	12,763,414.00	9,945,648.00	
Total	4,273,285,191.20	2,908,804,737.00	

42.Sales expense

Items	Amount of current year	Amount of Last Year
Commercial	485,662,315.66	375,230,800.08
Sales agents and commission	200,898,792.25	96,464,574.70
Others	42,718,260.39	21,106,941.22
Total	729,279,368.30	492,802,316.00

43.Administrative expense

Items	Amount of current year	Amount of Last Year
Manpower	254,207,114.78	233,007,729.14
Office expenses	86,771,160.13	79,770,916.72
Agencies	40,216,340.31	15,842,816.78
Asset amortizing	14,024,001.77	13,816,099.53
Donation tax	15,525,860.23	11,079,885.95
Others	28,604,010.42	9,375,047.88
Total	439,348,487.64	362,892,496.00

44.Financial expenses

Items	Amount of current year	Amount of Last Year
Interest expense	1,491,399,787.72	761,665,109.00
Less: Interest paid and	985,875,959.79	501,015,507.00

Items	Amount of current year	Amount of Last Year
capitalized		
Less: Incoming interests	138,756,586.61	113,132,178.00
Plus: Exchange loss	12,455,598.01	-384,496,363.00
Less: Exchange difference capitalized	9,516,435.27	-56,771,881.00
Plus: other expenses	24,441,138.42	11,616,738.00
Total	394,147,542.48	-168,590,320.00

45.Asset impairment loss

Items	Amount of current year	Amount of Last Year
Bad debt losses	9,967,161.76	3,246,204.00
Inventory impairment losses	278,493,031.85	
Total	288,460,193.61	3,246,204.00

46.Income from change of fair value

Items	Amount of current year	Amount of Last Year
Transactional financial assets	1,584,406.61	-428,633.00
Incl. Gains from fluctuation of fair value of derivate financial instruments	1,584,406.61	-428,633.00
Trade off financial liabilities		18,822,302.00
Total	1,584,406.61	18,393,669.00

47.Investment income

- (1) Sources of investment gains

Items	Amount of current year	Amount of Last Year
Long-term equity investment gains on equity basis	2,740,621.24	29,553,535.00
Investment gains from disposal of transactional financial assets	-8,674,906.16	-37,818,471.00
Others (Note 1)	11,506,791.21	61,609,182.00
Total	5,572,506.29	53,344,246.00

Note 1: Amount of last year includes RMB43,482,103.00 of gains of entrusted loan interest after deducting of taxes, and RMB18,127,079.00 of compensations from disposal of Elite Trade Investments Limited in previous year; Amount of current year includes RMB670 thousand of gains of interest receivable for the entrusted loan of Nanjing Fucheng Property Development Co., Ltd. after deducting of taxes, and RMB10.8368 million of gains of interest receivable for the entrusted loan of Huizhou Tongtai by Shenzhen CM Property Co., Ltd.

Note 2: There is no major limitation on retrieving of investment gains

(2) Long-term equity investment gains on equity basis

Items	Amount of current year	Amount of Last Year	Cause of change over last year
Total	2,740,621.24	29,553,535.00	-
Incl. Shenzhen TCL Photoelectronic Tech Co., Ltd.	77,382,443.56	54,239,083.00	Profit growth of invested entity in the year
Shanghai Ledu Property Co., Ltd.	8,699,616.54	-193,977.15	Profit growth of invested entity in the year
Shanghai Xinanshan Property Development Co., Ltd.	-15,000,000.00		Accounted on equity basis this year
China Merchants Guangming Technologies Garden Ltd.	-5,934,878.05	-7,114,788.00	Decrease of loss with the invested company this year

Items	Amount of current year	Amount of Last Year	Cause of change over last year
Guangzhou Panyu Innovative Technology Garden Co., Ltd.	-7,105,449.47	-15,075,539.00	Decrease of loss with the invested company this year
Foshan China Merchants Longyuan Property Co., Ltd.	-50,000,000.00		It was an joint-venture this year, and was in loss with the invested company

48. Non-operational income

(1) Particulars of non-operational income

Items	Amount of current year	Amount of Last Year	Amount accounted into non-recurring gain/loss for current year
Gains from disposal of non-current assets	76,460.03	321,492.00	76,460.03
Incl. Gains from disposal of fixed assets	76,460.03	321,492.00	76,460.03
Government subsidy	16,352,111.12	1,876,900.00	16,352,111.12
Income from penalties	3,917,153.32	1,452,501.00	3,917,153.32
Others	4,495,438.45	3,028,665.00	4,495,438.45
Write back of predicted debts		102,088,887.00	
Total	24,841,162.92	108,768,445.00	24,841,162.92

(2) Details of government subsidy

Items	Amount of current year	Amount of Last Year	Source and basis
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Items	Amount of current year	Amount of Last Year	Source and basis
Award from Shanghai Nanqiao Government	10,000.00		Government subsidy from Shanghai Nanqiao Government
Subsidy for vocational training	217,583.00		Shanghai Baoshan Yanghang Town Government
Award for great tax payer	40,000.00		Notice of award for great taxpayer from Xiamen Jimei Bureau of Finance
Civil construction energy saving special fund	240,000.00		Notice for demonstration project of energy-saving for 2012
Award for great tax payer	80,000.00		Notice of award for great taxpayer from Xiamen Jimei Bureau of Finance
Tax reward, rental subsidy from Chengdu Chenghua Government	281,100.00		Notice from Chengdu Chenghua Government Jianshe Road Office
Award for great tax payer	857,100.00		Chengdu Shuangshui Street Office [2012]84 号文件、华中成都字[2012]95 号文件
Entertainment allowance	300,000.00	300,000.00	Memorandum of the meeting of China Merchants Zhangzhou Development Zone Administration Committee
Meilun Villa subsidy	4,710,020.00		Subsidy contract with China Merchants Zhangzhou Development Zone Land Reserve Center
2011 Award for Great Contribution	80,000.00		The decision on awards for enterprise of the year 2011
Government subsidy from Chongqing Bureau	5,449,100.00		渝危改办发[2008]15 号、南岸府函[2011]148 号

Items	Amount of current year	Amount of Last Year	Source and basis
of Finance			
Award for great tax payer	292,900.00		Notice for Award for Great Taxpayers by Tianjin Nankai Bureau of Finance
Award for great tax payer	1,297,900.00		Notice for Award of Great Taxpayer by Suzhou Wuzhong Development Zone
Government refunding	567,227.97	456,900.00	政府财政收入虹嘉招2011 (D149) 号
Award for great tax payer	1,929,180.15		Notic for Award of Great Taxpayer by Tianjin Hetong Bureau of Finance
Award for great tax payer		1,120,000.00	
Total	16,352,111.12	1,876,900.00	

49. Non-operational expenditure

Items	Amount of current year	Amount of Last Year	Amount accounted into non-recurring gain/loss for current year
Loss from disposal of non-current assets	1,484,257.65	577,931.00	1,484,257.65
Incl. Loss from disposal of fixed assets	1,484,257.65	577,931.00	1,484,257.65
Donations	2,218,100.00	390,000.00	2,218,100.00
Inventory loss	701.00		701.00
Expected liability expense	14,397,011.26		14,397,011.26

Items	Amount of current year	Amount of Last Year	Amount accounted into non-recurring gain/loss for current year
Penalty paid	62,582.39		62,582.39
Surcharge on power supply for recycling energy	4,205,891.86		4,205,891.86
Major Water Conservancy Construction Fund	4,384,716.40		4,384,716.40
Others (Note)	32,948,160.38	5,462,929.00	32,948,160.38
Total	59,701,420.94	6,430,860.00	59,701,420.94

Note: Mainly the foreign enterprise income tax and land VAT paid for transferring of port assets in previous years.

50. Income tax expenses

(1) Income tax expenses

Items	Amount of current year	Amount of Last Year
Income tax expense of current year	2,129,828,160.40	1,452,739,114.00
Deferred income tax	-207,846,850.36	-273,845,210.00
Total	1,921,981,310.04	1,178,893,904.00

(2) Income tax of the current year

Items	Amount
Total of consolidated profit of current year	6,199,500,413.53
Plus: Increased amount by tax adjustment	3,150,840,241.73

Items	Amount
Less: Decreased amount by tax adjustment	1,379,777,452.88
Plus: taxable income from abroad business used to makeup domestic loss	
Less: makeup of previous loss	169,353,713.76
Plus: subsidies' loss of current year	895,910,910.22
Amount of taxable income of current year	9,155,158,040.63
Statutory income tax rate	16.5%、25%
Income tax payable for current year	2,123,000,296.63
Less: exemption of income tax	
Less: amount of income tax neutralized	
Amount of tax payable for the year	2,123,000,296.63
Plus: income tax payable on overseas income	
Less: Income tax neutralized by overseas income	
Plus: other adjustment	6,827,863.77
Income tax of the current year	2,129,828,160.40

51. Calculation formula of basic earnings per share and diluted earnings per share

Items	No.	Amount of current year	Amount of Last Year
Net profit attributable to the owners of parent co.	1	3,318,266.8 75.59	2,591,781.0 31.00
Non-recurring gain/loss attributable to the parent company	2	-29,206,301. 43	101,546.52 6.00

Items	No.	Amount of current year	Amount of Last Year
Net profit deducted non-recurring gain/loss and attributable to the shareholders of parent company	3=1-2	3,346,904,4 13.21	2,490,234,5 05.00
Total of shares at beginning of year	4	1,717,300,5 03.00	1,717,300,5 03.00
Amount of shares increased by capitalizing of common reserves or share dividend(I)	5		
Amount of shares increased by issuing of new shares or converted from debt (II)	6		
Number of months since shares were added (II) to the end of year	7		
Decrease of shares caused by repurchasing	8		
Accumulated number of months since the next month of share increase to the end of year	9		
Amount of shares reduced	10		
Number of months in the report term	11	12	12
Weighted average of common shares issued to the outside	$12=4+5+6\times 7\div 11$ $-8\times 9\div 11-10$	1,717,300,5 03.00	1,717,300,5 03.00

Items	No.	Amount of current year	Amount of Last Year
Basic earning per share (I)	13=1 ÷12	1.9323	1.5092
Basic earning per share (II)	14=3 ÷12	1.9493	1.4501
Diluting potential common share interests recognized as expenses	15		
Transformation fees	16		
Income tax rate	17		
Weighted average of common shares increased by subscription options, future options, or convertible bonds	18		
Diluted earning per share (I)	19=[1+(15-16)×(1-17)] ÷(12+18)	1.9323	1.5092
Diluted earning per share (II)	19=[3+(15-16)×(1-17)] ÷(12+18)	1.9489	1.4501

52. Other misc incomes

Items	Amount of current year	Amount of Last Year
1. Gains (losses) from sellable financial assets		
Less: Income tax influence of available-for-sale financial assets		
Net amount written into other gains and		

Items	Amount of current year	Amount of Last Year
transferred into gain/loss in previous terms		
Sub-total		
2. Shares in the other misc. income subjects in the investee on equity basis		
Less: Income tax influence of shares in other gains of investees on equity basis		
Net amount written into other gains and transferred into gain/loss in previous terms		
Sub-total		
3. Amount of gains (loss) generated by cash flow hedging instruments		
Less: Income tax influence of cash flow hedge instruments		
Net amount written into other gains and transferred into gain/loss in previous terms		
Adjusted amount transferred to initial amount of the target project		
Sub-total		
4. Difference from translating of foreign currency financial statements	638,323.38	-83,674,829
Less: Net amount of disposing overseas business and transferred to current gain/loss		
Sub-total	638,323.38	-83,674,829
5. Others		
Less: Income tax influence by other accounted into other misc. incomes		
Net amount accounted into other misc. income and		

Items	Amount of current year	Amount of Last Year
transferred into current gain/loss in previous terms		
Sub-total		
Total	638,323.38	-83,674,829

53. Cash Flow Statement Items

(1) Other cash received/paid related to business operation/investment/financing activities

1) Other cash inflow related to operation

Items	Amount of current year	Amount of Last Year
Operational trade money received	2,937,632,162.26	2,375,627,228.00
Project deposit received	815,721,426.10	583,921,306.00
Interest received	219,590,822.83	114,214,376.00
Operational provisional money received	777,543,111.70	1,317,850,424.00
Others	853,828,976.31	874,672,800.00
Total	5,604,316,499.20	5,266,286,134.00

2) Other cash paid related to operation

Items	Amount of current year	Amount of Last Year
Operational trade money paid	4,218,474,082.62	3,543,482,676.00
Project deposit refunded	1,688,162,505.98	372,743,100.00
Cash paid for sales expenses	470,110,065.05	304,990,658.00
Cash paid for administrative expenses	215,715,084.94	160,236,466.00

Items	Amount of current year	Amount of Last Year
Others	215,357,531.43	200,559,395.00
Total	6,807,819,270.02	4,582,012,295.00

3) Other cash received related to investment

Items	Amount of current year	Amount of Last Year
Outstanding balance of disposing Elite Trade Investments Limited		161,835,207.00
Total		161,835,207.00

4) Other cash paid related to investment

Items	Amount of current year	Amount of Last Year
Cash paid for trade of foreign currency future contract	8,653,703.86	36,569,960
Total	8,653,703.86	36,569,960

(2) Supplementary information for consolidated cash flow statement

Items	Amount of current year	Amount of Last Year
1.Net profit adjusted to cash flow of operation:		
Net profit	4,277,519,103.49	3,312,954,510.00
Plus: Asset impairment provision	288,460,193.61	3,246,204.00
Fixed asset depreciation, gas and petrol depreciation, production goods depreciation	51,304,921.33	35,687,918.00
Amortizing of intangible assets and	153,199,876.49	154,681,398.00

Items	Amount of current year	Amount of Last Year
investment properties		
Amortizing of long-term expenses	33,900,708.14	20,524,856.00
Loss from disposal of fixed assets, intangible assets and other long-term assets (“-“ for gains)	1,407,797.62	256,439.00
Loss of disposing fixed assets (“-“ for gains)		
Gain/loss from change of fair value (“-“ for gains)	-1,584,406.61	-18,393,669.00
Financial expenses (“-“ for gains)	496,007,392.66	-31,582,748.00
Investment loss (“-“ for gains)	-5,572,506.29	-53,344,246.00
Decrease of deferred income tax asset (“-“ for increase)	-207,846,850.36	-273,845,210.0 0
Increase of deferred income tax liability (“-“ for decrease)		
Decrease of inventory (“-“ for increase)	-22,197,755,431. 11	-14,727,252,34 7.00
Decrease of operational receivable subjects (“-“ for increase)	1,618,254,159.0 9	1,660,471,460. 00
Increase of operational payables (“-“ for decrease)	20,551,877,808. 77	7,804,255,737. 00
Others		
Cash flow generated by business	5,059,172,766.8	-2,112,339,698.

Items	Amount of current year	Amount of Last Year
operation, net	3	00
2. Major investment and financing activities not involving in cash flow		
Liabilities converted to capital		
Convertible bond expire in 1 year		
Fixed assets leased through financing		
3. Change of cash and cash equivalents		
Balance of cash at period end	18,218,506,517. 70	13,659,974,240 .00
Less: Initial balance of cash	13,659,974,240. 00	8,914,595,308. 00
Plus: Balance of cash equivalents at the period end		-
Less: Initial balance of cash equivalents		-
Net increasing of cash and cash equivalents	4,558,532,277.7 0	4,745,378,932. 00

(3) Information about subsidiaries or entities disposed or acquired in the current year

Items	Amount of current year	Amount of Last Year
Particulars about subsidiaries and entities acquired		
1. Price to acquire subsidiaries and other businesses	675,674,899.5 6	217,731,836. 00
2. Cash and cash equivalents paid to acquire subsidiaries or businesses	675,674,899.5 6	165,301,836. 00
Less: Cash and cash equivalents held by the	358,579,778.6	9,747,854.00

Items	Amount of current year	Amount of Last Year
subsidiaries and other businesses	1	
3. Net cash paid for acquiring of subsidiaries and other businesses	317,095,120.9 5	155,553,982. 00
4. Net asset of subsidiaries acquired	526,080,705.8 4	460,258,491. 00
Current Assets	2,770,114,443 .93	1,762,578,18 8.00
Non-current assets	4,745,231.15	
Current Liabilities	2,231,103,656 .45	1,250,329,69 7.00
Non-current liabilities		51,990,000.0 0
Particulars about subsidiaries and entities disposed		
1. Price to dispose subsidiaries and other businesses		
2. Cash and cash equivalents received from disposal of subsidiaries or businesses		
Less: Cash and cash equivalents held by the subsidiaries and other businesses		
3. Net cash received for disposal of subsidiaries and other businesses		
4. Net asset of subsidiaries disposed		
Current Assets		
Non-current assets		
Current Liabilities		
Non-current liabilities		

(4) Cash and cash equivalents

Items	Amount of current year	Amount of Last Year
Cash	18,218,506,517.70	13,659,974,240.00
Incl: Cash in stock	203,589.82	43,718.00
Bank savings could be used at any time	17,102,255,183.52	13,659,930,522.00
Other monetary capital could be used at any time	1,116,047,744.36	
Usable money in Central Bank		
Money saved in associated financial bodies		
Money from associated financial bodies		
Recognition of cash equivalents		
Incl. Bond investment due in 3 months		
Balance of cash and cash equivalence at end of term	18,218,506,517.70	13,659,974,240.00
Incl. Cash and cash equivalents in the parent company or internal subsidiaries with limitation to use	20,765,730.23	823,823,776.00

VI. Related parties and related transactions

1. Relationship

(1) Controlling shareholder and ultimate controlling party

1) Controlling shareholder and ultimate controlling party

Name of the controlling shareholder and ultimate	Ownership type	Reg. Add.	Business property	Legal	Organization code
China Merchants Shekou Industrial Zone Co., Ltd.	Ltd. liability	Shenzhen	Establishment and	Sun Chengmin	10001146-0
China Merchants Group Co., Ltd.	Ltd. liability	Shenzhen	Establishment and	Fu Yuning	

2) Change of registered capital of the controlling shareholder

Controlling	Amount at	Increa	Decr	Balance at
China Merchants Shekou Industrial Zone Co., Ltd.	2,236,000,000.00			2,236,000,000.00

3) Change of shares or equity by the controlling shareholder

Controlling shareholder	Amount of shares		Share	
	Balance at end of year	Amount at the beginning of year	Closing percentage	Opening percentage
China Merchants Shekou Industrial Zone Co., Ltd.	6,971,490,000.00	6,971,490,000.00	51.89	51.89

(2) Subsidiaries

See Note IV. (I)

(3) Joint ventures and affiliates

See Note V.10 (3)

(4) Other related parties

Type of relationship	Name of the parties	Main contents of transaction	Organization code
(1) Other entities under common controlling shareholder and ultimate controlling party			
	China Merchants Group (HK) Co., Ltd.	Guarantee	
	China Merchants International Cold Chain (Shenzhen) Co., Ltd.	Power supply	
	China Shenzhen Foreign Cargo Ship Agency Co., Ltd.	Construction contracting	
	Shenzhen CM Qianhaiwan	Construction	

Type of relationship	Name of the parties	Main contents of transaction	Organization code
	Property Co., Ltd.	tion contracting	
	Haida Fareast Insurance Consultancy Co., Ltd.	Purchasing of insurance policy	
	Shenzhen China Merchants International Shipping Agency Co., Ltd.	Leasing	
	Shenzhen China Merchants Network Co., Ltd.	Leasing	
	China Merchants International (China) Investment Ltd.	Leasing	
	China Merchants International IT Co., Ltd.	Leasing	
	China Merchants Asia-Pacific Transportation Infrastructure Management (Shenzhen) Co., Ltd.	Leasing	
	Zhangzhou Development Public Facility Co., Ltd.	Related transaction	
	Minghua (Shekou) Seaman Service Co., Ltd.	Related transaction	
	CM Zhangzhou Development Zone Ltd.	Related transaction	
	China Merchants Bank Co., Ltd.	Deposit and loans	
	Shenzhen China Merchants Financing Service Co., Ltd.	Related transaction	

Type of relationship	Name of the parties	Main contents of transaction	Organization code
	China Merchants Hanghua Technologies and Trade Center Co., Ltd.	Related transaction	
	China Merchants Property Investment Co., Ltd.	Related transaction	
	China Merchants International IT Co., Ltd.	Related transaction	
	Shenzhen China Merchants Landmark Co., Ltd.	Related transaction	
	China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Related transaction	
	Shenzhen Shekou Dazhong Investment Co., Ltd.	Related transaction	
	Dafeng International Holdings	Related transaction	
(2) Other related parties			
	Top management of the Company - directors, manager, and vice managers	Wages	

2. Related transaction

(1) Purchase of products and accepting of services

Name and type of related parties	Current year		Prev. year	
	Amount	Portion in similar transactions (%)	Amount	Portion in similar transactions (%)

Name and type of related parties	Current year		Prev. year	
	Amount	Portion in similar transactions (%)	Amount	Portion in similar transactions (%)
Controlling shareholder and ultimate controlling party				
In which:				
China Merchants Shekou Industrial Zone Co., Ltd. (Note 1)	3,991,506,064.00	25.46	1,304,541,800.00	13.87
Other entities under common controlling shareholder and ultimate controlling parties				
Incl. China Merchants Bank Co., Ltd. (Note 2)	75,984,528.65	4.98		
China Merchants Bank Co., Ltd. (Note 3)	1,417,330.00	3.15		
Haida Fareast Insurance Consultancy Co., Ltd.	86,359.03	0.39		
Total	4,068,994,281.68		1,304,541,800.00	

Note: (1) In December 2012, Shenzhen China Merchants Property Co., Ltd. signed the “Land Using Right Confirmation Contract” with CMSIZ regarding the land using rights of the land for Maritime Apartment phase II. By this contract, Shenzhen China Merchants Property Co., Ltd. accept the land using rights of this project, with consideration of RMB2,700,000,000.00 in total.

In December 2012, Shenzhen China Merchants Property Co., Ltd. signed the “Land Using Right Confirmation Contract” with CMSIZ regarding the land using rights of Haitao Hotel. By this contract, Shenzhen China Merchants Property Co., Ltd. accept the land using rights of this project, with consideration of RMB14,716,064.00 in total.

Note 1: In December 2012, Shenzhen China Merchants Shangzhi Co., Ltd. signed the “Land Using Right Confirmation Contract” with CMSIZ regarding the land using rights of the Ship-tail Square of the Marine World. By this contract, Shenzhen China Merchants Property Co., Ltd. accept the land using rights of this project, with consideration of RMB127,200,000.00 in total.

In December 2012, Shenzhen China Merchants Shangzhi Co., Ltd. signed the “Land Using Right Confirmation Contract” with CMSIZ regarding the land using rights of the Ship-nose Square of the Marine World. By this contract, Shenzhen China Merchants Property Co., Ltd. accept the land using rights of this project, with consideration of RMB131,600,000.00 in total.

In December 2012, Shenzhen Jinyu Rongtai Investment Co., Ltd. signed the “Land Using Right Confirmation Contract” with CMSIZ regarding the land using rights of the Finance Center Phase II. By this contract, Shenzhen China Merchants Property Co., Ltd. accept the land using rights of this project, with consideration of RMB953,580,000.00 in total.

In December 2012, Shenzhen Maritime World Hotel Management Co., Ltd. signed the “Land Using Right Confirmation Contract” with CMSIZ regarding the land using rights of the Maritime World Hotel. By this contract, Shenzhen China Merchants Property Co., Ltd. accept the land using rights of this project, with consideration of RMB64,410,000.00 in total.

(2) This was the loan interest paid to China Merchants Bank Co., Ltd.

(3) This was the bank service fee charged by China Merchants Bank Co., Ltd.

(2) Sales of products and providing of services

Name and type of related parties	Current year		Prev. year	
	Amount	Portion in similar transactions (%)	Amount	Portion in similar transactions (%)
Other entities under common controlling shareholder and ultimate controlling parties				
Incl. Shenzhen CM Qianhaiwan Property Co., Ltd.	47,991,537.00	6.16	146,118,430.00	100.00

Name and type of related parties	Current year		Prev. year	
	Amount	Portion in similar transactions (%)	Amount	Portion in similar transactions (%)
China Shipping Agency Co., Ltd. (Note 2)	41,064,158.40	5.27		
China Merchants Group (HK) Co., Ltd.	5,323,076.96	0.66		
China Merchants International Cold Chain (Shenzhen) Co., Ltd. (Note 3)	4,109,981.60	0.64		
China Merchants Bank Co., Ltd. (Note 4)	2,586,706.31	0.30		
China Merchants International Investment Ltd. (Note 5)	482,972.04	0.06		
Total	96,235,355.35			

Note: (1) This was the construction contract income of overall project contracting of Qianhaiwan Garden Phase I-IV undertaken by China CM Construction Co., Ltd. from Shenzhen CM Qianhaiwan Property Co., Ltd.

(2) This was the contract income from construction contracting of Qianhai Warehouse project undertaken by Shenzhen CM Construction Co., Ltd.

(3) This was the power supply by Shenzhen CM Power Supply Co., Ltd. to China Merchants International Cold Chain (Shenzhen) Co., Ltd.

(4) This was the interest income from China Merchants Bank Co., Ltd. against deposits.

(5) This was the property service provided by CM Property Management (HK) Co., Ltd. to China Merchants International (China) Investment Co., Ltd.

(3) Leasing out

Name of the owner	Name of the tenant	Category of asset	Starting date	Ending date	Pricing basis	Rental income recognized
Shenzhen China Merchants	China Merchants Shekou	office/houses	2012.01.01	2012.12.31	agreement price	13,192,347.91
Shenzhen China Merchants	China Merchants International	Office building	2012.01.01	2012.12.31	agreement price	4,650,463.36
Shenzhen China Merchants	China Merchants International	Plant/office	2012.01.01	2012.12.31	agreement price	2,054,016.00
Shenzhen China Merchants Shangzhi Investment Co., Ltd.	China Merchants Group Shenzhen Major Project Coordinating Office	Office buildings	2012.01.01	2012.12.31	agreement price	500,426.00
Shenzhen China Merchants	Shenzhen China Merchants	Office building	2012.01.01	2012.12.31	agreement price	497,542.00
Shenzhen China Merchants	China Merchants Asia-Pacific	Office building	2012.04.01	2013.03.31	agreement price	346,812.32
Shenzhen China Merchants	Shenzhen China Merchants	Office building	2012.01.01	2012.12.31	agreement price	223,080.00
Shenzhen China Merchants	China Merchants Group	Office building	2012.01.01	2012.12.31	agreement price	209,551.36

(4) Leased in

Name of the owner	Name of the tenant	Category of asset	Starting date	Ending date	Pricing basis	Rental recognized current year
China Merchants Shekou	Shenzhen China Merchants	Nanhai E-cool	2010.09.01	2023.08.31	agreement price	26,636,058.09
China Merchants Shekou Industrial	Shenzhen CM Power Supply Co., Ltd.	Land and using right	1982.01.01	2026.12.31	agreement price	7,618,353.67
China Merchants Shekou Industrial	Shenzhen China Merchants Property Co.,	Land and using right	2007.01.01	2012.12.31	agreement price	2,285,885.66
China Merchants Property	China Merchants Property					214,737.30

(5) Guarantees among the related parties

Name of the provider	Name of the beneficiary	Amount guaranteed	Start date	Expire d on	Comp leted or not
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	314,275,000.00	2007.1 1.20	2014.0 1.19	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	314,275,000.00	2010.0 4.27	2013.0 4.27	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	105,417,000.00	2010.1 2.24	2013.1 2.24	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	295,418,500.00	2010.1 2.24	2013.1 2.24	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	628,550,000.00	2011.1 0.17	2014.0 9.26	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	314,275,000.00	2011.1 0.14	2014.0 9.26	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	628,550,000.00	2011.1 0.17	2014.1 0.17	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	405,450,000.00	2011.1 0.21	2014.1 0.13	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	125,710,000.00	2011.1 0.31	2013.1 0.31	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	283,815,000.00	2011.1 1.25	2014.1 1.25	No
China Merchants	Ruijia Investment	131,995,500.00	2011.1	2014.1	No

Name of the provider	Name of the beneficiary	Amount guaranteed	Start date	Expire d on	Comp leted or not
Group (HK) Co., Ltd.	Industrial Ltd.		2.28	2.27	
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	314,275,000.00	2012.10.18	2015.06.28	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	439,985,000.00	2012.10.14	2014.07.18	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	188,565,000.00	2011.07.22	2014.07.18	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	125,710,000.00	2010.05.12	2013.04.27	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	62,855,000.00	2010.07.26	2013.04.27	No
China Merchants Group (HK) Co., Ltd.	Ruijia Investment Industrial Ltd.	125,710,000.00	2011.01.21	2013.04.27	No
China Merchants Shekou Industrial Zone Co., Ltd.	Shenzhe n China Merchants Property Co., Ltd.	160,000,000.00	2012.09.18	2014.09.18	No
China Merchants Shekou Industrial Zone Co., Ltd.	Shenzhe n China Merchants Property Co., Ltd.	90,000,000.00	2012.09.19	2014.09.19	No
China Merchants Shekou Industrial Zone Co., Ltd.	Shenzhe n China Merchants Property Co., Ltd.	30,500,000.00	2012.11.30	2014.11.30	No

Name of the provider	Name of the beneficiary	Amount guaranteed	Start date	Expire d on	Comp leted or not
China Merchants Shekou Industrial Zone Co., Ltd.	Shenzhen China Merchants Property Co., Ltd.	190,000,000.00	2012.1 2.24	2014.1 2.24	No
China Merchants Shekou Industrial Zone Co., Ltd.	The Company	200,000,000.00	2012.1 2.19	2015.1 2.19	No
China Merchants Shekou Industrial Zone Co., Ltd.	The Company	110,000,000.00	2012.1 2.24	2015.1 2.24	No
China Merchants Group Co., Ltd.	The Company	2,000,000,000.00	2010.0 4.20	2017.0 4.19	No

(6) Capital borrowing from related parties

Name of the parties	Input/output	Amount of demolition	Start date	Expire d on	Notes
Beijing Guangying Property Development Co., Ltd.	Lend out	1,243,733,636.26	2012.9.1	2013.12.21	
TCL Photoelectronic (Shenzhen) Tech Co., Ltd.	Lend out	227,095,300.70	2009.01	2013.10	Repaid before Oct 2013
Foshan China Merchants Longyuan Property Co., Ltd.	Lend out	673,084,122.36	2011.01	2015.12	
Shanghai Xinanshan Property Development Co., Ltd.	Lend out	175,254,905.22	2011.09	2013.04	
Huizhou Taitong Property Investment Co., Ltd.	Lend out	49,721,270.00	2009.11	2013.12	Repaid in 2013

Name of the parties	Input/output	Amount of demolition	Start date	Expired on	Notes
Shenzhen CM Qianhaiwan Property Co., Ltd.	Lend out	11,454,102.00	2012.3.21	2013.12.31	

(7) Remunerations of key management

Projects	Amount of current year	Amount of Last Year
Total of remuneration	30,779,281.12	19,307,696.00

3. Balance of related trades

(1) Other receivable accounts due from related parties

Related party (projects)	Balance at end of year		Amount at the	
	Book balance	Bad debt	Book balance	Bad debt
Joint venture and				
In which:			122,274,196.	
Beijing Guangying	1,243,733,636.2			
Beijing Jiaming Property	673,084,122.36			
TCL Photoelectronic	227,145,300.70		227,089,797.	
Shanghai Xinanshan	175,254,905.22			
Total	2,319,217,964.5		349,363,993.	

(2) Long-term receivable accounts due from related parties

Related party (projects)	Balance at	Amount at
Joint venture and affiliates		
In which:	49,721,270.00	157,577,000.
Total	49,721,270.00	157,577,000.

(3) Payable accounts to related parties

Related party (projects)	Balance at	Amount at
Controlling shareholder and ultimate		

Related party (projects)	Balance at	Amount at
In which:	900,000,000.0	
China Merchants Shekou Industrial Zone Co.,	0	
Total	900,000,000.0	

(4) Other payables to related parties

Related party (projects)	Balance at end of year	Amount at the beginning of year
Controlling shareholder and ultimate		
In which:	2,097,500.03	
Joint venture and affiliates		
In which:	31,600,000.00	
China Merchants Guangming Technologies	10,289,739.09	40,058,858.0
Tianjin Xinhai real Estate Development Co.,		106,081,399.
Other entities under common controlling		
In which:	753,539,867.3	117,510,000.
Zhangzhou Development Zone Co., Ltd.	267,000,000.0	365,953,535.
Dafeng International Holdings	83,196,508.79	
China Merchants Hanghua Technologies and	528,151.21	528,151.00
China Merchants International (China)	274,482.56	
China Merchants Property Investment Co.,	74,448.00	
Shenzhen China Merchants Landmark Co.,	4,303.31	693,279.00
Shenzhen Shekou Dazhong Investment Co.,		138,235,302.
Total	1,148,605,000.	769,060,524.

(5) Long-term payable accounts to related parties

Related party (projects)	Balance at	Amount at
Other entities under common controlling		
In which:	1,200,000.00	1,200,000.00
Total	1,200,000.00	1,200,000.00

(6) Deposit and borrowings with related parties

Related party (projects)	Balance at	Amount at
Other entities under common controlling		
In which:	6,168,810,000.	
China Merchants Bank Co., Ltd. (loan)	967,500,000.0	

VII. Contingency

1. As of December 31, there were 57 owners raised lawsuit against Zhuhai Yuanfang Property Co., Ltd. which were not settled yet. The Company has provided projected liability of RMB14,017,011.26 against the claimed amount.
2. The Company has provided guarantees for property mortgages to the banks totaled to RMB215,223,740.68 (December 31, 2011: RMB76,248,652.00). This issue makes no material influence on the financial situations of the report term and the period after the report term.
3. The Group shall bear the joint liabilities for the borrowing fund raised by China Merchants GuangMing Science Park Co., Ltd. in proportion to the shareholdings, the actual amount of guarantee are RMB 4.8745 million and RMB 31.628 million respectively, with a guarantee period of two years since the loan is due, Such matter has no major impact on the Group's financial position of the year.
4. There is no major contingent issues other than the above as of December 31, 2012.

VIII. Commitments

1. Significant commitments

(1) Leasing contracts engaged or to be executed, and their financial influences

As of December 31, 2012 (T), irrevocable leasing contracts attributable to the following periods:

Periods	Leasing
---------	---------

Periods	Leasing
T+1 year	32,508,812.12
T+2 Years	30,839,605.45
T+3 Years	34,283,645.78
Post T+3 years	306,759,506.61
Total	404,391,569.96

(2) Other major financial commitments

Capital commitments	End of term	Beginning of term
Signed but not yet recognized in the financial statements		
- commitment of long-term asset purchasing	11,250.00	819,572.00
- Outsourcing contract with large amount		
— Real estate development projects	7,416,297,92 2.05	5,802,293,27 1.00
— Investment commitment to the outside	1,258,825.00	
Total	7,417,567,99 7.05	5,803,112,84 3.00

2. As of December 31, 2012, there isn't any other major commitment issue with the Group.

IX. Post-balance-sheet issues

1. Dividend or profit as proposed and approved to be announced in post balance sheet day.
2. There isn't any other major post-balance-sheet issues except for the above.

X. Segment information

1. Report segment of 2012

Items	Property industry	Public services	Property management	Un-allocated segments	Neutralization	Total
Turnover	24,037,579,089.4 9	695,549,258.6 8	751,773,736 .99		-188,139,930.70	25,296,762,154.4 6
Incl. Revenue from external trade	24,037,579,089.4 9	685,696,144.0 8	573,486,920 .89			25,296,762,154.4 6
Income among the segments		9,853,114.60	178,286,816 .10		-188,139,930.70	
Operational expenses	17,768,961,494.0 6	470,865,124.8 5	723,764,048 .47	350,738,244.32	-244,770,515.89	19,069,558,395.8 1
Operational profit (loss)	7,512,562,622.62	193,402,364.3 0	25,923,817. 50	594,625,295.99	-2,092,153,428.86	6,234,360,671.55
Total of assets	128,007,310,965. 02	6,924,113,407. 10	910,679,243 .68	44,697,148,734. 60	-72,004,719,039.1 6	108,534,533,311. 24
Total of liability	98,904,117,630.6 5	5,722,945,003. 04	800,013,091 .49	28,080,228,478. 57	-54,412,049,892.6 4	79,095,254,311.1 1
Supplementary info.						

Items	Property industry	Public services	Property management	Un-allocated segments	Neutralization	Total
Depreciation and amortized expenses	233,502,649.92	13,672,469.42	2,620,652.2 1	81,931.39		249,877,702.94
Capital expenditure	83,263,482.81	55,656,309.34	4,721,715.7 3	44,539.50		143,686,047.38
Non-cash expenses other than depreciation and amortizing						

2. Report segment of year 2011

Items	Property industry	Public services	Property management	Un-allocated segments	Neutralization	Total
Turnover	14,014,896,364.0 0	619,401,840.0 0	582,262,256 .00		-105,193,818.00	15,111,366,642. 00

Items	Property industry	Public services	Property management	Un-allocated segments	Neutralization	Total
Incl. Revenue from external trade	14,014,896,364.0 0	617,919,192.0 0	478,551,086 .00			15,111,366,642. 00
Income among the segments		1,482,648.00	103,711,170 .00		-105,193,818.00	
Operational expenses	10,004,911,813.0 0	438,455,891.0 0	561,838,945 .00	106,419,103.0 0	-105,193,818.00	10,793,593,728. 00
Operational profit (loss)	4,053,466,655.00	180,945,949.0 0	20,423,311. 00	134,674,914.0 0		4,389,510,829.0 0
Total of assets	112,360,003,043. 00	4,273,192,780. 00	435,353,696 .00	8,981,328,993. 00	-46,383,384,144.0 0	79,666,494,368. 00
Total of liability	78,143,136,655.0 0	3,227,449,573. 00	337,568,951 .00	8,392,071,817. 00	-34,710,726,327.0 0	55,389,500,669. 00
Supplementary info.						
Depreciation and amortized expenses	197,063,465.00	9,355,328.00	2,359,798.0 0	2,115,581.00		210,894,172.00
Capital expenditure	204,238,087.00	43,783,203.00	3,622,745.0 0			251,644,035.00
Non-cash expenses other than depreciation and amortizing						

XI. Financial Instruments and Risk Management

Financial instruments adopted by the Group are loans, account receivable, account payable, transactional financial liabilities. Details of these financial instruments are available in respective notes herein. Risks attached to these financial instruments and the risk management policies adopted by the Group are illustrated hereafter. The executive team of the Company have been monitoring and controlling over the risk exposures to constrain them in a limited extent.

1. Target and policies of risk management

The objective of the Company's risk management is to achieve a balance between the risk and gains. Constrain the negative influence on business operation to the lowest limit, and maximum the interests of shareholders and other equity holders. With regard to this target, the basic policies of the Company are; locate and analyse the risks, set appropriate bottom line for risks, and manage and monitor on each risk and constrain them in a certain extent.

(1) Market risks

1) Foreign currency risks

Foreign currency risks are those generated by vibration of exchange rates. Foreign currency risks of the Company are mainly involved with Hong Kong Dollar, and US Dollar. Except for the overseas subsidiaries of the Company incorporated in Hong Kong Special Executive Zone and other countries, which are doing their businesses by local currencies, all other main business operations of the Company are in Renminbi. As of December 31, 2012, except for the following assets which are demonstrated in Hong Kong Dollar, and US Dollar, all of the other assets and liabilities of the Company are demonstrated in RMB. Foreign currency risks brought by these assets and liabilities in foreign currencies may influence the Company's business performance.

Items	Dec 31 2012	Dec 31 2011
Monetary capital - HKD	358,817,942.41	14,765,984.00
Monetary capital - USD	114,114,350.01	116,643,593.00
Transactional financial assets - USD		66,324.79
Prepayment - HKD	8,309.00	

Items	Dec 31 2012	Dec 31 2011
Interest receivable - HKD		
Other receivable - HKD	1,255,539.57	1,027,986.02
Other receivable - USD	21,989,976.74	237,180,192.58
Financial loan - HKD	980,000,000.00	980,000,000.00
Financial Loan - USD	886,000,000.00	886,750,000.00
Interest payable - HKD	2,424,950.94	3,179,695.81
Interest payable - USD	1,691,528.96	4,457,903.14
Other payable - HKD	32, 201,019.90	141,078.96
Other payable - USD	394,617,215.85	331,383,536.74

The Company pays close attention on the influences of exchange rate vibration.

2) Interest risks

Interest risks are mostly the influences of interest fluctuation on the borrowing expenses. Financial liabilities with fluctuating interests confronts the Group with cash flow interest risks, whereas the financial liabilities with fixed interests confronts the Group with fair value interest risks. The Group decides the proportion of contracts with fixed and fluctuate interest rates according to the market environment. As of December 31, 2012, the liabilities with interest were mainly the RMB and HKD loan contracts with fluctuate interest rate, which were amounted to RMB20,004,006,000 (December 31, 2011: 19,350,681,700), and fixed RMB loan contracts amounted to RMB3,860,000,000 (December 31, 2011: 2,752,000,000).

3) Price risks

For the Group is selling the properties developed by the Group itself, which is under influence of fluctuation of property market.

(2) Credit risks

As at December 31, 2012, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counter parties or debtors is arising from:

Book value of financial asset recognized in consolidated balance sheet; as for financial instruments measured at fair value, the book value is reflecting the exposure to risks but not

actually the greatest exposure. The greatest exposure to risks fluctuates along with the future fair value.

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Company adopted necessary policies to make sure that all clients and customers are attributed with merit credit records. There is no other major clustered risks other than the top 5 receivable accounts.

Total of top 5 receivable accounts: RMB131,136,307.57

(3) Liquidity risk

Liquidity risks refers to the possibility that the Group could not exercise its financial liabilities when mature. In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensure the loan contracts are properly exercised. Negotiation was done with financial institutions to maintain a certain level of credit aiming to reduce liquidity risk.

The Group uses bank loans as one of the financial resources. As of December 31, 2012, there was an outstanding credit amounted to RMB7,896,764,500 (December 31, 2011: RMB6468,872,600), and there isn't any short-term bank credit outstand at end of 2012 (December 31, 2011: 1,294,535,400).

The due dates of financial liabilities held by the Company on retained contract liabilities without discounted to cash is as the followings:

Items	Within 1 year	1-2 yrs	2-5 yrs	Over five years	Total
				0	

Items	Within 1 year	1-2 yrs	2-5 yrs	Over five years	Total
Financial assets					
Monetary capital	18,239,272,247.93				18,239,272,247.93
Notes receivable	5,748,800.00				5,748,800.00
Account receivable	162,099,162.73				162,099,162.73
Prepayments	8,287,184.01				8,287,184.01
Other account receivable	7,520,782,201.10				7,520,782,201.10
Interest receivable	269,583.30				269,583.30
Long-term receivable	49,721,270.00				49,721,270.00
Financial liabilities					
Short-term loans	2,105,000,000.00				2,105,000,000.00
Notes payable	47,610,662.59				47,610,662.59
Account payable	11,796,898,896.95				11,796,898,896.95
Advances received	28,463,966,430.34				28,463,966,430.34
Other account payable	7,839,643,221.27				7,839,643,221.27
Dividend payable	290,165,059.98				290,165,059.98
Interest payable	119,767,822.92				119,767,822.92
Employees' wage payable	334,040,494.12				334,040,494.12

Items	Within 1 year	1-2 yrs	2-5 yrs	Over five years	Total
Non-current liability due in 1 year	7,380,992,296.97				7,380,992,296.97
Long-term borrowings		8,190,410,472.78	6,187,603,400.00		14,378,013,872.78
Long-term payable	100,207,107.75				100,207,107.75
Anticipated liabilities	14,017,011.26				14,017,011.26
Other non-recurring liabilities		5,693,400.00	10,920,040.00		16,613,440.00

2. Fair value

(1) Financial instruments without being measured by fair value

Financial instruments without being measured by fair value include: account receivable, short loans, account payable, long-term loans, bond payable, and long-term payable accounts.

There is minor difference between the book value and fair value of financial assets and liabilities without being measured by fair value, except for the followings:

Items	Dec 31 2012		Dec 31 2011	
	Book value	fair value	Book value	fair value
Transactional financial assets			417,906.00	417,906.00
Transactional financial liabilities			2,002,312.00	2,002,312.00

Fair values of long-term loans, long-term payables, and bond payable are decided by the current value after discount against the interest rate of similar cash flow in the same condition with comparable credit level in the market as stipulated by the contract.

(2) Financial instruments measured by fair value

Financial assets and liabilities measured by fair value are mainly future foreign currency contracts.

Estimation of fair value is a subjective judgement basing on the market information and financial information at a certain time, it is not a certain recognition since there are various uncertain factors or issues involved. Change of estimation basis may influence the results.

Fair value of financial assets and financial liabilities are decided by the ways as provided hereafter:

Fair values of financial assets and financial liabilities complying with standard conditions and with active market are decided respectively with reference to the current prices of the active market and current offers;

Fair value of other financial assets and financial liabilities (derivate instruments not included) are recognized by general pricing matrix on future discounted cash flow basis, or recognized by observable current market prices;

Fair values of derivate instruments are determined by the public offer in the active market.

If a fair value is determined fully or partially with evaluation technologies, whereas these technologies are not taking accessible market prices and information from the open market about similar financial instruments, then they are greatly sensitive, and the following shall be revealed:

Possible influences the estimation and fact may cause.

Current change of fair value indicated by the evaluation technology shall be accounted into current gain/loss.

Fair values of foreign currency future contracts are determined according to market quotations.

3. Sensitivity analyse

The Group evaluates the possible influences the reasonable variations may cause to the current gain/loss account or owners' equity, by adopting of sensitivity analyze technologies. For few risk variations change individually, however the relevance amongst the variations may cause major influence on the amounts. Therefore the followings are basing the assumption that every factor occurred in a isolated way.

(1) Foreign currency risk

Foreign currency risks are mainly the influences of exchange rate fluctuation on monetary assets and liabilities of the Company in foreign currency. Most of the Company's foreign currency loans are USD. the Company adopted future foreign currency contract to lock up the exchange rate to avoid risks. On the other hand, for other monetary assets and liabilities in foreign currencies, the Group capitalized most of the exchange gain/loss occurred into inventory costs. Foreign currency sensibility analysis is basing on the assumption that all of the operational investment hedging and cash flow hedging are highly effective.

(2) Interest risks

Interest risks are mostly the influences of interest fluctuation on the borrowing expenses. Most of the borrowing expenses have been capitalized and accounted into inventory cost, therefore fluctuation of interest rate is not making major influence on the gain/loss of current term or shareholders' equity at end of report term.

XII. Other Material Issues

1. Leases

(1) The lowest payment amount of major leasing

Remained leasing period	the lowest payment amount of leasing
within 1 yr	32,508,812.12
1-2 yrs	30,839,605.45
2-3 yrs	34,283,645.78
Over 3 yrs	306,759,506.61
Total	404,391,569.96

XIII. Notes to the main items of the financial statements of the parent company

1. Other account receivable

(1) Categories of other account receivable

Categories	Balance at end of year	
	Book balance	Bad debt provision

	Amount	Rati o (%)	Amo unt	Rati o (%)
Other receivables with major individual amount and bad debt provision provided individually				
Other receivables provided bad debt provision in groups				
Portfolio I	29,644,653,819. 13	100.0 0		
Portfolio II				
Sub-total of group	29,644,653,819. 13	100.0 0		
Other account receivable with minor individual amount but bad debt provision is provided				
Total	29,644,653,819. 13	100.0 0		

(cont.)

Categories	Amount at the beginning of year			
	Book balance		Bad debt provision	
	Amount	Rati o (%)	Amo unt	Rati o (%)
Other receivables with major individual amount and bad debt provision provided individually				
Other receivables provided bad debt provision in groups				
Portfolio I	25,073,202,106. 00	100.0 0		
Portfolio II				
Sub-total of group	25,073,202,106. 00	100.0 0		

Categories	Amount at the beginning of year			
	Book balance		Bad debt provision	
	Amount	Ratio (%)	Amount	Ratio (%)
Other account receivable with minor individual amount but bad debt provision is provided				
Total	25,073,202,106.00	100.00		

1) Ages of other receivable accounts

Age	Balance at end of year			Amount at the beginning of year		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Ratio (%)		Amount	Ratio (%)	
within 1 yr	29,444,653,819.13	99.33		5,593,842,974.00	22.00	
1-2 yrs	200,000,000.00	0.67		19,477,863,399.00	78.00	
2-3 yrs				981,233.00		
Over 3 yrs				514,500.00		
Total	29,644,653,819.13	100.00		25,073,202,106.00	100.00	

2) Top five debtors at the year end

Name of the companies	Relation with the Company	Amount	Age	Portion in total other receivable accounts (%)	Description
Shenzhen CM Power Supply Co., Ltd.	Subsidiaries	3,927,735,069.61	within 1 yr	13.25	working capital
Shenzhen China Merchants Property Co., Ltd.	Subsidiaries	3,707,074,977.07	within 1 yr	12.51	property development capital
Shenzhen China Merchants Shangzhi Investment Co., Ltd.	Subsidiaries	1,769,535,393.59	within 1 yr	5.97	working capital
CM Property (Chongqing) Garden City Co., Ltd.	Subsidiaries	1,569,375,233.35	within 1 yr	5.29	property development capital
Nanjing China Merchants Ruisheng Property Co., Ltd.	Subsidiaries	1,395,155,997.19	within 1 yr	4.71	property development capital
Total		12,368,876,670.81		41.73	

(2) Receivable from related parties

Name of the companies	Relation with the Company	Amount	Portion in total other receivable accounts (%)
Shenzhen CM Power Supply Co., Ltd.	Subsidiaries	3,927,735,069.61	13.25
Shenzhen China Merchants Property Co., Ltd.	Subsidiaries	3,707,074,977.07	12.51
Shenzhen China Merchants Shangzhi Investment Co., Ltd.	Subsidiaries	1,769,535,393.59	5.97
CM Property (Chongqing) Garden City Co., Ltd.	Subsidiaries	1,569,375,233.35	5.29
Nanjing China Merchants Ruisheng Property Co., Ltd.	Subsidiaries	1,395,155,997.19	4.71
China Merchants Property (Nanjing) Co., Ltd.	Subsidiaries	1,322,575,151.00	4.46
Beijing Guangying Property Development Co., Ltd.	Affiliates	1,243,733,636.26	4.20
China Merchants Property (Xiamen) Co., Ltd.	Subsidiaries	1,218,794,700.00	4.11
Chengdu CM Beicheng Property Co., Ltd.	Subsidiaries	1,205,194,329.27	4.07
Shanghai Jingyuan Property Development Co., Ltd.	Subsidiaries	1,063,490,443.97	3.59
Zhenjiang Yingsheng Property Development Co., Ltd.	Subsidiaries	937,342,693.00	3.16
Shanghai CM Hongfa Property Co., Ltd.	Subsidiaries	887,923,400.00	3.00
Tianjin CM Taida Investment Co., Ltd.	Subsidiaries	797,276,821.03	2.69
Shanghai CM Fengrui Property Ltd.	Subsidiaries	728,320,200.00	2.46
Zhuhai China Merchants Property Co., Ltd.	Subsidiaries	692,556,038.23	2.34
Suzhou CM Yonghuafu Property Co., Ltd.	Subsidiaries	690,000,000.00	2.33

Name of the companies	Relation with the Company	Amount	Portion in total other receivable accounts (%)
Shenzhen Vanke Binhai Property Co., Ltd.	Subsidiaries	658,690,910.39	2.22
Tianjing Zhaosheng Property Co., Ltd.	Subsidiaries	600,081,254.07	2.02
China Merchants Property (Zhenjiang) Co., Ltd.	Subsidiaries	508,082,600.00	1.71
Shenzhen Jinyu Rongtai Investment Co., Ltd.	Subsidiaries	476,790,000.00	1.61
Guangzhou China Merchants Real-estate Co., Ltd.	Subsidiaries	464,155,000.00	1.57
Chengdu China Merchants Beihu Property Co., Ltd.	Subsidiaries	462,523,431.23	1.56
China Merchants Property (Wuhan) Co., Ltd.	Subsidiaries	537,339,645.20	1.81
Zhangzhou China Merchants Properties Co., Ltd.	Subsidiaries	267,000,000.00	0.90
Ha'erbin CM Jiatian Property Development Co., Ltd.	Subsidiaries	236,855,000.00	0.80
Shanghai China Merchants Properties Co., Ltd.	Subsidiaries	245,521,331.34	0.83
Shanghai Fengyang Property Development Co., Ltd.	Subsidiaries	220,643,595.51	0.74
Beijing Kanglade Property Development Co., Ltd.	Subsidiaries	209,325,158.25	0.71
Shanghai Xinanshan Property Development Co., Ltd.	Subsidiaries	175,254,905.22	0.59
China Merchants Shangzhi (Bijie Guizhou) Co., Ltd.	Subsidiaries	151,500,000.00	0.51
China Merchants Property (Bijie Guizhou) Co., Ltd.	Subsidiaries	150,511,700.00	0.51
Shenzhen Shekou Sea World Hotel Management Co., Ltd.	Subsidiaries	141,064,139.45	0.48

Name of the companies	Relation with the Company	Amount	Portion in total other receivable accounts (%)
China Merchants Property Management Co., Ltd.	Subsidiaries	115,928,888.85	0.39
Aoming Development Co., Ltd.	Subsidiaries	115,370,100.00	0.39
Foshan Yiyun Property Co., Ltd.	Subsidiaries	114,189,250.00	0.39
CM Property (Changzhou) Co., Ltd.	Subsidiaries	108,000,000.00	0.36
Ruijia Investment Industrial Ltd.	Subsidiaries	79,867,942.29	0.27
Xinde Development Co., Ltd.	Subsidiaries	51,339,880.67	0.17
Mingjie Development Co., Ltd.	Subsidiaries	38,794,222.09	0.13
Shenzhen CM Commercial Development Co., Ltd.	Subsidiaries	48,312,728.69	0.16
Suzhou CM Nanshan Property Co., Ltd.	Subsidiaries	31,143,336.97	0.11
China Merchants Properties (Suzhou) Co., Ltd.	Subsidiaries	30,000,000.00	0.10
Suzhou Shuanghu Property Co., Ltd.	Subsidiaries	7,343,001.11	0.02
Qingdao Zhongrunde Auto Trade Co., Ltd.	Subsidiaries	4,406,552.91	0.01
Foshan Xincheng Property Co., Ltd.	Subsidiaries	3,654,214.37	0.01
Shenzhen Meiyue Properties Consultants Co., Ltd.	Subsidiaries	75,210.00	
Fujian Zhongliansheng Property Development Co., Ltd.	Subsidiaries	20,000.00	
Shenzhen CM Property Consultancy Ltd.	Subsidiaries	14,000.00	

Name of the companies	Relation with the Company	Amount	Portion in total other receivable accounts (%)
Foshan China Merchants Longyuan Property Co., Ltd.	Subsidiaries	10,000.00	
Chengdu CM Property Co., Ltd.	Subsidiaries	10,000.00	
Shenzhen China Merchants Xin'an Properties Co., Ltd.	Subsidiaries	2,076.00	
Shekou Xinghua Industrial Holdings Co., Ltd.	Subsidiaries	397.80	
Total		29,409,904,555.98	99.21

(3) Balance of foreign currencies in other account receivable

Foreign Currency Name	Balance at end of year			Amount at the beginning of year		
	Original currency	Exchange rate	Translated to RMB	Original currency	Exchange rate	Translated to RMB
HKD	15,112,586.88	0.8109	12,254,796.70	15,100,126.48	0.8107	12,241,672.54
USD	843,514.93	6.2855	5,301,913.09	843,514.93	6.3009	5,314,903.22
Total			17,556,709.79			17,556,575.76

2. Long-term share equity investment

(1) Long-term equity investment segment

Items	Balance at end of year	Amount at the beginning of year
long-term equity investment	5,488,866,837.93	3,725,211,638.00

Items	Balance at end of year	Amount at the beginning of year
on cost basis		
Long-term equity investment on equity basis	168,472,474.97	174,407,353.00
Total of long-term equity investment	5,657,339,312.90	3,899,618,991.00
Less: Long-term investment impairment provision		
Value of long-term equity investment	5,657,339,312.90	3,899,618,991.00

(2) Long-term equity investment on cost basis and equity basis

Name of the Companies	Share proportion (%)	Voting rights (%)	Investment cost	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year	Cash dividend this year
On cost basis								
Shenzhen China Merchants Property Co., Ltd.	100.00	10.00	300,000,000.00	2,534,841,460.88		1,683,367,495.57	851,473,965.31	400,000,000.00
Shenzhen CM Power Supply Co., Ltd.	95.00	95.00	57,000,000.00	119,791,232.79			119,791,232.79	
Shenzhen CM Property Co., Ltd.	90.00	90.00	22,500,000.00	36,460,596.83			36,460,596.83	
Shenzhen China Merchants Xin'an Properties Co., Ltd.	60.00	60.00	25,000,000.00	20,822,211.48			20,822,211.48	
Ruijia Investment Industrial Ltd.	99.00	99.00	19,919,300.00	19,919,300.00	1,281,405,200.00		1,301,324,500.00	
China Merchants Properties (Beijing) Co., Ltd.	90.00	90.00	18,000,000.00	18,000,000.00			18,000,000.00	
China Merchants Properties (Suzhou) Co., Ltd.	90.00	90.00	27,000,000.00	27,000,000.00			27,000,000.00	
China Merchants Properties (Chongqing) Co., Ltd.	90.00	90.00	27,000,000.00	27,000,000.00			27,000,000.00	112,009,805.87

Name of the Companies	Share proportion (%)	Voting rights (%)	Investment cost	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year	Cash dividend this year
China Merchants Property (Nanjing) Co., Ltd.	49.00	49.00	14,700,000.00	14,700,000.00			14,700,000.00	
Tianjing Zhaosheng Property Co., Ltd.	60.00	60.00	18,000,000.00	18,000,000.00			18,000,000.00	187,882,615.73
Suzhou CM Nanshan Property Co., Ltd.	60.00	60.00	120,000,000.00	120,000,000.00			120,000,000.00	97,005,077.73
Zhangzhou CM Property Co., Ltd.	51.00	51.00	127,500,000.00	127,500,000.00	102,000,000.00		229,500,000.00	
CM Property (Chongqing) Garden City Co., Ltd.	100.00	10.00	30,000,000.00	30,000,000.00			30,000,000.00	
Chengdu China Merchants Beihu Property Co., Ltd.	100.00	10.00	50,000,000.00	50,000,000.00			50,000,000.00	
Chengdu CM Property Co., Ltd.	100.00	10.00	10,000,000.00	10,000,000.00			10,000,000.00	
China Merchants Property (Xiamen) Co., Ltd.	100.00	10.00	50,000,000.00	50,000,000.00			50,000,000.00	
Fujian Zhongliansheng Property	50.00	50	25,000,000.00	25,000,000.00			25,000,000.00	

Name of the Companies	Share proportion (%)	Voting rights (%)	Investment cost	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year	Cash dividend this year
Development Co., Ltd.		.00	0				0	
China Merchants Property (Wuhan) Co., Ltd.	100.0 0	10 0.00	30,000,000.0 0	30,000,000.00			30,000,000.0 0	
China Merchants Property (Zhenjiang) Co., Ltd.	100.0 0	10 0.00	50,000,000.0 0	50,000,000.00			50,000,000.0 0	
Zhenjiang Yingsheng Property Development Co., Ltd.	1.00	1. 00	6,045,000.00	6,045,000.00			6,045,000.00	
Qingdao Zhongrunde Auto Trade Co., Ltd.	51.00	51 .00	183,731,836. 00	183,731,836.0 0			183,731,836. 00	
China Merchants Property (Bijie Guizhou) Co., Ltd.	100.0 0	10 0.00	30,000,000.0 0		30,000,000.00		30,000,000.0 0	
Shenzhen China Merchants Shangzhi Investment Co., Ltd.	100.0 0	10 0.00	1,883,367,49 5.52	200,000,000.0 0	1,683,367,495. 52		1,883,367,49 5.52	
Ha' erbin CM Jiatian Property Development Co., Ltd.	50.00	50 .00	80,250,000.0 0		80,250,000.00		80,250,000.0 0	
CM Property (Changzhou) Co., Ltd.	100.0 0	10 0.00	30,000,000.0 0		30,000,000.00		30,000,000.0 0	

Name of the Companies	Share proportion (%)	Voting rights (%)	Investment cost	Amount at the beginning of year	Increased this year	Decreased this year	Balance at end of year	Cash dividend this year
Hainan CM Offshore Development Co., Ltd.	60.00	60.00	240,000,000.00		240,000,000.00		240,000,000.00	
Shenzhen CM Property Consultancy Ltd.	20.00	20.00	400,000.00	400,000.00			400,000.00	
Shanghai China Merchants Real-estates Co., Ltd.	10.00	10.00	3,000,000.00	3,000,000.00			3,000,000.00	
Shanghai China Merchants Properties Co., Ltd.	10.00	10.00	3,000,000.00	3,000,000.00			3,000,000.00	
Sub-total			3,481,413,631.52	3,725,211,637.98	3,447,022,695.52	1,683,367,495.57	5,488,866,837.93	936,897,499.33
On equity basis								
China Merchants Guangming Technologies Garden Ltd.	49.00	49.00	196,000,000.00	174,407,353.02	-5,934,878.05		168,472,474.97	
Sub-total			196,000,000.00	174,407,353.02	-5,934,878.05		168,472,474.97	
Total			3,677,413,631.52	3,899,618,991.00	3,441,087,817.47	1,683,367,495.57	5,657,339,312.90	936,897,499.33

(3) Investment in affiliates

Name of the Companies	Share proportion (%)	Voting rights (%)	Total asset at end of year	Total liability at end of year	Total net asset at end of year	Total of turnover	Net profit realized this year
Affiliates							
China Merchants Guangming Technologies Garden Ltd.	49.00	49.00	618,115,11 0.67	274,293,7 33.15	343,821,37 7.52	20,113,075 .00	-12,111,996 .01
Total			618,115,11 0.67	274,293,7 33.15	343,821,37 7.52	20,113,075 .00	-12,111,996 .01

3. Operational turnover and costs

Items	Amount of current year	Amount of Last Year
Major business turnover	31,630,000.00	
Other business income		
Total	31,630,000.00	
Major business cost	6,548,488.37	
Other business cost		
Total	6,548,488.37	

(1) Main business – on industrial segments

Name of industry	Amount of current year		Amount of Last Year	
	Turnover	Operation cost	Turnover	Operation cost
Property development	31,630,000.00	6,548,488.37		
Total	31,630,000.00	6,548,488.37		

(2) Turnover from top 5 clients

Name of clients	Turnover	% in total revenue
Income from construction of social welfare housing in Guangming	31,630,000.00	100.00
Total	31,630,000.00	100.00

4. Investment income

(1) Sources of investment gains

Items	Amount of current year	Amount of Last Year
Long-term equity investment gains on cost basis	950,628,048.31	834,025,713.00
Long-term equity investment gains on equity basis	-5,934,878.05	-7,114,788.00
Others (Note)	670,370.05	19,734,626.00
Total	945,363,540.31	846,645,551.00

Note: This was RMB670 thousand of entrusted loan interest receivable from Nanjing Fucheng Property Development Co., Ltd. after deducting of tax.

(2) Long-term equity investment gains on cost basis

Items	Amount of current year	Amount of Last Year	Cause of change over last year
Total	950,628,048.31	834,025,713.00	
China Merchants Properties (Beijing) Co., Ltd.		646,707,702.00	
Shenzhen China Merchants Property Co., Ltd.	400,000,000.00		dividend from invested company in current year
Tianjing Zhaosheng Property Co., Ltd.	202,158,695.38		dividend from invested company in current year
Suzhou CM Nanshan Property Co., Ltd.	97,005,077.73		dividend from invested company in current year
Chengdu CM Property Co., Ltd.	140,000,000.00		dividend from invested company in

Items	Amount of current year	Amount of Last Year	Cause of change over last year
			current year
China Merchants (Chongqing) Co., Ltd.	111,464,275.20	187,318,011.00	

(3) Long-term equity investment gains on equity basis

Items	Amount of current year	Amount of Last Year	Cause of change over last year
Total	-5,934,878.05	-7,114,788.00	
Incl. China Merchants Guangming Tech Garden Co., Ltd.	-5,934,878.05	-7,114,788.00	

5. Supplementary information for cash flow statements of the parent company

Items	Amount of current year	Amount of Last Year
1.Net profit adjusted to cash flow of operation:		
Net profit	597,522,288.99	685,661,848.00
Plus: Asset impairment provision		
Fixed asset depreciation, gas and petrol depreciation, production goods depreciation	81,931.39	67,635.56
Amortizing of intangible assets		
Amortizing of long-term expenses		
Loss from disposal of fixed assets, intangible assets and other long-term assets (“-“ for gains)		

Items	Amount of current year	Amount of Last Year
Loss of disposing fixed assets (“-“ for gains)		
Gain/loss from change of fair value (“-“ for gains)		
Financial expenses (“-“ for gains)	974,865,738.28	590,648,157.49
Investment loss (“-“ for gains)	-945,363,540.31	-846,645,551.00
Decrease of deferred income tax asset (“-“ for increase)		
Increase of deferred income tax liability (“-“ for decrease)		
Decrease of inventory (“-“ for increase)	-1,224,000,000.0 0	
Decrease of operational receivable subjects (“-“ for increase)	-4,628,646,567.8 3	2,873,112,292.5 2
Increase of operational payables (“-“ for decrease)	9,781,869,328.29	-5,618,428,945. 57
Others		
Cash flow generated by business operation, net	4,556,329,178.81	-2,315,584,563. 00
2. Major investment and financing activities not involving in cash flow		
Liabilities converted to capital		

Items	Amount of current year	Amount of Last Year
Convertible bond expire in 1 year		
Fixed assets leased through financing		
3. Change of cash and cash equivalents		
Balance of cash at period end	5,277,807,877.29	5,036,890,168.0 0
Less: Initial balance of cash	5,036,890,168.00	3,691,866,661.0 0
Plus: Balance of cash equivalents at the period end		
Less: Initial balance of cash equivalents		
Net increasing of cash and cash equivalents	240,917,709.29	1,345,023,507.0 0

XIV. Approval of the Financial Statements

This Financial Report was approved to report by the Board of Directors on March 16, 2013.

Supplementary Information of the Financial Statements

1. Non-recurring income statement of the year

According to “PLC Information Disclosure Q&A No.1 – Non-recurring gain/loss (revised 2008)”, the non-recurring gain/loss of the Company in 2012 are as the followings:

Items	Amount of current year	Amount of Last Year	Remarks
Gain/loss of non-current assets	-1,407,797.62	-256,439.00	
Tax refunding or exemption without official certification or exceeded authority			
Government subsidy counted into current gain/loss account	16,352,111.12	1,876,900.00	
Capital adoption fee collected from non-financial organizations and accounted into current gain/loss			
Gain/loss from differences between the cost of enterprise merger and the fair value of recognizable net asset of the invested entities			
Gain/loss from non-monetary assets			
Gain/loss from commissioned investment or assets			
Asset impairment provisions provided for force-majeur			
Gain/loss from debt reorganization			
Enterprise reorganizing expenses,			
Gain/loss from trade departing from fair value			
Current net gain/loss of subsidiaries under same control from beginning of term till date of consolidation			

Items	Amount of current year	Amount of Last Year	Re marks
Gain/loss generated by contingent liabilities without connection with main businesses			
Gain/loss from change of fair value of transactional asset and liabilities, and investment gains from disposal of transactional financial assets and liabilities and sellable financial assets, other than valid period value instruments related to the Company's common businesses			
Restoring of receivable account impairment provision tested individually			
Gain/loss from commissioned loans			
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement			
Influence of one-time adjustment made on current gain/loss account according to the laws and regulations regarding tax and accounting			
Consigning fee received for cosigned operation			
Other non-business income and expenditures other than the above	-49,804,571.52	100,717,125.00	
Other gain/loss items satisfying the definition of non-recurring gain/loss account			
Sub-total	-34,860,258.02	102,337,586.00	
Influenced amount of income tax	2,766,668.96	-192,214.00	
Influence on minority shareholders' equity (after tax)	2,887,287.63	-598,846.00	
Total	-29,206,301.43	101,546,526.00	

2. Net income on asset ratio and earning per share

This calculation formula of net income on asset ratio and earning per share prepared by CMPD are according to “Information Disclosure Rules of PLC No.09 – calculating and disclosing of net income on asset and earnings per share” (Revised 2010) issued by China Securities Regulatory Commission.

Profit of the report period	Weighted average net income/asset ratio (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the owners of parent co.	15.19%	1.9323	1.9323
Net profit attributable to the common owners of the parent co. after deducting of non-recurring gains/losses	15.32%	1.9493	1.9493

3. Irregular situations with main items in the financial statements, and reasons of change

1) Items in consolidated balance sheet which have changed significantly from the beginning to the end of year

Items	Balance at end of year	Amount at the beginning of year	Scale of change	Causation of differences
Transactional financial assets		417,906.00	-100.00%	NDF Contract handover
Notes receivable	5,748,800.00	500,000.00	1049.76%	Mature of accepted drafts
Account receivable	162,099,162.73	91,555,827.00	77.05%	increase of project receivable by subsidiaries
Inventories	73,637,940,073.	51,440,184,642.	43.15	Increase of property

Items	Balance at end of year	Amount at the beginning of year	Scale of change	Causation of differences
	11	00	%	projects
Non-current asset due in 1 year	16,756,858.87	1,395,887.00	1100.45%	increase of credit loan, therefore increase of prepaid interest
Other current asset	2,818,269,943.98	1,752,296,690.00	60.83%	Increase of prepaid tax
Long-term receivable	49,721,270.00	157,577,000.00	-68.45%	Entrusted loan retrieved
Long-term share equity investment	1,083,249,770.92	814,539,459.00	32.99%	Newly granted affiliate investment
Construction in process	88,458,273.58	61,579,832.00	43.65%	Increase of power supply project
Goodwill	159,560,861.23			purchase of Tonic Holding
Deferred income tax asset	942,147,425.36	734,300,575.00	28.31%	Increase of provisional differences in pre-drawn land VAT
Transactional financial liabilities		2,002,312.00	-100.00%	NDF Contract handover
Notes payable	47,610,662.59	3,714,276.00	1181.83%	Increase of project acceptance draft
Account payable	11,796,898,896.95	4,559,318,989.00	158.74%	increase of engineering fee payable
Advances received	28,463,966,430.34	16,882,302,009.00	68.60%	Increase of prepaid sales
Tax payable	1,951,582,353.18	1,272,500,931.00	53.37%	increase of revenue
Dividend payable	290,165,059.98	49,582,916.00	485.21%	dividend payable to minor shareholders by subsidiaries

Items	Balance at end of year	Amount at the beginning of year	Scale of change	Causation of differences
Non-current liability due in 1 year	7,380,992,296.97	3,608,045,000.00	104.57%	Increasing of long-term borrowings due in 1 year
Other current liability	4,256,735,641.00	3,179,599,549.00	33.88%	Increase of preserved land VAT
Anticipated liabilities	14,017,011.26			providing of provision for unsettled lawsuit

2) Items in consolidated income statement which have changed significantly over the previous year

Items	Amount of current year	Amount of Last Year	Scale of change	Causation of differences
Turnover	25,296,762,154.46	15,111,366,642.00	65.88%	increase of property sales transferred
Operation cost	12,945,037,612.58	7,194,438,295.00	76.73%	Increase of property sales
Business tax and surcharge	4,273,285,191.20	2,908,804,737.00	46.91%	Increase of property sales and tax
Sales expense	729,279,368.30	492,802,316.00	47.99%	increase of property sales projects and advertisement
Financial expenses	394,147,542.48	-168,590,320.00	-333.79%	increase of bank loan interest, and decrease of interest capitalized
Asset impairment loss	288,460,193.61	3,246,204.00	8786.08%	Increase of inventory provision
Income from change of fair value	1,584,406.61	18,393,669.00	-91.39%	No new NDF contract engaged in the current year
Investment	5,572,506.29	53,344,246.00	-89.55%	decrease of

Items	Amount of current year	Amount of Last Year	Scale of change	Causation of differences
income			%	entrusted loan interest
Non-operational income	24,841,162.92	108,768,445.00	-77.16 %	there is no writing back of projected liability this year
Non-operational expenditure	59,701,420.94	6,430,860.00	828.3 6%	Tax fine increased
Income tax expenses	1,921,981,310.0 4	1,178,893,904.0 0	63.03 %	Increase of taxable income

China Merchants Property Development Co., Ltd.

March 16, 2013

Chapter XI File Directory for Reference

(I) Financial statements that contain the signature and seal of legal representative, person in charge of accounting and person in charge of accounting office;

(II) Original audit reports that contain the signature and seal of accounting firm and certified public accountants;

(III) The company's original documents and manuscript of announcement that disclosed on the newspaper appointed by China Securities Regulatory Commission in 2012;

(IV) Annual Report of the Year 2012 (English version).

China Merchants Property Development Co., Ltd.

March 19, 2013