



2014 Annual Report

Announcement No. [CMPD] 2015-010

Section One Important Notice, Contents and Interpretation

Important Notes:

Board of Directors and Board of Supervisors of the Company and its directors, supervisors and officers hereby guarantee that this resolution is free from any faults, misleading statement or major omission and bear joint and several liabilities for the truthfulness, accuracy and completeness of contents described herein.

Profit distribution plan and capital stock increasing from accumulation funds during reporting period reviewed by company's Board of Directors: based on total 2,575,950,754 capital shares at the end of reporting period, paying out RMB 3.2 (including tax) cash dividend per 10 shares, no capital stock increasing from accumulation funds.

The legal representative Sun Chengming, Chief Financial Director Wu Zhenqin and Manager of Finance Department Li Shifang hereby state that: the financial statements under the Report are authentic, accurate and complete.

Except that director of the Company, Chen Gang and independent director of the Company, Liu Hongyu was unable to attend the board meeting for report review in person due to business, but respectively authorized Vice Chairman Yang Tianping and independent director Chai Qiang to attend the meeting and vote on his behalf, other all directors attended the meeting.

The Report is made in Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

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Abbreviation and Interpretation

Unless otherwise stated, the meanings of following abbreviations in this report are as follows:

Item	means	Interpretation
SASAC	means	State-owned Assets Supervision and Administration Commission of State Council
NAFMII	means	National Association of Financial Market Institutional Investors (NAFMII)
CSRC	means	China Securities Regulatory Commission
SACSR	means	Shenzhen Administration of China Securities Regulatory Commission
SSE	means	Shenzhen Stock Exchange
The Company and Company	means	China Merchants Property Development Co., Ltd.
China Merchants Group	means	China Merchants Group Co., Ltd.
Dafeng International	means	Dafeng International Limited Liability Company
Shekou Industrial Zone	means	China Merchants Shekou Industrial Zone Co., Ltd.
Zhangzhou Development Zone	means	China Merchants Zhangzhou Development Zone Co., Ltd.
China Merchants (Shenzhen) Property	means	China Merchants (Shenzhen) Property Development Co., Ltd.
CMPI	means	China Merchants (Shenzhen) Investment Co., Ltd.
China Merchants (Shenzhen) Power Supply	means	China Merchants (Shenzhen) Power Supply Co., Ltd.
China Merchants Property	means	China Merchants Property Management Co., Ltd.
China Merchants Land	means	China Merchants Land Ltd.
Hong Kong Ruijia	means	Eureka Investment Company Ltd.
Full Space Investment Limited	means	Full-space Investment Limited Co., Ltd.
Guangzhou China Merchants Property	means	China Merchants (Guangzhou) Property Development Co., Ltd.

Risk indications

In the Report of the Board of Directors herein, the Company gives detailed description of the risk factors that the Company may face and coping strategies thereof in the Section of "Director's Report" in the Report. Please pay attention to related content.

Section Two Company Profile

I. Legal Chinese and English name of the Company and abbreviations:

Chinese name in full: 招商局地产控股股份有限公司

Chinese name in short: 招商地产

English name in full: CHINA MERCHANTS PROPERTY DEVELOPMENT CO., LTD.

English name in short: CMPD

II. Legal representative: Sun Chengming

III. Secretary to the Board of Directors: Liu Ning

Representatives for Securities Affairs of the Company: Chen Jiang

Contact address: Building 3, Nanhaiyiku, No. 6, Xinghua Road, Shekou, Nanshan District, Shenzhen City

Post code: 518067

Tel: 0755-26819600

Fax: 0755-26818666

E-mail: cmpdir@cmhk.com

IV. Registered address of the Company: Building 3, Nanhaiyiku No. 6, Xinghua Road, Shekou, Nanshan District, Shenzhen City

Office address of the Company: Building 3, Nanhaiyiku, No. 6, Xinghua Road, Shekou, Nanshan District, Shenzhen City

Post code: 518067

Website: <http://www.cmpd.cn>

E-mail: cmpdir@cmhk.com

V. Press to disclose information selected by the Company:

China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily and Hong Kong Commercial Daily

Internet website to disclose information selected by CSRC: <http://www.cninfo.com.cn>

Location to prepare and store annual report of the Company: secretariat of Board of Directors of the Company

VI. Stock Listing Exchange of the Company: SZSE

Secondary stock listing exchange of the Company: SGX

Stock short name: ZSDC, ZSJB

Stock code: 000024, 200024

VII. Change of registration

1. Date of initial registration: September 19, 1990
2. Place of initial registration: Shenzhen
3. Registered Number of Business License of the Corporate Legal Entity: 440301503287841
4. Registered number for taxation: SSDZ 440300618845136
5. Organization code: 61884513-6
6. Changes of main business and previous dominant stockholders since company's listing

The company's predecessor is "CHINA MERCHANTS SHEKOU PORT SERVICE CO., LTD.", mainly engaged in port business. On June 7, 1993, the Company's A shares and B shares were traded on SSE.

From 1998 to 1999, the Company changed its own port-related assets with equity of China Merchants (Shenzhen) Property, China Merchants (Shenzhen) Power Supply, etc. under Shekou Industrial Zone, holding 70% of respective accumulative equity transferred from above companies.

On July 21, 2000, the Company changed its name to "CHINA MERCHANTS SHEKOU HOLDINGS CO., LTD."

On July 13, 2001, the Company changed its own remaining port-related assets with 25% of equity of China Merchants (Shenzhen) Property, China Merchants (Shenzhen) Power Supply, etc. under Shekou Industrial Zone.

On June 24, 2004, the Company changed its name to "CHINA MERCHANTS PROPERTY DEVELOPMENT CO., LTD.", becoming a listed company mainly engaged in real estate development and management.

Since the Company's listing, the dominant stockholders did not change.

VIII. Accounting Firm appointed by the Company

Name: Shinewing Certified Public Accountants (Special Ordinary Partnership)

Address: 8/F, Block A. Fu Hua Mansion, No.8, Chaoyangmen Beidajie, Dongcheng District, Beijing

Signed CPA: Guo Jinlong Wang Yaming

Section Three Summary of Financial Data and Financial Index

I. Main accounting data and financial index

Unit: RMB Yuan

Main Accounting Data	2014	2013		Increase or decrease of current year against previous year	2012
		After adjustment	Before adjustment	After adjustment	
Operating incomes	43,385,058,201.09	32,567,813,857.52	32,567,813,857.52	33.21 %	25,296,762,154.46
Net profits attributable to the listed company shareholders	4,263,636,555.36	4,190,374,825.04	4,202,152,074.18	1.75 %	3,318,266,875.59
Net profit attributable to shareholders of listed company after deducting non-recurring profits and losses	4,416,726,428.34	3,911,400,979.51	3,923,178,228.65	12.92 %	3,347,473,177.02
Net cash flows from operating activities	-6,447,055,480.12	495,923,554.51	495,923,554.51	-1400.01 %	5,098,777,753.73
Basic earning per share (Yuan/share)	1.66	1.63	2.45	1.75 %	1.29
Diluted earning per share (Yuan/share)	1.66	1.63	2.45	1.75 %	1.29
Rate of return of net assets (%)	14.68	16.68	16.73	Decrease of 2 percentage points	15.19
	End of 2014	End of 2013		Increase or decrease compared with the end of previous year	2012
		After adjustment	Before adjustment	After adjustment	
Total assets	151,692,365,118.58	134,040,446,989.65	134,040,446,989.65	13.17 %	109,197,242,683.06
Net assets attributable to the listed company shareholders	31,094,416,110.82	26,725,501,967.24	26,725,501,967.24	16.35 %	23,393,515,534.13

1. The Company restated the previous annual accounting data due to changes in accounting policies. In this year, according to new requirements of accounting standard 2014, the Company has conducted retroactive adjustment to the 2013 annual financial statement; in 2013 balance sheet, undistributed profit of RMB 11,777,249.14 was reduced and capital reserve of RMB 11,777,249.14 was increased without impact on total assets; in 2013 profit statement, investment income and net profit of RMB 11,777,249.14 was reduced.

During the reporting period, the Company has implemented the capitalization from capital public reserve plan. In accordance with *Information Disclosure Memorandum No. 21 - Matters Related to the Disclosure of Periodic Reports* by Shenzhen Stock Exchange, the Company has recalculated the earnings per share of 2012 and 2013 based on the increased stock after transfer.

3. During reporting period, the Company paid a lot of land price and infrastructure cost to strengthen land expansion due to development need. As the operating cash outflow during the reporting period outweighed the annual operating cash inflow, the net amount of cash flow generated from the operation is negative.

4. The YOY growth rate of basic earning per share and diluted earning per share is calculated based on the figures retaining all decimal.

II. Effect adjustment for net profit and net assets based on International Accounting Standards (unaudited)

Unit: RMB Yuan

	Net profits attributable to the listed company shareholders		Net assets attributable to the listed company shareholders	
	2014	2013	End of 2014	End of 2013
By International Financial Reporting Standards	4,263,636,555.36	4,190,374,825.04	32,434,245,339.82	28,065,331,196.24
By Chinese accounting standard	4,263,636,555.36	4,190,374,825.04	31,094,416,110.82	26,725,501,967.24
Difference between domestic and foreign accounting standards	-	-	1,339,829,229.00	1,339,829,229.00
Including: adjustment of goodwill value	-	-	1,339,829,229.00	1,339,829,229.00
Description of Deviation between Domestic and Foreign Accounting Standards	There is no deviation of net profit of listing Company's shareholders calculated as per International Financial Reporting Standards and Chinese Accounting Standards. Main reasons for the adjustment of the net profit of listing Company's shareholders subject to International Financial Reporting Standards are: in accordance with Chinese Accounting Standards and relevant regulations, for equity investment difference caused by business merger of the same control, the capital reserve shall be adjusted, while the goodwill against merger caused by International Financial Reporting Standards shall be separately listed as assets.			

III. Items and amount of extraordinary profit or loss

Unit: RMB Yuan

Items of extraordinary profit or loss	2014	2013	2012
Losses and profits on disposal of non-current assets	-3,997,255.04	256,255,563.72	-1,407,797.62
Government subsidies	43,659,552.98	33,800,048.66	16,352,111.12
Profit generated when the investment cost for acquisition subsidiary is smaller than the deserved fair value of identifiable net asset of the invested company.		11,630,003.67	
Other profit or loss items recognized by CSRC	-156,839,259.39		
Other net non-operating revenue and expenditure	-25,635,708.61	-3,883,513.02	-49,804,571.52
Influence of income tax	-10,134,034.67	-7,253,985.40	2,766,668.96
Influence of minority shareholders' profit or loss	-143,168.25	-11,574,272.10	2,887,287.63
Total	-153,089,872.98	278,973,845.53	-29,206,301.43

Note: the long-term equity investment after change in control of Shenzhen Overseas Chinese Town Co., Ltd. (OCT) by the Company is measured by fair value. The equity fair value is mainly inventory evaluation added value. In the year, based on the ratio of actual carry-forward inventory area in the total salable area of inventory to be carried forward on the date of control right change of OCT, the added value of long-term equity investment acknowledged by assessment added value subject to corresponding written off is RMB 156,839,259.39.

Section Four Directors' Report

I. Summary

1. Market review

In 2014, the global economy was still experiencing a revival, with differential performance of the developed economies and slow growth of emerging economies. Under “three major trends” of economic growth transition phase, structural adjustment hardship phase and pre-stimulus policy digestion phase, the overall Chinese economy shows a steady trend with a little decrease. Macroeconomic policy is seeking a balance among steady growth, reformation promotion, structure adjustment and benefaction to people while preventing risks.

In 2014, the Chinese real estate market showed a U-shaped carryover situation. Annual sales area of commercial housing is 1,206,490,000 m², with sales volume of RMB 7,629.2 billion, presenting the first negative growth since financial crisis in 2008 on year-on-year basis. Affected by such factors as economic downturn, credit squeeze, regulation continuation and housing overdraft, the real estate market of the first half of 2014 entered the adjustment period. In the second half, with gradually flexible regulatory policy, in respect to release of housing restriction policy, relaxation of credit restriction policy and asymmetrical reduction of interest, the real estate market gradually recovers. Leading housing enterprises have achieved a substantial growth in annual sales, but the overall market differentiation is obvious. "Differentiation" is mainly reflected in unbalanced sales, e.g., each housing enterprise has a better sales performance in the second half than the first half; also reflected in difference of various cities, e.g., the real estate market performance of the first and second-tier city with strong population adsorption capacity and stable demand is significantly better than the third and fourth-tier cities with excess supply and larger inventory digestion pressure; further reflected in difference of sale status against different products, e.g., differentiation elimination rate of the medium and small-sized housing type is significantly higher than that of large-sized housing type which benefits from strong demand and policy support. This is consistent with the sales data performance of CMPD. "Differentiation" dominates now and it requires higher comprehensive ability of housing enterprises.

In case the real estate sales and stock are at a record high and the demand growth is not enough, the real estate industry will enter a relatively stable stage of development. More and more real estate developers begin to improve efficiency, enhance benefit, reform model and other multiple aspects, conduct positive and useful exploration along the whole value chain of the real estate industry, so as to respond to industry and market changes and seek for their own survival and development road.

2. Strategic objectives of the Company

Only by grasping the general trend and conducting innovation and development in the new round of industry change opportunities, can we ride the tide to race the top. During the reporting period, the Company follows the changes in the trend of market and industry, to actively promote the strategic transformation. Under the new normal conditions of national development mode transformation, the urban upgrading becomes the new opportunity for the development of real estate industry. Under this background, the Company will take use of its thirty-years' experience in city upgrading in Shekou and thirty-years' accumulated various professional ability, relying on China Merchants Group's strong development resources and powerful industrial background, to strive to create itself as "China's leading expert in urban upgrading." Under the guidance of this strategic objective, the Company will stick to one foundation, explore two new ways, develop three fields and forge comprehensive

strength, to achieve rapid and balanced growth.

One foundation - the Company will continue to expand the advantages in middle and high-end residential market, and further extend high-quality residential services for the urban elites;

Two new ways - the Company will expand overseas business and build a light asset management platform. Conduct global allocation of resources through overseas platform, to prevent regional market risks; exploit the real estate business value, to form a variety of professional operating platforms of the whole industry chain.

Experiential complex of three fields - build experiential cultural recreation complex product line, promote "sea" series waterfront complex and create an "urban living room" at the level of city card.

Theme industrial park of three fields - seize the opportunity of urban upgrading and new city plot development, increase the depth of cooperation with the industry's best operators to achieve effective replication of "Shekou model".

Health real estate of three fields – established commercial mode of combination between high-end hospitals & high-end pension and health care and real estate development, to provide support for creating competitive differentiation of the real estate business. Strength capability of health management operations and provide guarantee for the value of healthy real estate.

In the future, the Company will focus on forging comprehensive operational capability, green technology ability, red service capacity and integration capacity of industry and finance, refining the core competitiveness; enhancing human capital, financial capital, institutional capital, brand capital and cultural capital to support the implementation of the strategic objectives of the Company.

3. Strategy implementation of the Company during the reporting period

Achievements in performance indicators – in 2014, the Company achieved a contracted sales area of 3,642,800 m², having a year-on-year growth of 32.92%, with contracted sales amount of RMB 51.049 billion, having a year-on-year growth of 18.18%. Faced with such adverse factors as market adjustment and late formation of their own value, the Company actively implements sales tactical requirement of "market-oriented, reasonable pricing and differentiation elimination", which promotes the realization of sales objectives.

Fruitful achievements from intelligent development – realize strategic layout of “thirty years, thirty cities” at the 30th anniversary of establishment of the Company, with successful distribution of 30 cities nationwide. The first and second-tier cities are significantly consolidated and strengthened. During the year, the new project resource is 6,107,400 m² via bid, auction and listing, acquisitions and other means in the core cities such as Shanghai, Guangzhou, Shenzhen and Nanjing, wherein the corporate interest area is 4,662,300 m²

Capital financing innovation - in order to further optimize the capital structure of the Company, quickly start the program of issuing RMB 8 billion A shares convertible bonds, the current program is still in the review stage of CSRC. For debt financing, actively explore new channels on the basis of conventional bank loans guarantee funds, create a new mode to revitalize the stock of commercial real estate to achieve development funds; obtain “investment real estate debt plan” issued by insurance agency for the first time; obtain registration approval of NAFMII for the medium-term notes of the Company for the first time, which opens access to debt financing of stable and long-term low-cost and flexible purpose. Annual comprehensive financial cost of the Company is 5.10%, having a year-on-year decrease of 0.13%.

Expansion of cooperation between industry and finance – in 2014, the Company entered into strategic cooperation agreements respectively with China Merchants Capital and China Merchants Bank. Conducting cooperation exploration with China Merchants Capital on project equity level and conducting attempt with China Merchants Bank on brand linkage, become the important practice of synergetic development and innovative business mode for the two core industries of China Merchants Group - "finance" and "real estate".

Incentive mechanism breakthrough - during the reporting period, the Company first introduced the stock option incentive plan, to award 143 employees 23,228,300 stock options on September 18, 2014, to make the interest of core team be closely tied to the overall interests of the Company, which was the beginning of the continued optimization of incentive and restraint mechanisms of the Company. With the implementation of stock options incentives, the Company will further improve the governance structure, and promote the establishment of 3D incentive mechanism combining short, medium and long-term incentives.

Expertise enhancement - during the reporting period, the Company adheres to the ideas of "cost-oriented support first", to control the cost by increasing the standardization rate of new projects, target rate of quota design, strategic sourcing rate, etc. In 2014, the mean cost of construction and installation of national projects under construction was RMB 127/m² lower than the year beginning; the product standardization was further enhanced, achieving innovative design achievements of "two children" series product, completing R & D of such products as I-Love3.0 demanding product, I-Hope first-changed house type and service-type apartments; application of green technology became available, forming a reproducible implementation path to create residential project green value; customer's satisfaction was enhanced steadily. The third-party survey data shows that, the evaluation results of the external overall customer satisfaction of the Company increases by 10% on year-on-year basis, furthermore, that of the property customer increases 19% on year-on-year basis.

Property management innovation – in 2014, China Merchants Property takes Shekou area as test field, to explore the development of large-scale and professional operation of community value-added services, and gradually establish a system of property value-added service products. Idea of "livable at home" is applied to partial new projects, customizing decoration, home furnishing purchase and other value-added services based on characteristics of the project, to provide comfortable and personalized service experience to owners. The first community offline experience pavilion – "party at home" is introduced after "network at home", designed to create an intelligent community and pursue quality life of "gathering life, intelligent community, harmonious neighborhood, luxuriant street and economic enjoyment".

During the reporting period, the management results of the Company are widely accepted. In consecutive 12 years, the Company has won the "2014 TOP 10 Shanghai and Shenzhen Listed Real Estate Companies with Comprehensive Strength" which was evaluated and selected by the Enterprise Institute of Development Research Center of the State Council, Real Estate Institute of Tsinghua University and China Index Academy, the "2014 TOP 10 Shanghai and Shenzhen Listed Real Estate Companies with Wealth Creation Ability", "2014 TOP 10 Shanghai and Shenzhen Listed Real Estate Companies with Investment Value" and "2014 TOP 10 Chinese Real Estate Companies with Brand Value"; it has won the "China Blue Chip Enterprise Award in Real Estate" that is the evaluated and selected by The Economic Observer in combination with Sina Leju for consecutive 10 years; it has won "The Annual Comprehensive Award of Best Real Estate Enterprise Citizenship" granted by 21st Century Business Review, 21st Century Business Herald and 21st Century Enterprise Citizenship Research Center; it has won the "Top 100 Chinese Valuable Main-board Listed Companies" evaluated and selected by Securities Times and China Fund News; it has won the title of "The Best Main-board Blue Chip Company" evaluated and selected by Sina Finance; it has won the "Building Energy Conservation Star – Organization with Outstanding Contribution" evaluated and selected by China Association of Building Energy Efficiency and other awards.

II. Analysis of main business

1. Overview

In 2014, the Company continued to optimize management and improve operational efficiency. The revenue

of all businesses grew steadily, and the annual total operating revenue reached RMB 43.385 billion, increased by 33.21% over the same period of last year. The net profit attributable to shareholders of listed companies was RMB 4.264 billion, increased by 1.75% over the same period of last year. In operating revenue, the sales revenue of real estate is RMB 40.556 billion with a settlement area of 2.8159 million m²; the investment property rental revenue is RMB 955 million with a total rental area of 10.4836 million m²; the revenue of park power supply is RMB 684 million with the sale of 868.65 million kWh. Property management revenue is RMB 757 million with property area of 21.95 million m² at the end of the year.

2. Composition of main businesses

Industrial division of main businesses

Unit: RMB 10,000

By industry	Operating income	Operating costs	Gross profit margin	Year-to-year increase/decrease of the operating income	Increase or decrease of the operating costs compared to previous year	Percentage increase or decrease of gross margin over last year
Real estate development and sales	4,055,638	2,499,852	25 %	34 %	46 %	-3
Rental property management	95,477	50,882	41 %	24 %	14 %	+5
Power supply in the park	68,406	53,821	21 %	7 %	15 %	-5
Property management	75,703	67,616	3%	8 %	9 %	-2
Hotel management	29,739	37,475	-32 %	306 %	109 %	+118
Real estate agency	6,272	6,983	-17 %	-9 %	22 %	-29
Others	7,271	2,295	49 %	-31 %	-74 %	+43

Regional division of main business

Unit: RMB 10,000

By regions	Operating income	Operating costs	Gross profit margin (%)	Year-to-year increase/decrease of the operating income (%)	Year-to-year increase/decrease of the operating cost (%)	Percentage increase or decrease of gross margin over the same period of last year
Circum-Bohai-Sea region	618,373	290,637	34 %	-35 %	-38 %	+1
Yangtze River Delta region	663,729	509,905	15 %	47 %	42 %	+2
Pearl River Delta region	2,108,590	1,199,160	30 %	48 %	58 %	-2
Other regions	947,814	719,222	16 %	120 %	125 %	-1

Note: The gross margin in the above table is derived from revenue minus operating costs and business taxes and surcharges

1. In recent years, the regional sales and product structure change every year that the amount of projects in second-tier, third-tier and fourth-tier cities increase gradually. In 2014, the revenue carryover proportion in the region, where the gross margin is relatively lower, has increased when compared with the same period of last year, leading to the decrease of gross margin of real estate development business.

2. During the reporting period, the procurement cost of power supply in the park has increased, exceeding the revenue growth rate and leading to a decrease of gross margin of 5% in power supply.

3. Main business of hotels of the Company includes Shenzhen Shekou Hilton Nanhai Hotel, Conrad Beijing and Zhangzhou Meillen Mountain Villa. The above hotels opened for business last year, and the occupancy rate has been increased gradually. However, due to the higher pre-operating costs for hotels, the gross margin during the reporting period is negative, but the gross margin has been greatly improved when compared with the same period of last year.

4. Since types of carryover real estate product vary in different regions, the gross margin fluctuates accordingly.

Real estate development and sales

During the reporting period, there were 45 new projects that were started, covering a new construction area of 4.14 million m², and 30 projects were completed during the year, covering a completion area of 2.77 million m².

List of 2014 Major Real Estate Development Projects:

Unit: ten thousand m²

S/N	Name	Area	Equity ratio	Floor area	Area calculated with plot ratio	New commencement in 2014	Completion in 2014	Cumulative commencement area	Cumulative completion area	This phase's contract area	This phase's carryover area	Commencement/Proposed commencement date	Completion/Proposed completion date
1	Shenzhen Woods Apartment	Shekou District, Shenzhen	100 %	1.13	3.23	-	-	3.23	3.23	0.15	0.18	2010.05	2013.06
2	Jingshan The Ninth in Shenzhen	Shekou District, Shenzhen	100 %	5.44	10.65	-	10.65	10.65	10.65	0.74	7.77	2011.05	2014.06
3	Shenzhen Imperial Park Phase II	Shekou District, Shenzhen	100 %	4.28	12.56	3.14	-	3.14	-	-	-	2014.03	2019.11
4	Shenzhen Chuanwei Plaza	Shekou District, Shenzhen	100 %	0.70	0.63	-	-	0.63	0.63	-	-	2011.06	2013.07
5	Shenzhen Imperial Park Phase I	Shekou District, Shenzhen	100 %	7.73	16.00	-	-	16.00	-	2.66	-	2013.07	2016.10
6	Taizi Mansion (Phase-II Works of the Former Financial Center)	Shekou District, Shenzhen	50 %	1.87	7.65	-	-	7.65	-	-	-	2013.06	2015.12
7	Shenzhen Jinxiu Kwun Town	Baoan District, Shenzhen	100 %	4.95	15.80	-	15.80	15.80	15.80	14.47	13.87	2011.12	2014.06
8	Kwun Town in Shenzhen	Baoan District, Shenzhen	100 %	14.76	22.22	-	-	22.22	22.22	1.17	2.32	2008.08	2012.01
9	Shenzhen Pingshan Garden City	Pingshan District, Shenzhen	100 %	15.97	37.94	-	-	30.50	-	11.56	-	2013.04	2015.11

10	Phase-VI Works of Xicheng Project in Shenzhen	Baoan District, Shenzhen	50 %	2.34	2.81	-	-	2.81	2.81	0.38	0.84	2011.02	2012.09
11	Xicheng Project in Shenzhen	Baoan District, Shenzhen	50 %	60.00	30.31	-	-	30.31	30.31	2.88	3.54	2005.09	2013.09
12	Shenzhen Yihai City	Yantian District, Shenzhen	50 %	13.73	36.37	-	3.72	36.37	12.76	7.60	11.00	2012.08	2016.12
13	Shenzhen Hongshan Subway Station Project*	Longhua District, Shenzhen	50 %	10.99	17.58	-	-	-	-	-	-	Under planning	Under planning
14	Guangzhou Jinshan Valley	Panyu District, Guangzhou	100 %	83.55	105.15	17.72	7.47	69.36	44.64	15.49	4.24	2008.02	2019.11
15	Panyu Innovation and Technology Park in Guangzhou	Panyu District, Guangzhou	51 %	83.95	84.34	4.38	-	18.06	9.30	0.56	0.34	2008.07	2018.12
16	Donghuicheng in Guangzhou	Luogang District, Guangzhou	34 %	10.97	27.61	-	7.61	27.61	7.61	7.86	6.94	2012.03	2016.05
17	China Merchants City Home in Guangzhou (Panyu Wanbo Project)	Panyu District, Guangzhou	51 %	1.78	10.13	10.05	-	10.05	-	-	-	2014.09	2016.09
18	Evian Town in Foshan	Shunde District, Foshan	50 %	26.64	45.94	-	-	45.94	45.94	0.66	2.28	2008.04	2012.07
19	Evian Uptown in Foshan	Chancheng District, Foshan	50 %	15.04	26.82	-	-	26.82	26.82	2.78	12.63	2008.08	2013.10
20	Evian Buena Vista in Foshan	Nanhai District, Foshan	50 %	14.19	31.01	5.70	4.51	27.38	14.22	10.70	7.63	2010.12	2017.01
21	Evian Riviera in Foshan	Nanhai District, Foshan	50 %	5.61	22.44	-	13.18	22.44	22.44	10.09	21.50	2011.02	2014.07
22	Evian International in Foshan	South Fenjiang Road, Foshan	100 %	2.08	10.38	-	-	10.38	-	1.47	-	2013.02	2015.07
23	Foshan Shunde 1872 (New City Land Parcel)	Shunde District, Foshan	100 %	7.10	22.73	7.86	-	22.73	-	0.72	-	2013.09	2016.09

24	Pvian Landmark Center in Foshan (Kaida City Land Parcel)	Nanhai District, Foshan	51 %	2.95	16.22	6.66	-	16.22	-	0.54	-	2013.10	2016.11
25	Foshan Evian Mansion (Jiujiang Land Parcel)	Nanhai District, Foshan	55 %	6.81	23.83	10.09	-	10.09	-	2.12	-	2014.04	2017.1
26	Pvian Kingbay in Foshan (Lvdao Lake Riverside Land Parcel)	Chancheng District, Foshan	50 %	5.94	14.84	5.84	-	5.84	-	1.83	-	2014.04	2017.03
27	Evian Mansion in Foshan (Luocun Land Parcel)	Shishan District, Foshan	50 %	9.93	29.80	12.27	-	12.27	-	1.71	-	2014.05	2017.09
28	Shunde Longyuan in Foshan	Lecong Town, Foshan	50 %	2.97	8.92	5.34	-	5.34	-	-	-	2014.11	2019.1
29	Phase 1 of Garden City in Zhuhai	Xiangzhou District, Zhuhai	51 %	6.15	12.42	-	-	12.42	12.42	1.33	0.77	2008.12	2012.03
30	Phase-II and Phase-III Works of China Merchants Garden City in Zhuhai	Xiangzhou District, Zhuhai	100 %	10.89	21.98	-	10.89	21.98	21.98	1.79	10.83	2009.12	2013.08
31	Evian Town in Zhuhai (Huangyang Riverside Project)*	Doumen District, Zhuhai	100 %	7.94	19.86	10.96	-	10.96	-	-	-	2014.12	2017.03
32	Boao Dalinghu Project*	Dalinghu District, Wenshan Road, Boao Town, Qionghai	60 %	145.83	58.33	-	-	-	-	-	-	2015.03	2020.10
33	Head Garden in Shanghai	Baoshan District, Shanghai	60 %	38.54	24.34	2.18	-	22.39	13.28	4.32	4.08	2006.05	2016.10
34	Merchants Bay Garden in Shanghai	Fengxian District, Shanghai	100 %	33.54	10.62	2.76	-	10.62	7.87	2.21	1.13	2008.10	2015.10
35	Shanghai Sheshan Longyuan	Shanghai Songjiang	55 %	13.10	10.48	3.37	2.81	10.48	5.74	1.32	0.51	2010.10	2016.08
36	Shanghai Hongqiao Huafu (the Former Hongyue Huating)	Shanghai Qingpu	100 %	4.82	7.23	-	7.23	7.23	7.23	1.61	4.38	2012.12	2014.08
37	Shanghai Nanshan Yuguo	Shanghai Qingpu	20 %	15.92	15.90	-	8.10	15.90	8.10	4.51	5.85	2012.12	2015.12

38	Shanghai Jinse Huating	Shanghai Songjiang	33 %	6.79	10.87	-	-	10.87	10.87	-	-	2011.05	2013.08
39	Shanghai Garden City (Project of Xicheng District, Yangxing Town, Baoshan District)*	Baoshan District, Shanghai	100 %	9.05	22.62	-	-	-	-	-	-	2015.3	2019.1
40	Nanjing Purple Mountain No.1	Nanjing Qixia	100 %	6.66	14.03	-	-	14.03	14.03	0.68	1.30	2010.08	2013.08
41	Nanjing Yonghuaufu	Nanjing Hexi New City	100 %	4.85	14.54	-	-	14.54	-	7.84	-	2012.12	2015.11
42	Nanjing Fangshanli (G09 Xueshi'er road project)*	Jiangning District, Nanjing	51 %	3.75	5.63	5.63	-	5.63	-	1.26	-	2014.09	2016.06
43	Nanjing Yiyunju (G14 Economy No.7 Road Project)*	Nanjing Jiangning Airport Development Zone	51 %	11.09	15.97	6.93	-	6.93	-	1.24	-	2014.09	2015.12
44	Nanjing Yanziji (G16 Economy No.5 Road Project)*	Qixia District, Nanjing	51 %	5.79	24.45	-	-	-	-	-	-	2015.04	2019.06
45	Nanjing Pukou 2014G74 project*	Nanjing Pukou High-tech Zone	100 %	12.48	25.96	-	-	-	-	-	-	2015.04	2017.03
46	Nanjing Yiyun Shang City (project of Bao Road No.4, Baohua Town, Jurong City)	Baohua Town, Jurong City, Jiangsu Province	70 %	5.52	12.14	12.14	-	12.14	-	4.55	-	2014.07	2017.11
47	Suzhou Small Stone City	Suzhou Wuzhong	60 %	66.37	92.18	-	13.98	90.83	67.97	23.70	14.24	2008.04	2015.11
48	Scenery Bay in Suzhou	Suzhou Industrial Park	50 %	18.36	16.89	-	9.63	16.89	14.09	1.47	13.42	2011.03	2014.12
49	Magnificent House in Suzhou	Suzhou Mudu	100 %	6.83	17.63	-	-	14.37	-	8.28	-	2013.03	2015.12
50	Noble Hill in Suzhou(Fengqiao Plot in High-tech Zone)	Suzhou High-tech Zone	100 %	12.06	24.11	-	-	24.11	-	11.91	-	2013.06	2015.07

51	Evian Mansion in Suzhou (Xiangcheng Plot)	Suzhou Xiangcheng	100 %	6.48	16.20	-	-	16.20	-	4.61	-	2013.12	2015.11
52	Suzhou Zhuyuan Road project*	Suzhou High-tech Zone	100 %	7.48	16.45	-	-	-	-	-	-	2015.03	2018.01
53	Suzhou Science and Technology City Project*	Suzhou High-tech Zone	100 %	4.25	8.50	-	-	-	-	-	-	2015.03	2018.03
54	Zhenjiang Merchants Beiguwan	Zhenjiang Jingkou	100 %	31.95	55.00	11.77	1.10	36.03	16.77	3.69	10.47	2011.05	2015.12
55	Zhenjiang Nanshan Creative Park (Guantangqiao Road Plot)	Zhenjiang Runzhou	60 %	8.93	14.28	-	-	-	-	-	-	2015.04	2017.04
56	Changzhou Garden City	Changzhou Wujin	100 %	19.87	53.64	1.71	-	40.20	-	6.72	-	2013.02	2015.05
57	Ningbo Jiangwan City (Jiangbei Wantou Plot)	Ningbo Jiangbei Wantou	100 %	12.87	27.66	4.95	-	4.95	-	2.66	-	2014.02	2017.01
58	Hangzhou Magnificent House	Jianggan District, Hangzhou	100 %	3.02	7.25	7.25	-	7.25	-	-	-	2014.05	2016.06
59	Hangzhou Yongjingwan (Shenhua Plot in Gongshu District)	Gongshu District, Hangzhou	100 %	4.16	12.49	12.49	-	12.49	-	-	-	2014.02	2016.07
60	Changshu Taigongwang (Yushan Shang Lake Project)*	Changshu Yushan Shang Lake	100 %	9.34	11.21	11.21	-	11.21	-	0.25	-	2014.07	2015.08
61	Beijing Park 1872	Chaoyang, Beijing	100 %	10.42	30.34	-	6.51	30.34	30.34	1.35	7.06	2006.01	2014.07
62	Beijing Xicheng and Longyuan Homeland	Changping, Beijing	50 %	26.80	52.33	-	-	44.46	44.46	0.81	3.51	2008.01	2015.06
63	Beijing Zhenyuan	Chaoyang, Beijing	34 %	7.77	18.88	10.90	2.37	18.88	2.37	10.78	-	2013.07	2016.06
64	Beijing Yalixi East Plot Project*	Fengtai District, Beijing	26 %	5.41	15.95	-	-	-	-	-	-	2015.11	2017.12
65	Beijing Yalixi West Plot Project*	Fengtai District, Beijing	24 %	6.32	17.88	-	-	-	-	-	-	Under planning	Under planning

66	Tianjin Star City	Nankai, Tianjin	100 %	14.52	31.00	-	7.02	31.00	31.00	3.80	3.03	2007.01	2014.07
67	Tianjin Yonghuaifu	Hedong, Tianjin	50 %	4.75	12.31	-	-	12.31	12.31	-	0.04	2010.03	2012.10
68	Evian County in Tianjin	Tuanbo New Town West District, Tianjin	77 %	4.75	5.70	-	-	5.70	5.70	3.79	0.13	2011.05	2015.02
69	Tianjin Beacon Hill	Binhai New Area, Tianjin	60 %	25.03	38.59	9.08	5.88	30.71	5.88	5.65	4.87	2012.08	2015.10
70	Tianjin Yongjingwan (Plot of Hedong district)	Hedong, Tianjin	50 %	8.38	18.18	7.44	-	7.44	-	1.21	-	2014.05	2017.05
71	Tianjin Project* Yishuijun	West District, Tuan New Town, Jinghai County, Tianjin	77 %	3.76	6.78	6.78	-	6.78	-	-	-	2014.06	2016.06
72	Shenyang Olympic Project *	Dangling District, Shenyang	51 %	3.13	21.91	-	-	-	-	-	-	2015.05	2018.07
73	Harbin Notting Hill	Xiangfang, Harbin	50 %	18.83	60.86	14.21	7.10	26.81	7.10	2.33	2.83	2013.04	2017.05
74	Beacon Hill in Harbin (Qunli Plot)	Qunli New Area, Harbin	85 %	38.03	117.88	18.21	-	18.21	-	6.91	-	2014.05	2023.05
75	Qingdao IAVIE Commune	Chengyang, Qingdao	51 %	32.15	29.46	-	3.00	13.73	9.31	1.47	4.27	2012.04	2015.12
76	Qingdao Hyde Garden	Qingdao High-tech Zone	51 %	6.17	8.03	-	-	8.03	-	3.50	-	2013.05	2015.05
77	Phase-II Works of Qingdao Hyde Garden project*	Yangcheng District, Qingdao	51 %	14.1	22.37	-	-	-	-	-	-	2015.06	2017.12
78	Rizhao Leyden Town Project*	Western Bihai Road	100 %	33.76	55.70	24.33	-	-	-	3.73	-	2014.05	2016.06
79	Yantai Merchants East Bank (Muping Project)	Muping District, Yantai	100 %	51.09	72.55	7.49	-	7.49	-	-	-	2014.06	2020.06

80	Orchid Valley in Dalian (Qianxian Plot in High-tech Zone)	Dalian High-tech Zone	51 %	5.24	14.76	6.42	-	12.88	-	3.85	-	2013.07	2015.12
81	Yantai Merchants – Marbella (Plot in Development Zone)	Yantai Development Zone	100 %	41.78	50.13	13.15	-	13.15	-	0.41	-	2014.05	2018.05
82	Chongqing Merchants Jiangwan City	Jiangbei, Chongqing	100 %	13.49	44.91	-	-	44.91	44.91	0.32	1.22	2007.01	2012.12
83	Chongqing China Merchants Garden City	Chongqing North New Area	100 %	24.04	51.93	9.32	6.84	46.53	20.76	12.85	12.80	2011.08	2015.06
84	Chongqing Changjianghui	Chongqing Nan'an	50 %	33.66	150.00	10.03	8.12	40.20	13.92	5.65	13.40	2011.05	2019.12
85	Chongqing Yiyun Jiangwan (Banan Plot)	Banan, Chongqing	100 %	20.29	38.77	11.07	-	11.07	-	0.85	-	2014.05	2017.04
86	Chongqing Park Avenue	Yubei, Chongqing	50 %	40.23	110.14	7.30	-	7.30	-	3.26	-	2014.07	2019.12
87	Chongqing Guanyinqiao Project	Jiangbei District, Chongqing	100 %	2.17	7.61	-	-	-	-	-	-	2015.05	2017.07
88	Magnificent House in Chengdu	Chenghua, Chengdu	100 %	12.27	36.26	-	20.69	35.86	30.53	9.05	20.61	2011.05	2015.07
89	Evian Uptown in Chengdu (Longquanyi Plot)	Longquanyi, Chengdu	100 %	11.54	69.25	19.31	-	19.31	-	4.96	-	2014.02	2017.06
90	Chengdu Bulb Factory Project*	Chenghua District, Chengdu	51 %	8.12	41.96	-	-	-	-	-	-	2015.05	2017.05
91	Wuhan Merchants Yonghufu	Hongshan, Wuhan	100 %	4.39	13.18	-	13.18	13.18	13.18	0.61	12.90	2011.07	2014.04
92	Wuhan Merchants Park 1872	Hanyang, Wuhan	100 %	51.97	109.27	15.22	11.25	64.60	11.25	13.09	2.52	2012.03	2019.12
93	Wuhan Jiangwan Guoji (Qiaokou Project)	Qiaokou District, Wuhan	100 %	9.80	34.01	-	-	-	-	-	-	2015.03	2017.04
94	Xi'an Evian Qujiang Project *	Qujiang New Area, Xi'an	100 %	13.56	40.69	-	-	-	-	-	-	2014.09	2017.10
95	Xiamen Hyde Park	Jimei, Xiamen	100 %	9.12	22.51	-	14.53	22.51	16.54	7.11	11.80	2011.05	2015.06
96	Xiamen Sea May Flower	Jimei, Xiamen	50 %	14.17	34.54	-	14.89	34.54	23.77	12.79	11.28	2011.03	2016.12

97	Xiamen Merchants Yonghuafu Plot (Xiang'an Plot)	Xiang'an, Xiamen	51 %	2.33	5.34	5.34	-	5.34	-	0.40	-	2014.04	2016.03
98	Zhangzhou China Merchants Garden City	Zhangzhou Development Zone	51 %	8.25	13.71	-	-	13.68	13.68	0.03	0.72	2008.07	2013.04
99	Zhangzhou Holiday 365	Zhangzhou Development Zone	51 %	3.84	10.37	-	4.13	10.37	10.21	1.23	1.50	2010.06	2014.12
100	Zhangzhou Cadaques	Zhangzhou Development Zone	51 %	38.99	67.80	15.05	11.19	43.64	16.89	5.05	3.05	2010.05	2020.12
101	Zhangzhou Keith Carter Hotel and commerce	Zhangzhou Development Zone	51 %	5.37	4.29	-	-	3.98	3.98	-	-	2011.07	2012.12
102	Zhangzhou Banshan Project *	Zhangzhou Development Zone	51 %	19.65	24.50	-	-	-	-	-	-	2015.12	2018.12
103	Bijie China Merchants Garden City	Bijie, Guizhou	100 %	20.48	71.73	2.83	23.49	45.25	23.49	14.67	11.37	2012.04	2017.07
104	Kunming Haigongguan (Liuji Plot in Guandu District)	Guandu, Kunming	60 %	19.39	31.58	12.07	-	17.27	-	4.92	-	2013.01	2017.06
105	Scenery Bay in Nanning, Guangxi (Qingxiu Plot)	Qingxiu, Nanning	70 %	8.59	30.06	5.56	-	5.56	-	2.41	-	2014.07	2017.03
	Total			1,735.98	3,160.77	413.51	276.87	1,733.51	861.31	342.93	290.97		

Notes: 1. In the table above, the commencement and completion areas are calculated by the caliber used for calculation of plot ratio area, and the contract and carryover areas can be calculated by the caliber of rental and sales area.

2. The above table contains major not yet carry over project that the Company controlling and holding.

3. The items with * in the above table are new project in this year. During the reporting period, the new project resource is 6,107,400 m²; wherein the corporate interest area is 4,662,300 m².

Operation of investment properties

Benefiting from the elaborate development of key commercial properties, such as Shenzhen Sea World Waterfront Complex, Merchants Plaza, etc., the performance of investment properties of the Company in 2014 significantly improves. During the reporting period, the overall occupancy rate of investment properties of the Company has increased by 3% in 2014 when compared with the same period of last year and the cumulative rental area has increased by 1,384,600 m² with an increase rate of 15.22 %.

Category of investment property	Area to rent (ten thousand m ²)	Cumulative rental area (ten thousand m ²)		Occupancy rate	
		2014	2013	2014	2013
Apartment	13.98	123.22	124.71	73 %	73 %
Villa	6.43	48.90	51.17	63 %	66 %
Office building	24.85	218.90	195.47	73 %	64 %
Shop	34.55	366.19	247.11	88 %	86 %
Plant or others	30.39	291.15	291.44	80 %	82 %
Total	110.20	1,048.36	909.90	79 %	76 %

Power supply in the park

The power supply areas of CM Pwer Supply are mainly Shekou Industrial Zone in Nanshan District, Chiwan District and Qinahai Mawan District in Shenzhen. In recent years, as the development of Qianhai Mawan District is gradually moving forward, the amount of power consumption is increasing, which boosts the amount of power sale of CM Power Supply year by year.

Business name	Unit	2014	2013	Increase or decrease over previous year
Amount of power sale	10,000 degree	86,865	82,159	5.73 %

Property management

Property management area continues to increase. On one hand, as the development scale of real estate of the Company grows, the supporting property management area is increasing gradually. On the other hand, depending on favorable reputation and management ability, CM Property Management continuously stretches to projects developed by other companies. At the end of the reporting period, the property management area under operation has increased by 15.77%, to 21.95 million m², over the same period of last year.

Business category	Unit	2014	2013	Increase or decrease over previous year
Entrusted management	10,000 m ²	1,847	1,649	12.01 %
Consultant management	10,000 m ²	348	247	40.89 %

Information about the former five major customers of the Company

Unit: RMB 10,000

Name of customer	Operating incomes	Proportion in total sales revenues (%)
Customer I	22,789	0.53 %

Name of customer	Operating incomes	Proportion in total sales revenues (%)
Customer II	12,412	0.29 %
Customer III	11,103	0.26 %
Customer IV	8,604	0.20 %
Customer V	6,556	0.15 %
Total	61,463	1.42 %

3. Main business cost

Unit: RMB 10,000

Industry	2014		2013		Year-on-year increase/decrease
	Amount	Proportion in operating cost	Amount	Proportion in operating cost	
Real estate development	2,499,852	92 %	1,718,043	90 %	46 %
Real estate rental business	50,882	2 %	44,810	2 %	14 %
Power supply	53,821	2 %	46,959	2 %	15 %
Property management	67,616	2 %	62,134	3%	9 %
Hotel management	37,475	1 %	17,927	1 %	109 %
Real estate agency	6,983	0 %	5,703	0 %	21 %
Others	2,295	0 %	8,935	0 %	-74 %

Note: 1. The cost increase of main business is derived from increase of carryover cost of real estate development caused by increase of carryover of real estate project of this year;

The business costs of hotel management increases greatly with revenue scale.

Major suppliers of the Company

Affected by the operating characteristics, the Supplier of the Company mainly refers to the electric power source provider of power supply business - CLP Power Hong Kong.

4. Expenses

Unit: RMB 10,000

Cost items	2014	2013	Year-on-year increase/decrease
Sales expenses	88,776	77,061	15.20 %
Management expenses	54,719	55,589	-1.57 %
Financial expenses	81,920	61,446	33.32 %
Including: interest expenses	107,451	96,295	11.59 %
* Interest incomes	28,995	24,644	17.66 %
Exchange gains and losses	-587	-13,478	95.64 %
Other financial expenses	4,051	3,273	23.77 %

Note: 1. Both the sales and administrative expense increase with the growth of sales scale. But benefiting from multiple measures taken by the Company to lower the cost, improve efficiency and control expenses strictly, sales and administrative expenses in 2014 has been controlled at a relatively reasonable level.

In the reporting period, the financial amount of the Company is RMB 819 million - an increase of 33.32% over the same period of last year. Mainly due to the expansion of operation scale, the amount of interest-bearing liabilities has been increased, and as the yuan appreciates in the reporting period, foreign exchange gains generated from foreign currency load of the Company has decreased when compared with the same period of last year. However, the comprehensive borrowing cost was still lower than RMB borrowing cost in consideration of exchange rate because foreign currency borrowing rate is relatively low. In the future, the Company would comprehensively consider various factors and building reasonable structure of debts with interest to reduce comprehensive capital cost as far as possible.

5. R&D expenses

With R & D and investment in green real estate and product standardization base, the Company has achieved initial results in application of green real estate and product standardization establishment. In 2014, the R & D expenses of the Company are RMB 6.47 million, accounting for 0.01% of the net assets and operating revenue respectively, decreasing by RMB7.33 million over the same period of last year.

6. Cash flow

Unit: RMB 10,000

Item	2014	2013	Year-on-year increase/decrease	Explanation
Sub-total of cash inflows from operating activities	5,012,116	4,728,366	6 %	
Sub-total of cash outflows from operating activities	5,656,821	4,678,773	21 %	Increase in payment of the land price and infrastructure amount in this year
Net cash flows from operating activities	-644,706	49,592	-1400 %	
Sub-total of cash inflows from investing activities	5,347	32,727	-84 %	Decrease in dividend amount received from associates in this year
Sub-total of cash outflows from investing activities	13,259	107,443	-88 %	Decreased cash in the scope of consolidation in last year
Net cash flows from investing activities	-7,912	-74,715	89 %	
Sub-total of cash inflows from financing activities	2,175,387	2,131,063	2 %	
Sub-total of cash outflows from financing activities	1,652,863	1,507,660	10 %	
Net cash flows from financing activities	522,524	623,403	-16 %	
Net increase of cash and cash equivalents	-128,792	601,717	-121 %	

Note: In the reporting period, as the Company enhanced the expansion of land in the need of development, the annual land price and infrastructure expense increased significantly. Thus, the annual operating cash outflow outweighed the annual operating cash inflow, the net amount of cash flow generated from the operation is negative. As the new added projects are gradually being developed and sold, the operating cash flow would gradually return to positive.

III. Analysis of Assets, Liabilities and Profits and Losses

1. Significant changes to assets and liabilities

Unit: RMB 10,000

	End of 2014		End of 2013		Proportion change (%)	Explanation
	Amount	Proportion of total assets (%)	Amount	Proportion of total assets (%)		
Prepayments	361,919	2	281,597	2	0	Increase of land prepayment

Other receivables	894,186	6	1,368,388	10	-4	Decrease in margin deposit for land
Inventory	10,101,864	67	7,847,651	59	8	Increase in real estate projects
Deferred income tax assets	123,983	1	77,026	1	0	It is mainly derived from the independence of subsidiaries, and the corresponding deferred income tax assets are counted and drawn.
Tax payable	313,369	2	146,443	1	1	Expansion of the scale of the Company causes increase of tax;
Other payables	1,178,251	8	900,934	7	1	Increase of advance from minority shareholders
Long-term loans	2,466,652	16	1,705,192	13	3	Expansion of the scale of the Company causes increase of loan.

2. Significant changes to profits and losses

Unit: RMB 10,000

Profit and loss account	2014	2013	Year-on-year increase/decrease	Explanation
Operating incomes	4,338,506	3,256,781	33.21 %	The carry over of property sale would increase.
Operating costs	2,718,924	1,904,510	42.76 %	The carry over of property sale would increase.
Financial expenses	81,920	61,446	33.32 %	Interest expense would rise and exchange gain would decrease.
Investment income	32,504	55,749	-41.70 %	Adjustment of rights and interest of associates and joint ventures (decrease).
Assets impairment losses	54,076	-35,377	52.86 %	As the market changes, the provision for inventory depreciation will be made in this period.

3. Assets and liabilities measured by fair value

Not applicable

4. Main foreign assets

Not applicable

IV. Analysis of Core Competitive Advantages

1. Strong China Merchants and more collaboration

China Merchants Group owns a number of outstanding companies, including China Merchants Holdings (International) Co., Ltd., China Merchants Ships Co., Ltd., China Merchants Roads Co., Ltd., China Merchants Bank Co., Ltd., China Merchants Securities Co., Ltd., Shekou Industrial Zone, and China Merchants Capital for Direct Investment Fund Management Platform. CMPD is a flagship enterprise and the only listed company in real estate of China Merchants Group. In recent years, China Merchants Group, specialized in industrial and financial field, vigorously promotes the combination of industry and finance. Through the effective interaction between capital and industry, it gives play to synergy benefits so as to develop by leaps and bounds. In addition, the China Merchants Group with powerful comprehensive strength has greater influence and appeal on the country and the world, and its own external collaboration resources will also bring tremendous business opportunity to the

Company.

In 2014, on the base that China Merchants Group vigorously practiced the strategy of synergetic development and innovative development, the Company and counterparts strived to exploit the opportunity of synergetic cooperation. So far, a solid strategic cooperation alliance has been built in project cooperation, financial innovation, combination of industry and finance, brand linkage, etc.

2. Abundant capital and sound finance

The Company continues to adopt the operation style of sound finance from China Merchants Group, and it always puts the financial risk control in the first place. Through years of effective fund management and operation, the overall fund costs and debt ratio of the Company are remained at a low level, which provides abundant leverage space for the continuous expansion in the future. In addition, the company insists diversified financing and continues to optimize the capital structure to lay a solid capital foundation to the expansion.

3. Promote simultaneously development and investment; pay equal attention to marketing and operation

The Company pursues moderate growth of marketing scale, and elaborately lay out accumulation of high quality assets, continuously accumulating treasure to make sure the sustainable development. Commercial real estate preserved by the Company covers polytypes such as office building, shopping mall, apartment and factory building, which can not only bring about steady cash flow, but also enjoy appreciation in asset value brought by urban development. 90% commercial real estate built by the Company concentrates upon Shekou Industrial Zone; with the development and construction of former Haishekou free trade area, this commercial real estate will produce giant commercial value.

During the past 30 years, Shekou had created many legends. On December 26, 2014, the former Haishekou Free Trade Area of Shenzhen City was approved. China Merchants Group will cooperate with its all subsidiaries, hold on to this historic opportunity, comply with national strategy, receive the concept of “let business successfully push forward the progress of the time”, give full play to unique advantage of central enterprises stayed in Hong Kong; around the “institutional innovation” and “deepening the cooperation of Guangdong-Hong Kong-Macao”, the Company will do good jobs of all kinds of specific tasks for implementing the free trade area, fighting for playing greater important role in carrying out the national strategy of “one area, one way”, and facilitating that Guangdong Province become bridge tower of Maritime Silk Road in the 21st century and Shenzhen City builds the bay area economy, making bellwether in the beginning of the reform and opening-up policy become the new model of deepening reform and opening-up. As the only subsidiary listed platform of real estate of the Group, China Merchants (Shenzhen) Property will continuously promote its operation ability, and actively participate in the development and construction of free trade area.

V. Analysis of Investment Situations

1. Foreign equity investment

(1) External investment

See the situations of equity investment in “situations of major project of non-fund-raising investment” of this section.

(2) Equity of financial enterprise held

Not applicable

(3) Security investment

Not applicable

(4) Notes on equities of other listed company held by the listing company

Not applicable

2. Consigned financing, investment in derivatives and consignment loan**(1) Status of consigned financing**

Not applicable

(2) Investment in derivatives

Not applicable

(3) Status of consignment loan

The Company has no external entrusted loan.

3. Utilization of raised fund

Within five years as of December 31, 2014, the Company has no fund-raising situations by publicly issuing shares.

4. Analysis of main subsidiaries and equity participation companies

Unit: RMB 10,000

Company name	Type of enterprise	Industry	Main product or service	Registered capital	Total assets	Net assets	Operating incomes	Operating profit	Net profit of current period
China Merchants (Shenzhen) Property	Subsidiary	Real estate	Commercial residential building	300,000	2,481,121	1,114,003	656,443	432,209	354,099
CMPI	Subsidiary	Real estate	Commercial residential building	20,000	605,274	256,735	62,725	26,331	-25,345
Shenzhen Vanke Binhai Property Co., Ltd.	Subsidiary	Real estate	Commercial residential building	100,000	453,541	106,530	371,290	93,104	69,969

China Merchants (Shenzhen) Power Supply	Subsidiary	Public utility	Power supply in the park	5,700	367,417	144,771	69,458	14,965	10,237
China Merchants (Suzhou) Nanshan Property Co., Ltd.	Subsidiary	Real estate	Commercial residential building	10,000	286,120	26,636	124,678	30,338	23,367
Suzhou Shuanghu Real Estate Co., Ltd.	Subsidiary	Real estate	Commercial residential building	USD 24,400	283,091	77,711	150,773	7,315	7,280
Zhenjiang Yingsheng Real Estate Development Co., Ltd.	Subsidiary	Real estate	Commercial residential building	USD 11,800	266,118	74,528	113,938	9,289	9,316
Fujian Zhongliansheng Real Estate Co., Ltd.	Subsidiary	Real estate	Commercial residential building	5,000	256,333	40,110	121,968	40,186	30,578
China Merchants (Beijing) Property Development Co., Ltd.	Subsidiary	Real estate	Commercial residential building	3,000	252,111	59,018	309,209	131,721	98,810
Shenzhen CMOCTPM Co., Ltd.	Equity participation company	Real estate	Commercial residential building	10,000	229,036	94,544	281,585	106,076	48,176
Foshan Evian Property Development Co., Ltd.	Subsidiary	Real estate	Commercial residential building	3,000	205,374	32,268	265,828	49,376	37,082
Foshan Xinjie Property Development Co., Ltd.	Subsidiary	Real estate	Commercial residential building	USD 21,980	192,185	178,472	126,777	11,085	8,322
China Merchants Property (Xiamen) Co., Ltd.	Subsidiary	Real estate	Commercial residential building	5,000	157,411	25,895	140,169	38,786	29,127
China Merchants (Shanghai) Hongfa Property Co., Ltd.	Subsidiary	Real estate	Commercial residential building	3,000	118,138	25,332	132,558	31,839	24,423

Note: Subsidiaries that have relatively significant influence on business performance of the Company during the reporting period are included in the above table.

5. Description of key projects not invested by the raised fund

(1) Equity investment

During the reporting period, there were 16 newly increased real estate project subsidiaries of the Company and 6 operation and management subsidiaries of commercial real estate; the newly increased investment volume are RMB 3068.03 million; the investment situations are as follows:

Unit: RMB 10,000

Company name	Registered capital	Rights and interests of the Company Proportion	Actual investment amount	Business scope
Shenyang Jindaohuitong Real Estate Development Co., Ltd.	54,593	51 %	27,842	Real estate development
China Merchants (Yantai) Property Co., Ltd.	3,000	100 %	3,000	Real estate development
China Merchants (Nanjing) Ningsheng Property Co., Ltd.	6,000	51 %	3,060	Real estate development
China Merchants (Nanjing) Xingsheng Property Co., Ltd.	5,000	51 %	2,550	Real estate development
China Merchants (Nanjing) Qisheng Property Development Co., Ltd.	USD 9,999	51 %	30,302	Real estate development
Zhenjiang Huoju Property Co., Ltd.	USD 2,990	100 %	10,470	Real estate development
Changshu Merchants Xicheng Property Co., Ltd.	28,000	60 %	16,800	Real estate development
Wuhan Merchants Property Gutian Property Co., Ltd.	3,000	100 %	3,000	Real estate development
Xi'an Maoan Property Development Co., Ltd.	USD 9,500	100 %	105,705	Real estate development
Xiamen Merchants Magnificent House Property Co., Ltd.	2,000	100 %	2,000	Real estate development
Guangzhou Evian Property Development Co., Ltd.	10,000	100 %	10,000	Real estate development
Foshan Pvian Xiaode Property Development Co., Ltd.	USD 13,650	100 %	84,074	Real estate development
Zhuhai Evian Property Development Co., Ltd.	3,000	100 %	3,000	Real estate development
Kunming Zhaojin Property Co., Ltd.	100	100 %	100	Real estate development
Kunming Merchants Metropolitan Property Co., Ltd.	100	100 %	100	Real estate development
Ningbo Jiangwan Property Development Co., Ltd.	3,000	100 %	3,000	Real estate development
Shenzhen Keda (Phase II) Property Management Co., Ltd.	200	100 %	200	Commercial real estate operation
Shenzhen Cyber Tower (Phase II) Property Management Co., Ltd.	200	100 %	200	Commercial real estate operation
Shenzhen Keda Property Management Co., Ltd.	200	100 %	200	Commercial real estate operation
Shenzhen City Garden Property Management Co., Ltd.	200	100 %	200	Commercial real estate operation
Shenzhen Shekou Xinshidai Property Management Limited	200	100 %	200	Commercial real estate operation
Shenzhen China Merchants Properties and Investment Commercial Management Co., Ltd.	800	100 %	800	Commercial real estate operation

(2) During the reporting period, investments of major projects are as follows:

Unit: RMB 10,000

Project name	Total planned investment amount	Investment amount during the reporting period	Accumulated input amount as of the end of 2014	Project progress	Project earnings
Chongqing Park Avenue	1,179,807	227,824	413,021	Main body construction of Phase-I	Not yet carry over
Beacon Hill in Harbin	975,539	126,625	292,339	Main body construction of Phase-I	Not yet carry over
Evian Mansion in Foshan	226,175	116,742	124,386	Main body construction	Not yet carry over
Wuhan Jiangwan International	358,575	109,210	174,681	Main body construction	Not yet carry over
Rizhao Leyden Town	493,351	89,471	183,962	Main body construction of Phase-I	Not yet carry over
Maerbeila of Yantai Merchants	308,068	87,462	142,728	Main body construction	Not yet carry over
Foshan Park 1872	241,783	87,035	170,610	Main body construction	Not yet carry over

Suzhou Small Stone City	485,432	75,734	433,632	Phase-I to Phase-VII have been completed, and the main bodies of Phase-VIII and Phase-IX are under construction.	Gross margin in this year has reached RMB 337.82 million
Chongqing Yiyun Jiangwan	333,988	65,885	121,612	Main body construction	Not yet carry over
Yiyun Yongjingwan in Foshan	199,561	57,550	113,029	Main body construction	Not yet carry over
Shenzhen Pingshan Garden City	302,634	53,719	229,838	Main body construction	Not yet carry over
Garden City in Bijie	280,578	48,848	117,276	Zone A has been completed and Zone B is under construction.	Gross margin in this year has reached RMB 111.07 million
Guangzhou Jinshan Valley	398,447	48,740	361,089	Phase-IV and Phase-VIII have been completed, and the main bodies of the rest are under construction.	Gross margin in this year has reached RMB 438.17 million
Throne Bay in Zhenjiang	621,044	44,241	460,299	Phase-I has been completed, and the main bodies of Phase-II and Phase-III are under construction.	Gross margin in this year has reached RMB 106.87 million
Shenzhen Yihai City	735,678	43,851	426,842	Zone One to Zone Five have been completed and the main body of Zone Six is under construction.	Gross margin in this year has reached RMB 1,042,640,000
Tianjin Beacon Hill	512,700	43,057	272,302	Phase-I has been completed, and the main body of Phase-II is under construction.	Gross margin in this year has reached RMB 240.84 million
Garden City in Chongqing	425,195	39,198	288,888	Phase-I and Phase-II have been completed, and the main body of Phase-III is under construction.	Gross margin in this year has reached RMB 18.39 million
Chongqing Changjianghui	1,281,749	36,432	505,671	Phase-I has been completed, and the main bodies of Phase-II and Phase-III are under construction.	Gross margin in this year has reached RMB 111.79 million
Harbin Notting Hill	311,787	36,247	164,653	Phase-I has been completed, and the main body of Phase-II is under construction.	Gross margin in this year has reached RMB 18.7 million
Moshui Lake, Wuhan	923,480	35,942	444,690	Main body construction	Not yet carry over
Tianjin Diamond Hill	359,494	32,921	329,190	Phase-I to Phase-IV have been completed, and the main body of Phase-V is under construction.	Gross margin in this year has reached RMB 202.73 million
Magnificent House in Chengdu	275,371	31,969	292,904	Completed	Gross margin in this year has reached RMB 4.39 million
Changzhou Garden City	300,031	31,657	118,627	Main body construction	Not yet carry over
Beijing Park 1872	448,505	31,278	386,456	Completed	Gross margin in this year has reached RMB 13,367,100 million
Noble Hill in Suzhou	174,038	30,564	106,378	Main body construction	Not yet carry over
Shenzhen Imperial Park	886,837	28,813	287,274	Main body construction	Not yet carry over
Xiamen Hyde Park	233,354	28,426	213,985	Completed	Gross margin in this year has reached RMB 409.53 million
Nanjing Yonghuafu	335,945	27,812	253,602	Main body construction	Not yet carry over
Zhangzhou Cadaques	349,353	26,427	171,667	Phase-I and Phase-II have been completed, and the main body of Phase-III is under construction.	Gross margin in this year has reached RMB 152.11 million
Jingshan The Ninth in Shenzhen	292,370	24,498	227,110	Completed	Gross margin in this year has reached RMB 1,625,810,000
Kunming Sea Club House	320,099	24,367	48,734	Main body construction	Not yet carry over
Evian Buena Vista	206,677	23,616	157,250	Phase-I and Phase-II have	Gross margin in this year has

in Foshan				been completed.	reached RMB 199.97 million
Head Garden in Shanghai	187,254	23,260	109,603	Main body construction	Gross margin in this year has reached RMB 126.94 million
Xiamen Sea May Flower	256,949	22,966	198,294	Phase-I has been completed, and the main body of Phase-II is under construction.	Gross margin in this year has reached RMB 431.19 million
Magnificent House in Suzhou	148,119	21,570	123,444	Main body construction	Not yet carry over
Orchid Valley in Dalian	128,518	20,998	79,325	Main body construction	Not yet carry over
Beijing Xicheng Homeland and Longyuan	507,456	19,612	393,405	Phase-I to Phase-III have been completed, and the main body of Phase-IV is under construction.	Gross margin in this year has reached RMB 333.19 million
Donghuicheng in Guangzhou	289,176	18,101	181,226	Phase-I has been completed, and the main bodies of Phase-II and Phase-III are under construction.	Gross margin in this year has reached RMB 270.25 million
Shanghai Sheshan Longyuan	308,041	17,362	278,983	Phase-I and Phase-II have been completed, and the main body of Phase-III is under construction.	Gross margin in this year has reached -RMB 41.74 million
Evian County in Tianjin	41,757	16,111	39,561	Phase-I has been completed, and the main body of Phase-II is under construction.	Gross margin in this year has reached RMB 1.17 million
Magnificent Times in Shanghai	146,328	16,015	127,930	Completed	Gross margin in this year has reached RMB 325.63 million
Evian Uptown in Chengdu	425,234	15,114	92,952	Main body construction of Phase-I	Not yet carry over
Qingdao LAVIE Commune	140,367	15,104	93,919	Phase-I has been completed, and the main body of Phase-II is under construction.	Gross margin in this year has reached RMB 18.65 million
Shenzhen Jinxiu Kwun Town	107,117	14,218	81,939	Completed	Gross margin in this year has reached RMB 235.89 million
Qingdao Hyde Garden	45,201	13,670	37,504	Main body construction	Not yet carry over
Royal Sea Villa in Shanghai	166,326	13,492	152,697	Phase-I to Phase-V have been completed, and the main body of Phase-VI is under construction.	Gross margin in this year has reached RMB 48.1 million
Foshan Evian Mansion	135,468	13,159	56,753	Main body construction of Phase-I	Not yet carry over
Evian International in Foshan	89,261	11,752	41,292	Main body construction	Not yet carry over
Evian Mansion in Suzhou	162,401	11,410	103,647	Main body construction	Not yet carry over
Magnificent House in Wuhan	99,183	10,265	95,294	Completed	Gross margin in this year has reached RMB 144.25 million
Foshan Evian Property Center	205,315	10,239	76,732	Main body construction	Not yet carry over

VI. Predication of business performance from January to March, 2015

Not applicable

VII. Special purpose subjects controlled by the Company

Not applicable

VIII. Prospect on the future development of the Company

1. Industry development tendency and competition pattern

Looking ahead to 2015, the world economic recovery situation will continue, China's economy is transforming into such stage as the more advanced form, the more complicated division of labor and the more reasonable structure. With the changes of Chinese economic growth pattern from extensive growth of scale and speed to intensive growth style of quality efficiency style, real estate market will also step into "new normalcy". Speed increase of sales volume has fallen after rising; industry profitability has decline; urban development has changed from taking incremental expansion of extensive extension mode as the principle thing to taking stock optimization and vitalizing of intension mode as the principle thing. Upgrading of urban function, industrial upgrading, product upgrading and upgrading of life-style become major sources of new opportunities of housing enterprises business.

Under the new normalcy, real estate industry will present new pattern of direction differentiation and vibrating development. The minority big and all-embracing housing enterprises with stronger comprehensive strength and scale advantage will become the king of Chinese real estate market, and the stronger will be the stronger forever; a large number of small and beautiful theme housing enterprises having stronger special ability and features and advantages will become indispensable cooperative partner and beneficial supplement of the former, and also burn into bloom in the market.

2. Business plan

In 2015, the Company will take "strategy focus, continuous deep ploughing, innovative development and to be the first-class" as the guiding thought of the work. Guided by the strategic target of becoming urban upgrading expert, the Company will take optimization of top design and war power of intensifying business unit as the principal line, do a good job of resource guiding, have the definite strategic choice, lead innovation research and development, deepen outstanding achievement guiding, match incentive mechanism, speed up the growth of personnel, promote performance ability, create extra value for the customers.

Guided by the above ideas, the Company combs through in detail and adjusts in balance such situations as product structure and region distribution, reasonably judges the supply and demand of cities with projects; in combination with sufficient estimation of its operation and management ability, the Company has made dynamic business plan based on the cash flow management. It has not only positive arrangement under good market situations, but also defending strategies under large risks appearing in this industry, fighting for seeking the possible progressive opportunities under the steady situations. The annual signing sales amount of real estate of the Company are aiming for a growth of over 15% compared to last year, and the new starting area is planned to be 5.2 million m² and floor space completed is planned to be 3.5 million m².

3. Potential risks

The transaction of real estate market is still historically high, but increment market may encounter bottleneck. Stock in some cities is oversize, and there are risks for oversupply; land price in some cities is staying at a high level, industry profitability has been declining; America has entered into the interest-rate rise cycle, attracting funds recycling, so Renminbi has to bear devaluation pressure, and the price of Chinese assets faces the risk of declining; the changes of tax policy such as transforming business tax into added-value tax, house property tax, etc. will have direct influence on profits of housing enterprise in short terms. The above factors will make real estate market face the risks of adjusting, further increasing the pressures of housing enterprises in such aspects as funds management, cost control and marketing plan.

4. Countermeasure and focus of the Company

Under the rigorous market situation, the Company is determined to proceeding into the next stage of development with more advanced insight, innovative thinking, so as to make forward-looking arrangements of strategic development for rapid growth. Meanwhile, conduct operation management practically by taking advantage of pragmatic attitude and elaborate means. In 2015, the Company will further intensify the institutional practice of standardization and strategic purchase, continuously optimize information management platforms including ERP system and further strengthen risk management, compliance management and construction of inner control system. Besides, the Company will continue focusing on major cities and high quality residence project while stand firm for upgrading the business of high quality residence development. Besides, the Company will put emphasis on developing the following work:

Strategic innovation is determined to develop. Actively testing the waters of overseas business development and asset-light operation platform to create Two New Ways, the Company explores and discovers Three Fields such as experiential synthesis, industrial park of thematic feature and healthy real estate. The growth of scale in the short term will be realized by strategic focus; the new development direction under the general trend of industry scale reaching the peak will be explored by innovation transformation; long-term competitive edge will be built by taking the differential way.

Continually provide fresh blood to safeguard development. The sufficient financial resources is the important foundation for developing, the Company will increase the close contact of bank and non-bank financing institution, fighting for realizing multi-channel and diversified financing, guaranteeing the sustainable development of the Company, enlarging the cooperation in real estate finance fields, exploring securitization of remnant assets, promoting the ability of liquidizing remnant assets.

Keenly seize the chances of merger and acquisition. As the central marketing enterprises of steady management, operation regulation and having stronger comprehensive strength, the Company will give full play to its all kinds of advantages in big times of M&A integration of real estate industry, grasp all kinds of M&A information, keenly seize the chances for fighting; the Company will develop effective recombination and merger and acquisition not only in project level, but also in the whole company level, to realize great-leap-forward development.

Vigorously promote the service of basic customer. The significant change in relation of market supply and demand of real estate market has been occurred, it will become the buyer's market; the real estate enterprises compare not only in prices and products but also in services in future competition; service paramount and customer satisfaction will become the foundation to survival and the necessary ability. The Company will continually promote the services of basic customer and implement "maple leaf action"; the emphasis is to do a good job of marketing service, product quality and basic service of property. China Merchants Property will seek business model transformation of non-traditional fields, through such technology application as the Internet and intelligence, to innovate delivery and management style of community services, build the corresponding intelligence growth ability with the new economic development trend of the big transformation times, make every effort to become distinguished community comprehensive service provider.

Promote value of human capital. The era of human capital value management has come. In 2015, based on the completion post-project evaluation, the Company will promote the implementation of overall incentive plan of the project; based on the 2014 stock option incentive plan, the Company will further enrich the research and exploration of nonmonetary incentive mechanism to vitalize, activate and make full use of human capital inventory and improve per capita efficiency.

Confronting with the era of great revolution, improperly integrated companies will be integrated while improperly innovated companies will be overturned. Depending on excellent management team, abundant experience in development and operation, forceful group support as well as favorable ability of risk management,

CMPD will stand firm for the upgrading of its business.

IX. Explanation of the Board of Directors and Board of Supervisors on the Non-standard Audit Report" for reporting period by the accounting firm

Not applicable

X. Explanation of changes in accounting policy, estimations and accounting methods compared with the financial reports of previous year

1. Changes in accounting policies

In 2014, Ministry of Finance newly issued or revised a series of accounting standards including Accounting Standards for Enterprises No. 2 – Long-term Equity Investments, the Company has executed relevant accounting standards in compiling annual financial statement and conducted retroactive adjustment to 2013 annual financial statement. Besides, the Company has disposed the issues according to relevant convergence provisions.

Details are shown as follows:

Before 2014, the dilution income incurred by decreased proportion of shareholding in the invested company was included in investment income, and such declining proportion was resulted from capital increase and share expansion in the invested company. Then such dilution income was included in the rights and interests in accordance with the revised Accounting Standards for Enterprise No. 2 - Long-term Equity Investments. The Group adopted the retroactive adjustment approach for such accounting policy change and the comparative statement 2014 was restated. The decreased undistributed profit in balance sheet 2013 was RMB 11,777,249.14, increased capital reserve RMB 117,772,491,400, and gross value of assets had no influence. 2013 profit statement reduced investment income and net profit of RMB 11,777,249.14.

According to the Accounting Standards for Enterprise No. 30 - Presentation of Financial Statement, the deferred income items are added in the financial statement. Therefore, the Group adopted the retroactive adjustment approach and restated the comparative statement 2014. The decreased other non-current liabilities in balance sheet 2013 was RMB 11,236,760.00, decreased other payables RMB 4,710,020.00, increased deferred income RMB 9,736,760.00, increased other current liabilities RMB 6,210,020.00 and total liabilities had no influence.

According to the revised Accounting Standards for Enterprises No.30 – Reporting Financial Statement, other comprehensive income items have been added in balance sheet of financial statement; the Company has adopted retroactive adjustment method to revise the 2014 comparative statement by expressing the translation reserve as other new comprehensive income items.

The changes mentioned above have been submitted to the BOD for approval.

2. Changes in accounting estimates

During this year, reviewed and approved by the 11th meeting of the 7th BOD and recognized by the 15th meeting Resolution of the 7th BOS, the Company has altered the accounting estimate of depreciation of fixed assets and amortization of investment real estate.

The BOD deemed this alteration of accounting estimate as necessary for the provisions of relevant laws and regulations and the actual situation of the Company, the alteration has intensified the relationship of asset depreciation disposal and actual use of asset. After the alteration, the depreciation of fixed assets and amortization of the Company accounting of investment real estate tend to be more standard.

This alteration of accounting estimate shall be effective from March 14, 2014 when it is approved by the BOD, resulting in depreciation amortization accrual during the reporting period increased by approximately RMB 9,850,000 than that before alteration.

XI. Explanation on the track and restatement of major accounting errors during the reporting period

Not applicable

XII. Explanation of changes in the scope of consolidated statements compared with the financial reports of previous year

33 companies in total are newly included by the consolidation during this year, of which 16 are project companies with main operation of real estate development and sales, 6 are companies mainly operating operation management of commercial property and 11 are newly established overseas investment companies.

China Merchants (Zhangzhou) Honglong Real Estate Co., Ltd. is no longer included by the consolidation scope as its settlement has been done in this year.

See specific details of changes in the scope of consolidated statements in Note 7 to the financial report.

XIII. Profit and dividend distribution

1. Formulation, execution and adjustment of profit distribution policy during reporting period

The Articles of Association have explicitly stipulated the decision-making mechanism of profit distribution policy and the necessary conditions for implementing cash bonus. When the conditions of for implementing cash bonus are met, profits distributed in cash annually shall be no less than 10% of the distributive profits realized in that year, besides, profits distributed accumulatively in cash in recent three years shall be no less than 30% of the annual average distributive profits realized in recent three years.

During the reporting period, the Company has revised its profit distribution policy, the revised policy stipulated that the Company could distribute dividends in cash, stock or combination of cash and stock, the Company prefers to distribute dividends in cash.

2014 profit distribution plan of the Company met provisions of Articles of Association and review procedure. The explicit dividend criteria and proportion have fully protected rights and interests of medium and small investors, independent directors gave their opinions that: the decision-making mechanism of profit distribution plan and review procedure of the Company met provisions of Articles of Association and relevant laws and regulations as well as the interest of the Company and all shareholders.

2. Profit distribution proposal and proposal or plan for converting capital reserve to share capital in recent 3 years (including the reporting period)

2014 profit distribution plan: withdraw legal surplus RMB 112,712,864.73 according to 10% of the parent company's net profit RMB 1,127,128,647.31. Based on total 2,575,950,754 equity shares at the end of the year, paying out RMB 3.20 cash dividend (including tax) per 10 shares, paying out a total of RMB 824,304,241.28 cash dividend. The remaining undistributed profit RMB 4,797,962,659.92 was carried over to the next year. The

Company was not going to conduct capital stock increasing from public reserve funds in this year.

2013 Scheme of Profit Distribution and Capitalization from Capital Public Reserve: withdraw legal surplus RMB 105,734,395.09 according to 10% of the parent company's net profit RMB 1,057,343,950.92. Based on total equity stock of 1,717,300,503 at the end of the year, paying out RMB 4.80 cash dividend (including tax) per 10 shares; paying out a total of RMB 824,304,241.44 cash dividend; The remaining undistributed profit RMB 4,607,851,118.62 was kept for the next year; Based on total equity stock at the end of the year 1,717,300,503 stocks and 5 common stocks capitalized from capital public reserve per 10 shares, total capital capitalized from capital public reserve was RMB 858,650,251, after capitalization, total equity stock has increased to 2,575,950,754 stocks while capital reserve surplus was RMB 8,068,403,942.

2012 profit distribution scheme: withdraw legal surplus RMB 59,752,229 according to 10% of the parent company's net profit RMB 597,522,289. Based on total equity stock of 1,717,300,503 at the end of the year, paying out RMB 3.00 cash dividend (including tax) per 10 shares, paying out a total of RMB 515,190,151 cash dividend. The remaining undistributed profit RMB 4,480,545,804 was carried over to the next year. The Company was not going to conduct capital stock increasing from public reserve funds in 2012.

Cash bonus of the Company in recent three years

Unit: yuan

Dividend year	Amount of cash dividends (including tax)	Net profits attributable to the listed company shareholders in consolidated statements	Proportion of dividend to net profits attributable to the listed company shareholders in consolidated statements
2014	824,304,241	4,263,636,555	19.33 %
2013	824,304,241	4,190,374,825	19.67 %
2012	515,190,151	3,318,266,876	15.53 %

XIV. Social responsibility

See full text of Corporate Social Responsibility Report on CNINF website <http://www.cninfo.com.cn>.

XV. Registration form of reception of research, communication, interview, etc. during the reporting period

In 2014, the Company continued to provide investors with comprehensive and considerate shareholder services; the company received 160 visits (over 1200 visitors) and participated in 26 strategy meetings and investor meetings organized by internal and external institutions during 2014. Besides, the Company has closely communicated with investors by means of telephone, E-mail, online show and online interactive platform, so as to communicate capital market about the management ideas and performance of the Company and promote the visibility of the Company in market.

Reception time	Reception place	Reception way	Category of reception object	Reception object	Main discussion points and information provided
January 04, 2014	Shenzhen	Telephone communication	Institution investors	China Securities	① Introduction of the business condition of the Company; ② Discussion on industrial development; ③
January 07, 2014	Shenzhen	Telephone communication	Institution investors	Orient Securities	

January 08, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	Provision of declared information and the project brochure of the Company; ④ Visit to the on-sale buildings of the Company and provision of sales brochure.
January 08, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
January 08, 2014	Shanghai	Field research	Institution investors	EVERBRIGHT SECURITIES	
January 09, 2014	Shenzhen	Field research	Institution investors	CDH Investments	
January 14, 2014	Suzhou, Shanghai	Field research	Institution investors	CDH Investments	
January 15, 2014	Nanjing, Suzhou	Field research	Institution investors	William Blair, CICC	
January 16, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
January 17, 2014	Shenzhen	Field research	Institution investors	Harvest Fund	
January 24, 2014	Shenzhen	Field research	Institution investors	China AMC, Haitong Securities	
January 29, 2014	Shenzhen	Telephone communication	Institution investors	Hillhouse Capital Group	
February 08, 2014	Shenzhen	Field research	Institution investors	Fullgoal Fund Management Co., Ltd.	
February 10, 2014	Shenzhen	Telephone communication	Institution investors	PINGAN Securities, GF Securities, BOCOM Schroders Securities	
February 12, 2014	Shenzhen	Field research	Institution investors	GF Securities, China AMC, YINHUA FUND, PENGHUA FUND etc.	
February 12, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
February 12, 2014	Shenzhen	Telephone communication	Institution investors	CICC	
February 12, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
February 14, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
February 17, 2014	Shenzhen	Telephone communication	Institution investors	Huatai Securities	
February 20, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
February 27, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
March 05, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	① Introduction of the business condition of the Company; ② Discussion on industrial development; ③ Provision of declared information and the project brochure of the Company; ④ Visit to the on-sale buildings of the Company and provision of sales brochure.
March 13, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
March 17, 2014	Shenzhen	Intercommunions	Institution investors	40 organizations including Guotai Junan Securities, CITIC Securities, China Investment Securities, Fullgoal Fund Management Co., Ltd., Citic-prudential Fund, PENGHUA FUND	
March 24, 2014	Hong Kong	Strategic Meeting	Institution investors	Baring Asset Management, Norges Bank, Capital Research	

				Global Investors, Manulife, Morgan Stanley Investment Management Inc. and Three Corner	
March 31, 2014	Shenzhen	Telephone communication	Institution investors	GF Securities	
March 31, 2014	Shenzhen	Telephone communication	Institution investors	China Securities	
March 31, 2014	Shenzhen	Telephone communication	Institution investors	CDH Investments	
April 08, 2014	Shenzhen	Telephone communication	Institution investors	Orient Securities	
April 10, 2014	Shenzhen	Telephone communication	Institution investors	Shanxi Securities, Value Partners Fund	
April 15, 2014	Shenzhen	Telephone communication	Institution investors	Value Partners	
April 15, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
April 16, 2014	Dongguan	Strategic Meeting	Institution investors	China Southern Fund, Zhonghai Fund, First Capital Securities, Zhongrong International Trust Co., LTD. etc.	
April 18, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
April 21, 2014	Shenzhen	Field research	Institution investors	Fullgoal Fund Management Co., Ltd.	
April 21, 2014	Shenzhen	Telephone communication	Institution investors	Greenwoods Asset Management	
April 22, 2014	Xiamen	Field research	Institution investors	Fullgoal Fund Management Co., Ltd.	
April 21, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
April 25, 2014	Shenzhen	Strategic Meeting	Institution investors	Lion Fund	
April 29, 2014	Shenzhen	Telephone communication	Institution investors	CICC Organization	
May 12, 2014	Shenzhen	Telephone communication	Institution investors	GF Securities	
May 13, 2014	Hangzhou	Strategic Meeting	Institution investors	Haitong Securities	
May 14, 2014	Shanghai	Strategic Meeting	Institution investors	Orient Securities	
May 16, 2014	Shenzhen	Field research	Institution investors	China Securities Organization	
May 18, 2014	Zhenjiang	Field research	Institution investors	CICC	
May 20, 2014	Shenzhen	Telephone communication	Institution investors	EVERBRIGHT SECURITIES	
May 20, 2014	Shenzhen	Telephone communication	Institution investors	PINGAN Securities	
May 21, 2014	Shenzhen	Telephone communication	Institution investors	GF Securities, China AMC, etc.	
May 21, 2014	Shenzhen	Telephone communication	Institution investors	Fullgoal Fund Management Co., Ltd., Greenwoods Asset Management, Value Partners	
May 23, 2014	Xiamen	Strategic Meeting	Institution investors	ICBC Credit Suisse Asset Management, GUANGZHOU	

① Introduction of the business condition of the Company; ② Discussion on industrial development; ③ Provision of declared information and the project brochure of the Company; ④ Visit to the on-sale buildings of the Company and provision of sales brochure.

				SECURITIES	
May 26, 2014	Shenzhen	Field research	Institution investors	CITIC Securities Organization	
May 26, 2014	Shenzhen	Telephone communication	Institution investors	Orient Securities	
June 03, 2014	Shenzhen	Field research	Institution investors	BNP Paribas	
June 03, 2014	Shenzhen	Telephone communication	Institution investors	CDH Investments	
June 05, 2014	Chengdu	Strategic Meeting	Institution investors	Citic Securities	
June 06, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
June 10, 2014	Shenzhen	Field research	Institution investors	BOSERA FUNDS	
June 10, 2014	Shenzhen	Telephone communication	Institution investors	GF Securities	
June 10, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
June 11, 2014	Shenzhen	Telephone communication	Institution investors	Fullgoal Fund Management Co., Ltd.	
June 12, 2014	Shenzhen	Field research	Institution investors	ESSENCE SECURITIES, Minsheng Royal Fund Management CO., LTD.	
June 18, 2014	Shanghai	Strategic Meeting	Institution investors	PICC, CPIC, Runhui Investment, etc.	
June 19, 2014	Shenzhen	Strategic Meeting	Institution investors	China Merchants Securities, etc.	
June 25, 2014	Shenzhen	Telephone communication	Institution investors	Orient Securities, EVERBRIGHT SECURITIES, Guotai Junan Securities	
July 04, 2014	Shenzhen	Field research	Institution investors	GTJA	
July 08, 2014	Shenzhen	Field research	Institution investors	Shenyin & Wanguo Securities	
July 10, 2014	Shenzhen	Field research	Institution investors	Trivest Advisors Ltd	
July 17, 2014	Shenzhen	Field research	Institution investors	Industrial Securities	
August 19, 2014	Shenzhen	Field research	Institution investors	Value Partners	
August 21, 2014	Shenzhen	Field research	Institution investors	Guotai Junan Securities	
August 22, 2014	Shenzhen	Field research	Institution investors	Industrial Securities	
August 25, 2014	Shenzhen	Field research	Institution investors	Citic Securities	
August 25, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
August 25, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
August 26, 2014	Shenzhen	Telephone communication	Institution investors	PICC Asset	
August 27-28, 2014	Wuxi	Strategic Meeting	Institution investors	GF Securities	
September 01, 2014	Suzhou	Strategic Meeting	Institution investors	Haitong Securities	
September 03, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
September 03, 2014	Shenzhen	Field research	Institution investors	U-shine Fund	
September 04, 2014	Shenzhen	Field research	Institution investors	CPIC, PICC Asset Management	
					① Introduction of the business condition of the Company; ② Discussion on industrial development; ③ Provision of declared information and the project brochure of the Company; ④ Visit to the on-sale buildings of the Company and provision of sales brochure.

September 09, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
September 10, 2014	Shenzhen	Telephone communication	Institution investors	Galaxy Securities	
September 10, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
September 16, 2014	Shenzhen	Field research	Individual investors	Individual investors	
October 10, 2014	Shenzhen	Telephone communication	Institution investors	Industrial Securities, Wells Fargo Funds Management, GF Securities, China Investment Securities, Greenwoods Asset Management, Bosera Funds, Prudential Fund Management	
October 10, 2014	Shenzhen	Telephone communication	Institution investors	Orient Securities, China AMC, Dacheng Fund, PICC Asset, etc.	
October 10, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
October 10, 2014	Shenzhen	Field research	Institution investors	Deutsche Bank AG	
October 14, 2014	Shenzhen	Telephone communication	Institution investors	Ivaldi Capital	
October 16, 2014	Shenzhen	Telephone communication	Institution investors	Haitong Securities	
October 17, 2014	Shenzhen	Telephone communication	Institution investors	China International Fund Management	
October 17, 2014	Shenzhen	Telephone communication	Institution investors	PICC, BOCI, Cephei Capital, Value Partners, Wells Fargo Funds	
October 21, 2014	Shenzhen	Telephone communication	Institution investors	Guotai Junan Securities, Dacheng Fund, etc.	
October 22, 2014	Shenzhen	Telephone communication	Institution investors	Guosen Securities, etc.	
October 22, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
October 28, 2014	Shenzhen	Telephone communication	Institution investors	Guotai Junan Securities, Haitong Securities, GF Securities, INDUSTRIAL SECURITIES, China Investment Securities	
October 28, 2014	Shenzhen	Telephone communication	Institution investors	BOSERA FUNDS	
October 28, 2014	Shenzhen	Telephone communication	Institution investors	Pacific Insurance	
October 29, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
October 29, 2014	Shenzhen	Telephone communication	Institution investors	Deutsche Bank AG	
October 30, 2014	Shenzhen	Field research	Institution investors	ICBC Credit Suisse Asset Management Co., Ltd.	
October 30, 2014	Hong Kong	Strategic Meeting	Institution investors	Jefferies, China AMC (Hongkong), etc.	

① Introduction of the business condition of the Company; ② Discussion on industrial development; ③ Provision of declared information and the project brochure of the Company; ④ Visit to the on-sale buildings of the Company and provision of sales brochure.

October 31, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
November 03, 2014	Shenzhen	Telephone communication	Institution investors	INDUSTRIAL SECURITIES, GF Securities, ICBC Credit Suisse Asset Management Co., Ltd.	
November 03, 2014	Shenzhen	Telephone communication	Institution investors	ICBC Credit Suisse Asset Management Co., Ltd.	
November 06, 2014	Beijing	Strategic Meeting	Institution investors	BofA Merrill, Greenwood Asset Management etc.	
November 06, 2014	Shenzhen	Field research	Institution investors	INDUSTRIAL SECURITIES, China AMC, Dacheng Fund, etc.	
November 07, 2014	Shenzhen	Field research	Institution investors	CICC, Hengde Investment, Jinjun Investment, etc.	
November 11, 2014	Guangzhou, Foshan, Shenzhen	Project research	Institution investors	Pine River Capital	
November 12, 2014	Shenzhen	Telephone communication	Institution investors	BOSERA FUNDS	
November 12, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
November 13, 2014	Shenzhen	Telephone communication	Institution investors	Industrial Securities	
November 14, 2014	Beijing	Strategic Meeting	Institution investors	Orient Securities, etc.	
November 18, 2014	Hong Kong	Strategic Meeting	Institution investors	Goldman Sachs, etc.	
November 18, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
November 19, 2014	Shenzhen	Field research	Institution investors	Fuh Hwa Securities (Taiwan)	
November 21, 2014	Beijing	Strategic Meeting	Institution investors	SHENYIN & WANGUO SECURITIES, etc.	
November 24, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
November 24, 2014	Shenzhen	Telephone communication	Institution investors	GF Securities	
November 25, 2014	Shenzhen	Telephone communication	Institution investors	Jefferies, BOSERA FUNDS	
November 25, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
November 26, 2014	Shenzhen	Field research	Institution investors	JOYEE ASSET MANAGEMENT CO. LTD	
November 27, 2014	Shenzhen	Field research	Institution investors	GF Securities	
November 28, 2014	Shenzhen	Field research	Institution investors	EVERBRIGHT SECURITIES	① Introduction of the business condition of the Company; ② Discussion on industrial development; ③ Provision of declared information and the project brochure of the Company; ④ Visit to the on-sale buildings of the Company and provision of sales brochure.
December 01, 2014	Shenzhen	Telephone communication	Institution investors	BOSERA FUNDS	
December 02, 2014	Shenzhen	Telephone communication	Institution investors	Orient Securities, INDUSTRIAL SECURITIES	
December 03, 2014	Shenzhen	Telephone communication	Institution investors	China Investment Securities	
December 03, 2014	Shenzhen	Telephone	Individual investors	Individual investors	

		communication			
December 03, 2014	Shanghai	Strategic Meeting	Institution investors	Haitong Securities	
December 04, 2014	Shanghai	Strategic Meeting	Institution investors	EVERBRIGHT SECURITIES	
December 04, 2014	Shanghai	Strategic Meeting	Institution investors	Industrial Securities	
December 04, 2014	Shenzhen	Telephone communication	Institution investors	Fuh Hwa Securities (Taiwan)	
December 05, 2014	Haikou	Strategic Meeting	Institution investors	Galaxy Securities	
December 08, 2014	Shenzhen	Telephone communication	Institution investors	Guosen Securities	
December 08, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
December 08, 2014	Shenzhen	Field research	Institution investors	CITIC Securities, BOSERA FUNDS	
December 09, 2014	Shenzhen	Telephone communication	Institution investors	SHENYIN & WANGUO SECURITIES, BOSERA FUNDS	
December 09, 2014	Shenzhen	Telephone communication	Institution investors	Fubon Securities (Taiwan)	
December 09, 2014	Shenzhen	Telephone communication	Institution investors	GF Securities (Hong Kong)	
December 09, 2014	Shenzhen	Field research	Institution investors	DONGXING SECURITIES, Morgan Stanley Huaxin Fund	
December 10, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
December 11, 2014	Shenzhen	Telephone communication	Institution investors	Deutsche Bank AG	
December 11, 2014	Sanya	Strategic Meeting	Institution investors	Citic Securities	
December 12, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
December 15, 2014	Shenzhen	Telephone communication	Institution investors	SHENYIN & WANGUO SECURITIES, Fuh Hwa Securities (Taiwan), INDUSTRIAL SECURITIES	
December 17, 2014	Shenzhen	Strategic Meeting	Institution investors	ESSENCE SECURITIES	
December 18, 2014	Shanghai	Strategic Meeting	Institution investors	China Securities	
December 19, 2014	Shenzhen	Strategic Meeting	Institution investors	BOCI Securities	
December 23, 2014	Shenzhen	Telephone communication	Institution investors	BOSERA FUNDS, INDUSTRIAL SECURITIES, Jefferies	
December 24, 2014	Shenzhen	Telephone communication	Institution investors	SHENYIN & WANGUO SECURITIES, CDH Investments	
December 25, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	① Introduction of the business condition of the Company; ② Discussion on industrial development; ③ Provision of declared information and the project brochure of the Company; ④ Visit to the on-sale buildings of the Company and provision of sales
December 25, 2014	Shenzhen	Field research	Institution investors	Chang Xin Asset Management	
December 27, 2014	Shenzhen	Strategic Meeting	Institution investors	China Investment Securities	
December 29, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
December 29, 2014	Shenzhen	Telephone	Institution investors	SHENYIN &	

		communication		WANGUO SECURITIES	brochure.
December 30, 2014	Shenzhen	Telephone communication	Institution investors	Industrial Securities	
December 30, 2014	Shenzhen	Field research	Institution investors	China Investment Securities	
December 31, 2014	Shenzhen	Telephone communication	Individual investors	Individual investors	
December 31, 2014	Shenzhen	Telephone communication	Institution investors	GF Securities, Guotai Junan Securities, Orient Securities, Fullgoal Fund Management Co., Ltd., Greenwoods Asset Management, Citic-prudential Fund, INDUSTRIAL SECURITIES, China Securities, China AMC, Ping An of China Asset Management	

Section Five Important Events

I. Major lawsuit and arbitration

The Company was free from significant lawsuit and arbitration during reporting period.

II. Media questioning matter

The Company was free from media query during reporting period.

III. Occupation of non-operating funds of the listed company by controlling shareholders and their related parties

Unit: RMB 10,000

Name of shareholder or related party	Occupation time	Occurrence reason	Beginning balance	New occupied funds during report period	Total repayment during report period	Ending balance	Estimated repayment method	Estimated repayment	Estimated repayment time (month)
Jones Tech Limited	December 2012 - January 2014	Re-invested funds	6,243	-	6,243	-	Re-invested funds		N/A
Holly Profit Limited	December 2012 - January 2014	Re-invested funds	9,255	-	9,255	-	Re-invested funds		N/A
Blue Cove International Ltd	December 2013 - January 2014	Re-invested funds	4,481	-	4,481	-	Re-invested funds		N/A
Powerwise International Ltd	December 2013 - January 2014	Re-invested funds	8,903	-	8,903	-	Re-invested funds		N/A

IV. Bankruptcy reorganization

Not applicable

V. Asset transactions

1. Purchase of assets

See related transaction of asset acquisition and sale for details

2. Sales condition of assets

Not applicable

3. Combination of enterprises

Not applicable

VII. Implementation of stock option incentive and the impact

On May 20, 2014, the 13th meeting of the 7th BOD adopted the Plan for Initial Granting of Stock Option (Draft) and its abstract.

On July 28, 2014, the Company received Approval of Initial Stock Option Incentive Plan by China Merchants Property Development Company Limited by State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”).

In August 2014, CSRC confirmed the stock option incentive plan draft submitted by the Company without objection and put on records.

On August 28, 2014, the 10th interim meeting in 2014 of the 7th BOD and the 20th meeting of the 7th BOS adopted the Proposal on Review of Plan of Initial Granting of Stock Option (Draft Amendments) and its abstract.

On September 16, 2014, the first interim general meeting reviewed and adopted the Proposal on Review of Plan of Initial Granting of Stock Option (Draft Amendments) and its abstract, Proposal on Formulation of Assessment Methods for Stock Option Incentive Plan, Proposal on Formulation of Management Methods for Stock Option Incentive Plan and Proposal on Delegation of Power to BOD to Conduct Stock Option Incentive Plan and Related Matters.

On September 17, 2014, the Company conducted the 11th interim meeting of the 7th BOD in 2014 and the 22nd meeting of the 7th BOS, reviewed and adopted the Proposal on Change of Incentive Objects and Granting Quantities for Plan of Initial Granting of Stock Options; the meeting also reviewed and adopted the Proposal on Determination of Related Matters for Plan of Initial Granting of Stock Option, and the BOD determined to grant 23.2283 million shares of stock option to 143 incentive objects on September 18, 2014, with exercise price as RMB11.24 /share.

On December 12, 2014, the Company completed the registration of initial stock option granting, stock option short name: China Merchants JLC1, Code: 037036.

The implementation of stock option incentive plan enhances shareholder value, attracts, motivates and retains core talents, bonds the interest of core staff, shareholders and the company together, improves corporation governance and helps to realize company strategies and long-term sustainable development.

For details about stock option incentive plan, please see Notices on China Securities Journal, Securities Time, Shanghai Securities News, Hong Kong Commercial Daily, Securities Daily and <http://www.cninfo.com.cn/>.

VII. Material related transactions

1. Related transaction related to normal operation

In 2014, approved by the 11th Meeting of the 7th Board of Directors, the Company has established following leasing deals with Shekou Industrial Zone:

The Company and part of its subsidiaries in Shenzhen rent land use right of operation sites from Shekou

Industrial Zone with annual rental as RMB 9,830,000, accounting for 26.95% of the total; China Merchants Investment, a wholly-owned subsidiary of the Company, rent land use right and top head estates of the 1st, 2nd, 5th and 6th building of Property in Huajian area of Shekou (Shenzhen) owned by Shekou Industrial Zone with annual rental as RMB 21,310,000, accounting 58.43% of similar transaction amount; China Merchants (Shenzhen) Property, a wholly-owned subsidiary of the Company, rent land use right and top head estates of the 3rd building of Property in Huajian of Shekou (Shenzhen) owned by Shekou Industrial Zone with annual rental as RMB 5,330,000, accounting for 14.61% of similar transaction amount; affiliated companies including Shekou Industrial Zone rent rental properties including New Era Plaza of the Company with annual rental as RMB 35,830,000 accounting for 3.52% of similar transaction amount. All the above-mentioned related transactions are settled in cash.

2. Related transaction of asset acquisition and sale

The Company's 2nd extraordinary shareholders meeting in 2013 has passed related proposal on Issuing Shares to Purchase Assets and Raising Supporting Funds & Related Transaction, the Company intends to purchase land use right of Seaworld Residence & Culture and Art Center of Shekou Industrial Zone with shares issued additionally by A-share. According to the Asset Purchase Agreement signed between the Company and Shekou Industrial Zone, total cost of the land use right was RMB 4.853 Billion. Further more, the completion of fund-raising by shares issued additionally this time (whether issued successfully or not) would not effect the implementation of transaction behavior of asset purchasing.

In 2014, the 4th Interim Meeting of the Company's Board of Directors decided to terminate this additional issue. According to the above Asset Purchase Agreement, the Company would pay the cost in cash for purchasing land use right of Shekou Industrial Zone.

Upon approval in the 18th interim meeting of the BOD in 2014, the Company, China Merchants (Shenzhen) Real Estate and Shekou Industrial Zone has signed Supplemental Agreement on Land Use Right of Pgrase-I of Sea World Resident Project and Culture & Art Center that reaches agreement on balance payment of confirmation consideration of land use right of Pgrase-I of Sea World Resident Project and Culture & Art Center. China Merchants (Shenzhen) Real Estate shall pay the balance to Shekou Industrial Zone before June 30, 2015 and pay interest of such balance to Shekou Industrial Zone by one-year standard rate of bank load starting from July 1, 2014 till such balance paid out. During this reporting period, such accrued interest shall be RMB 100.1 million. As of December 31, 2014, land price paid is RMB 2.4 billion.

3. Important related transactions with joint investments

Approved by the 2nd interim meeting of the 7th BOD in 2014, during the reporting period, the Company and Shekou Industrial Zone co-invested in setting up Station Fortune Ltd as well as Chief Master Ltd with each party holding stock shares of 49% and 51% respectively.

Station Fortune Ltd established a wholly-owned subsidiary, China Merchants Industrial Park (Qingdao) Entrepreneurship Co., Ltd. (hereinafter referred to as “Qingdao Entrepreneurship”), which has a registered capital of USD 149 million. The Company and Shekou Industrial Zone invest and hold the shares in Qingdao Entrepreneurship as per the proportion of shares they hold in Station Fortune Ltd. The Company has invested USD 73,010,000 into Qingdao Entrepreneurship.

Chief Master Ltd established a wholly-owned company, China Merchants Qingdao Lanwan Wanggu Investment Co., Ltd. (hereinafter referred to as “Qingdao Lanwan”), which has a registered capital of USD 75 million. The Company and Shekou Industrial Zone invest and hold the shares in Qingdao Lanwan as per the proportion of shares they hold in Chief Master Ltd. The Company has invested USD 36,750,000 into Qingdao Lanwan.

(2) Reviewed and approved on the 14th interim meeting of the 7th BOD in 2014, the Company and Ganzhou Yuankang Investment Partnership Co., Ltd. acquire Shenyang Olympic Sports Center; the investment in Shenyang Olympic Sports Center by the Company is RMB 178.5 million, accounting for 51% shares. The Company and Ganzhou Yuankang Investment Partnership Co., Ltd. are controlled by China Merchants Group and transactions stated above constitute related party transactions.

(3) Reviewed and approved on the 18th Interim meeting of the 7th BOD in 2014, China Merchants (Chengdu) Beihu Land Ltd. (“China Merchants Beihu”), China Merchants (Shenzhen) Investment Co., Ltd. and China Merchants Kunlun Capital Co., Ltd. (“China Merchants Kunlun”), which are subsidiaries of the Company, jointly acquire 100 % shares rights and creditors’ rights of all shareholders of Chengdu China MCC5 Wentou Land Ltd. As of the end of the reporting period, China Merchants Beihu, China Merchants Investment and China Merchants Kunlun have jointly acquired 51% shares of Chengdu China MCC5 Wentou Land Ltd. held by CHINA MCC5 GROUP CORP.LTD. Wherein, China Merchants Beihu claims 31% shares, China Merchants Investment claims 20% and China Merchants Kunlun claims 49%. The total equity acquisition price was RMB 434 billion; China Merchants Beihu, China Merchants Investment and China Merchants Kunlun have paid prices respectively according to equity ratios. The Company and China Merchants Kunlun Capital Co., Ltd. are controlled by China Merchants Group and transactions stated above constitute related party transactions.

Disclosure: For the detailed disclosure of the above said transaction, please refer to <http://www.cninfo.com.cn>.

4. Current associated rights of credit and liabilities

1. As of December 31, 2014, related party has provided following loan guarantees for the Company and subsidiaries. Unit: yuan

Names of related parties	The guaranteed	Amount of guarantee	
Long-term loan guarantee			
China Merchants Group Co., Ltd.	The Company	RMB	4,500,000,000
China Merchants Shekou Industrial Zone Co.,Ltd.	The Company	RMB	1,854,500,000
China Merchants Shekou Industrial Zone Co.,Ltd.	China Merchants (Shenzhen) Property Development Co., Ltd.	RMB	116,500,000
China Merchants Shekou Industrial Zone Co.,Ltd.	Wuhan Aoming Property Development Co., Ltd.	RMB	192,000,000

China Merchants Shekou Industrial Zone Co.,Ltd.	Beijing Kanglade Property Development Co., Ltd.	RMB	127,400,000
China Merchants Shekou Industrial Zone Co.,Ltd.	Shenzhen Shekou Seaworld Hotel Management Co., Ltd.	RMB	235,200,000
China Merchants Shekou Industrial Zone Co.,Ltd.	Shenzhen Jinyurongtai Investment Development Co., Ltd.	RMB	75,000,000
China Merchants Shekou Industrial Zone Co.,Ltd.	Qingdao Merchants Hyde Property Development Co., Ltd.	RMB	23,520,000
China Merchants Shekou Industrial Zone Co.,Ltd.	China Merchants (Shenzhen) Construction Co., Ltd.	RMB	50,000,000
China Merchants Shekou Industrial Zone Co.,Ltd.	Foshan Shunde Evian Desheng Property Co., Ltd.	RMB	150,000,000
China Merchants Group (Hong Kong) Co., Ltd.	Eureka Investment Company Ltd.	USD	1,014,000,000

2. As of December 31, 2014, main current funds between the Company and related parties include:

Related party	Relationship	Category of credits and debts	Cause	Whether there is non-operating occupation of funds or not	Beginning balance (RMB 10,000)	Amount incurred in current period (RMB 10,000)	Ending balance (RMB 10,000)
Powerwise International Limited	Under common ultimate control	Other receivables	To be shifted to investment	No	8,903	-8,903	-
Blue Cove International Limited	Under common ultimate control	Other receivables	To be shifted to investment	No	4,481	-4,481	-
Beijing Guangying Residential Property Development Limited	Joint venture	Other receivables	Shareholders' advances	No	91,232	-75,123	16,109
Foshan Merchants Longyuan Real Estate Co., Ltd.	Joint venture	Other receivables	Shareholders' advances	No	67,345	24	67,369
Shanghai New South Mountain Real Estate Development Co., Ltd.	Associates	Other receivables	Shareholders' advances	No	14,934	-14,934	-
Jones Tech Limited	Associates	Other receivables	To be shifted to investment	No	6,243	-6,243	-
Holly Profit Limited	Associates	Other receivables	To be shifted to investment	No	9,255	-9,255	-
China Merchants Shekou Industrial Zone Co.,Ltd.	Controlling shareholder	Accounts payable	Current account	No	-	255,394	255,394
China Merchants Shekou Industrial Zone Co.,Ltd.	Controlling shareholder	Other payables	Current account	No	7,949	-7,933	16
China Merchants Guangming Science Park	Associates	Other payables	Current account	No	148	-147	1
Shanghai Ledu Property Co., Ltd.	Associates	Other payables	Current account	No	-	24,601	24,601
Shanghai New South Mountain Real Estate Development Co., Ltd.	Associates	Other payables	Current account	No	3,160	1,328	4,488
Tianjin Munanqiushi Industrial Co., Ltd.	Associates	Other payables	Current account	No	-	1,700	1,700
Shenzhen CMOCTPM Co., Ltd.	Associates	Other payables	Current account	No	67,473	-19,501	47,972
Tianjin Xinghai Real Estate Development Co., Ltd.	Associates	Other payables	Current account	No	10,608	-	10,608
Shenzhen China Merchants Financial Service Co., Ltd.	Under common control	Other payables	Current account	No	71,458	9,648	81,106
China Merchants Zhangzhou Development Zone Co., Ltd.	Under common ultimate control	Other payables	Current account	No	20,000	18,000	38,000
Dafeng International Limited Liability Company	Under common control	Other payables	Current account	No	-	20,995	20,995

5. Other related transactions

See other related transaction occurred during the report period in notes to financial statements.

VIII. Important contract and its performance

1. Description on trust, contracting and lease matters

No major items of collocating, contracting and leasing other corporate assets has occurred during the report period.

2. Guarantee

Unit: RMB

10,000

External guarantee of the Company (excluding guarantee for the subsidiaries)								
Name of guaranteed object	Disclosure date of announcement regarding guarantee limit	Guarantee limit	Actual occurrence date (agreement date)	Actual guarantee amount	Type of guarantee	Guarantee period	Completing fulfillment or not	Whether guaranteed for related party (yes or no)
Mortgaged house owner	None	572,451.15	Since the day the mortgage bank released loans	572,451.15	Phased joint guarantee	From the day the mortgage bank released loans to the day the Real Estate ownership certificate is issued for house buyers	No	No
China Merchants Guangming Science Park	November 03, 2011	14,700.00	March 15, 2012	1,169.54	Several liability Guaranty	Two years from the date after the expiration date of the loan term specified in loan contract.	No	Yes
	March 20, 2012	19,110.00	May 18, 2012	7,932.86			No	Yes
	March 18, 2014	4,900.00	June 12, 2014	1,813.00			No	Yes
Guarantee for the subsidiaries								
Name of guaranteed object	Disclosure date of announcement regarding guarantee limit	Guarantee limit	Actual occurrence date (agreement date)	Actual guarantee amount	Type of guarantee	Guarantee period	Completing fulfillment or not	Whether guaranteed for related party (yes or no)
Including:								
China Merchants (Shenzhen) Power Supply Co., Ltd.	March 19, 2013	US\$30 million (equivalent to RMB 183.57 million)	June 11, 2013	US\$30 million (equivalent to RMB 183.57 million)	Several liability Guaranty	30 days from the date when debt performance period agreed under the loan contract expires	No	Yes
China Merchants (Shenzhen) Property Development Co., Ltd.	March 20, 2012	30,000.00	May 11, 2012	24,980.00		Two years from the date after the expiration date of the loan term specified in loan contract.	No	Yes
China Merchants (Shenzhen) Property Development Co., Ltd.	September 26, 2014	50,000.00	September 26, 2014	16,190.00		No	Yes	

Qingdao Merchants Hyde Property Development Co., Ltd.	March 18, 2014	5,100.00	April 29, 2014	2,448.00	From the date when loan contract is signed till two years from the date when the debt performance period agreed under the loan contract expires	No	Yes	
China Merchants (Shenzhen) Construction Co., Ltd.	July 01, 2014	60,000.00	June 05, 2014	60,000.00		No	Yes	
Beijing Kanglade Property Development Co., Ltd.	May 15, 2012	30,000.00	May 15, 2012	19,110.00		Two years from the date when debt performance period agreed under the master contract expires	No	Yes
Shenzhen China Merchants Business Development Co., Ltd.	June 04, 2013	7,140.00	April 25, 2013	5,610.00		No	Yes	
Shenzhen China Merchants Business Development Co., Ltd.	January 13, 2015	15,300.00	December 23, 2014	6,630.00	From the effective date of guarantee contract till the date when China Merchants Commercial goes through security guarantee procedures, with China Merchants Bank as mortgagee, of No.1, No.2 and No.3 buildings (specific names subject to the real estate ownership certificate issued by related authorities) of Shenzhen Haishang Shijie Plaza-Chuanqian Plaza which it is legally entitled to own or dispose of.	No	Yes	
Shenzhen Shekou Seaworld Hotel Management Co., Ltd.	December 26, 2013	25,500.00	October 22, 2013	24,480.00	Two years from the day following the date when the term of loan under the loan contract expires	No	Yes	
Shenzhen Vanke Binhai Property Co., Ltd.	December 26, 2013	40,000.00	December 06, 2013	20,000.00		No	Yes	
China Merchants (Nanjing) Property Development Co., Ltd.	March 05, 2014	60,000.00	August 26, 2013	60,000.00		No	Yes	
Nanjing China Merchants Ruisheng Property Co.,	March 05, 2014	17,000.00	January 27, 2014	16,800.00		No	Yes	

Ltd.							
Nanjing China Merchants Ruisheng Property Co., Ltd.	March 05, 2014	58,000.00	January 27, 2014	57,800.00		No	Yes
Guangzhou CM Property Co., Ltd	June 25, 2014	60,000.00	April 23, 2014	29,200.00		No	Yes
China Merchants (Foshan) Xincheng High-tech Co., Ltd.	June 25, 2014	12,000.00	April 30, 2014	11,970.00		No	Yes
Shenzhen Jinyurongtai Investment Development Co., Ltd.	June 25, 2014	25,000.00	June 27, 2014	7,500.00		No	Yes
Foshan Shunde Evian Zhenyuan Property Co., Ltd.	September 29, 2014	11,000.00	September 29, 2014	5,500.00		No	Yes
Foshan Kaida Town Investment Development Co., Ltd.	September 29, 2014	20,000.00	September 26, 2014	5,000.00		No	Yes
China Merchants (Harbin) Jiatian Property Development Co., Ltd.	March 18, 2014	12,500.00	November 27, 2014	12,500.00		No	Yes
Total corporate guarantee amount is RMB 9,874.41 million.							

The Company was free from illegal guarantee during the reporting period.

3. Other important contracts

The Company has successively signed loan contract with Agricultural Bank of China, China Construction Bank, Bank of Communication and China Merchants Bank; as of the end of the reporting period, total amount of line of credit equals to RMB 67.7 billion and total amount of loans equals to RMB 37.5 billion.

4. Other major transactions

Not applicable

IX. Performance of commitment

1. Commitments made by the Company or any shareholder with a shareholding over 5% of the Company's shares in the report period or such commitments carried down into the report period

Commitments	Commitment party	Commitment content	Commitment time	Commitment term	Performances
Commitment of equity division reform	Shekou Industrial Zone	After reform of non-tradable shares, land and other high-quality assets will be continued to be input to support the Company development.	December 09, 2005	Till two years after the shareholder no longer holds the shares of the Company	During the report period, commitments have been strictly fulfilled.
Other commitments for non-majority shareholders	Shekou Industrial Zone	Not to (directly or indirectly) engage in or develop any businesses or projects with business scopes similar to the Company; not to establish, develop, participate in or assist in any enterprises with any direct or indirect competition with the Company for the China Merchants Group and the related parties or on behalf of any third parties; not to engage in or participate in (directly or indirectly in) activities that compete with the Company by taking advantages of the information obtained from the Company; and not to have any other competing behaviors that infringe or may infringe the Company interests.	March 19, 2008	Till two years after the shareholder no longer holds the shares of the Company	During the report period, commitments have been strictly fulfilled.

2. The asset or project was subject to profit forecast and report was made during profit forecast period; the Company shall make explanations on completed goals of original asset or project profit forecast as well as reasons.

The Company has no asset or project subject to profit forecast during the reporting period.

X. Employment and dismissal of the accounting firm

On April 14, 2014, the annual general meeting of Shareholders of 2013 reviewed and approved to continue to contract with Shine Wing as the external auditor of the Company in 2014.

The Company shall pay RMB 3,536,700 to Shine Wing for auditing of 2014 financial statement.

XI. Explanation by BOS and independent directors (if applicable) on “Non-standard Audit Reports” developed by accounting firm for the reporting period

Not applicable

XII. Punishment and rectification

Not applicable

XIII. Disclosure of annual report results in suspension of listing and delisting.

Not applicable

XIV. Other important events

1. MTN issuance

On October 24, 2014, the 2nd interim general meeting of the Company in 2014 reviewed and adopted the Proposal on Granting Issuance of MTN by Interim Meeting of Shareholders. On December 12, 2014, the Company received the Notice on Registration Application Acceptance (ZSXZ[2014] No.MTN458) from National Association of Financial Market Institutional Investors (“NAFMII”), which reveals that the MTN of the Company is successfully registered. The Company registered RMB 5 billion for MTN this time and the registration amount will be valid within 2 years from the date when dealers association publishes Notice of Registration Application Acceptance, with CITIC Securities and China Merchants Bank as the joint lead managers.

On February 4, 2015, the Company issued the first MTN (Code:101573001) in 2015; RMB 1 billion is to be issued in total, with price as RMB 100/RMB one hundred face value; time limit is 5 years; at the end of the third year, the issuer can change nominal interest rate options and investor put-back options and the nominal interest rate is 4.55% (issue date 1-year term SHIBOR-24bp); the date of value is from February 5, 2015 and the date of cash is February 5, 2020. In case the investor exercises put-back rights, the MTN of the put-back shall be cashed on February 5, 2018.

For the details, please see the Notice on First MTN Issuance Results of the First Stage of 2015 disclosed on February 7, 2015 on China Securities Journal, Securities Times, Shanghai Securities News, Hong Kong Commercial Daily, Securities Daily and <http://www.cninfo.com.cn/>.

2. Issue convertible bonds

On October 28, 2014, the 15th meeting of the seventh BOD of the Company has deliberated and passed related proposals such as Proposal of the Company on Issuing Scheme for Publicly Issuing A Share Convertible Bonds. The Company is planned to publicly issue A share convertible bonds. And the total fund raised is no more than RMB 8 billion. The issuing amount will be determined by BOD of the Company authorized by general meeting of shareholders within the above limit scope.

In November 2014, the Company has received the notice of China Merchants Group, the actual controller. The notice says that China Merchants Group has received the Reply of Related Issues for CMPD Issuing A Share Convertible Bonds (GZCQ\ No. [2014]1090) issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) on November 24, 2014; and SASAC, in principle, agrees with the overall scheme of the Company for issuing A share convertible bonds of no more than RMB 8 billion.

On December 2, 2014, the second interim general meeting of shareholders of the Company in 2014 has deliberated and passed related proposals such as Proposal of the Company on Issuing Scheme for Publicly Issuing A Share Convertible Bonds.

After obtaining the approval from general meeting of shareholders, the Company has submitted the issuing scheme to CSRC and received the CSRC Acceptance Notice of Administrative Licensing Application (No. 141796) issued by CSRC on December 25, 2014. CSRC, in accordance with the law, has reviewed the

administrative licensing application materials of Approval for Issuing Convertible Bonds submitted by the Company, considered that the application materials is complete and conform to the legal form and decided to accept the administrative licensing application.

For detailed information, see the related announcements disclosed by the Company on China Securities Journal, Securities Times, Shanghai Securities News, Hong Kong Commercial Daily, Securities Daily and Cninfo. Issuing of convertible bonds this time is required to be approved by CSRC. And the audit is still in progress. The Company will timely fulfill obligations of information disclosure. And we hereby request investors to pay attention to investment risks.

XV. Important events of the Company's subsidiaries

The eighth interim meeting of the seventh BOD for the Company in 2014 has deliberated and passed the proposal of Proposal on acquisition by China Merchants (Guangzhou) Property Development Co., Ltd. of 49% equity of CMPD. On August 3, 2014, China Merchants (Shenzhen) Real Estate, the wholly-owned subsidiary of the Company, has signed agreement with Hua Min of wholly-owned subsidiary of China Merchants Land Ltd., the wholly-owned subsidiary of the Company. China Merchants (Shenzhen) Real Estate was planned to transfer its 49% stock rights of China Merchants (Guangzhou) Property Development Co., Ltd. to Hua Min with the transfer price of about RMB 1,212.77 million.

For details, see the Transaction Announcement on Assets Reconstructions of Wholly-owned Subsidiary disclosed on August 4, 2014 by the Company on China Securities Journal, Securities Times, Shanghai Securities News, Hong Kong Commercial Daily, Securities Daily and Cninfo.

XVI. Corporate bonds issuing of the Company

During the reporting period, the Company has not issued any corporate bonds.

Section Six Capital Changes and Shareholders' Information

I. Changes in equity

1. Statements of changes in equity

Unit: share

	Prior to this change		Changes (+/-) in this time					After this change	
	Quantity	Proportion	Stock issue	Dividend stock	Shares converted from accumulated reserves	Others	Subtotal	Quantity	Proportion
I. Shares with trading limited conditions	891,504,855	51.91 %			445,809,961	-147,818	445,662,143	1,337,166,998	51.91 %
1. Share held by the state									
2. Shares held by state-owned corporate	693,419,317	40.38 %			346,709,658		346,709,658	1,040,128,975	40.38 %
3. Other domestic-held shares									
Including: Shares held by domestic non-state-owned corporate									
Shares held by domestic natural person									
4. Share held by foreign capital	197,709,440	11.51 %			98,854,720		98,854,720	296,564,160	11.51 %
Including: shares held by overseas corporate	197,709,440	11.51 %			98,854,720		98,854,720	296,564,160	11.51 %
Shares held by foreign natural person									
5. Shares held by executives	376,098	0.02 %			245,583	-147,818	97,765	473,863	0.02 %
II. Shares without trading limited conditions	825,795,648	48.09 %			412,840,290	147,818	412,988,108	1,238,783,756	48.09 %
1. Ordinary shares in RMB	684,248,848	39.85 %			342,104,515	72,994	342,177,509	1,026,426,357	39.85 %
2. Domestically-listed shares held by foreign investors	141,546,800	8.24 %			70,735,775	74,824	70,810,599	212,357,399	8.24 %
3. Overseas-listed shares held by foreign investors									
4. Others									
III. Total shares	1,717,300,503	100 %			858,650,251		858,650,251	2,575,950,754	100 %

During the reporting period, the Company has implemented the Scheme of Transferring Capitals Reserve to Capital Stocks; besides, certain senior managers of the Company have left the Company and part of senior managers have increased stocks of the Company through the secondary market; and according to related stipulations, Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (CSDC) has unlocked and increased the restricted stocks held by corresponding senior managers, which has caused changes to the limited and unlimited stocks of the Company.

II. Issuance and listing of securities

1. Issuance of securities in previous three years as of the end of reporting period

The Company has not issued shares for nearly three years until the end of reporting period.

2. Description on change of total shares and shareholder structure and change of company's asset and liability structure

In June 2014, the Company has implemented the 2013 Scheme of Transferring Capitals Reserve to Capital Stocks: taking 1,717,300,503 shares of total capital stocks at the end of 2013 as the base number, every 10 shares will be transferred with capital reserve to capital stocks, 858,650,251 shares have been transferred in total and the total equity stocks have been increased to 2,575,950,754 shares after the transferring.

3. Status of existing employee share

As of the end of reporting period, there are no internal staff stocks.

III. Information of shareholders and actual controller

1. Number of shareholders and shareholding status

Unit: share

Total number of shareholders at the end of the reporting period		56,318 (A-shares: 45,827, B-shares: 10,491)		Number of shareholders at the end of the fifth transaction date before disclosure of annual report		82,925 (A-shares: 72,797, B-shares: 10,128)		
Information of shares held by the top ten shareholders								
Name of shareholders	Nature of the shareholder	Shareholding ratio (%)	Quantity of shares held at the end of this reporting period (%)	Increase/decrease during this reporting period	Quantity of restricted shares held	Quantity of un-restricted share held	Pledged or frozen status	
							Shareholding status	Quantity
China Merchants Shekou Industrial Zone Co.,Ltd.	State-owned corporate	40.38	1,040,128,975	346,709,658	1,040,128,975	None	None	None
Full Space Investment Limited	Overseas corporate	5.48	141,216,075	47,072,025	141,216,075	None	None	None
China Merchants Securities (HK) Co., Ltd.	Overseas corporate	2.92	75,205,077	25,317,793	73,863,367	1,341,710	None	None
FOXTROT INTERNATIONAL LIMITED	Overseas corporate	1.61	41,580,000	13,860,000	41,580,000	None	None	None
ORIENTURE INVESTMENT LTD	Overseas corporate	1.55	39,904,717	13,301,572	39,904,717	None	None	None
GOLDEN CHINA MASTER FUND	Overseas institutions	1.03	26,487,893	13,614,702	None	26,487,893	None	None
Fullgoal Tianbo Innovative Theme Stock Fund	Domestic non-state-owned corporate	0.73	18,800,000	800,000	None	18,800,000	None	None
National Social Security Fund 118 Portfolio	Domestic non-state-owned	0.67	17,136,388	7,192,570	None	17,136,388	None	None

	corporate							
National Social Security Fund 413 Portfolio	Domestic non-state-owned corporate	0.58	15,000,000	15,000,000	None	15,000,000	None	None
GREENWOODS CHINA ALPHA MASTER FUND	Overseas institutions	0.51	13,031,565	11,451,175	None	13,031,565	None	None
Shareholding status of top ten un-restricted shareholders								
Name of shareholders	Quantity of held un-restricted share at the end of this year		Class of shares					
GOLDEN CHINA MASTER FUND	26,487,893		B share					
Fullgoal Tianbo Innovative Theme Stock Fund	18,800,000		A share					
National Social Security Fund 118 Portfolio	17,136,388		A share					
National Social Security Fund 413 Portfolio	15,000,000		A share					
GREENWOODS CHINA ALPHA MASTER FUND	13,031,565		B share					
Invesco Great Wall Domestic Needs Growth No Two Shares Securities Investment Funds	12,567,625		A share					
China Life Insurance (Group) Ltd. – traditional - general insurance products	12,033,180		A share					
NORGES BANK	11,641,091		B share					
Chongqing International Trust Co., Ltd. Yuxintong series single trust No. 2	10,531,565		A share					
Jianxin Optimal Configuration Hybrid Securities Investment Fund	10,226,163		A share					
Shekou Industrial Zone and its subsidiaries - FOXTROT INTERNATIONAL LIMITED and ORIENTURE INVESTMENT LTD are Persons Acting in Concert; GOLDEN CHINA MASTER FUND and GREENWOODS CHINA ALPHA MASTER FUND are Persons Acting in Concert. Dafeng International, a subsidiary of Shekou Industrial Zone, has entrusted 73,863,367 shares of the Company to China Merchants Securities (Hongkong) Co., Ltd.								

2. Controlling shareholders of the Company

Controlling shareholders: Shekou Industrial Zone

Legal representative: Sun Chengming

Date of registration: February 1992

Registered capital: RMB 2.236 billion

Business scope: transportation, industrial manufacturing, finance and insurance, foreign trade, real estate, postal communication, tourism, artistic performance, limited broadcast television business, and investment and management of hotels and other various enterprises; wharf and warehouse service; land and water constructional engineering; sales of products for owned enterprises and supply and sales of owned equipment, raw materials and parts; holding sports games; and providing technology, operation, legal consultation and technology and information services related to the above businesses.

3. Actual controller of the Company

(1) Actual controller: China Merchants Group

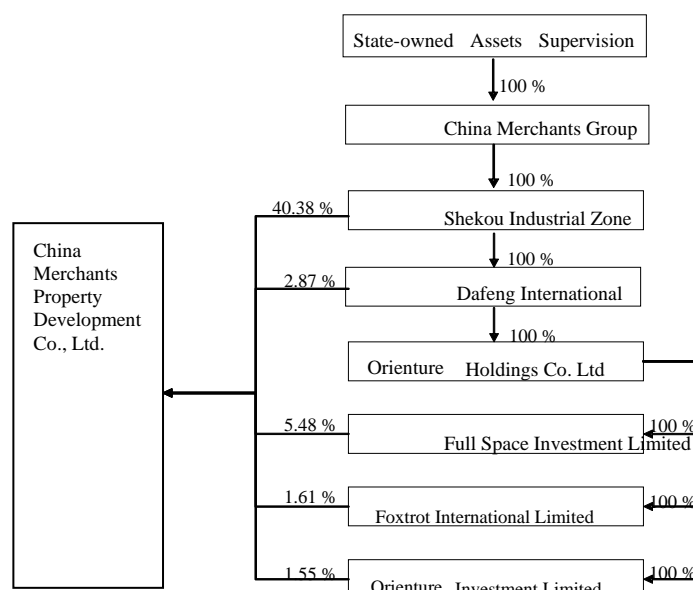
Legal Representative: Li Jianhong

Date of registration: October 1986

Registered capital: RMB 14.143 billion

Business scope: amphibious passengers and cargos transportation and brokering, leasing and brokering of water and land transportation tools and equipment, investment and management of ports and warehousing, and marine rescue, salvage and towage; industrial manufacturing, building, repair, inspection and sales of offshore oil drilling equipment; repair and inspection of drilling platforms and platforms; contracting, construction and logistics services of water and land construction engineering and offshore oil development engineering; procurement, supply and sales of water and land transportation equipment and related supplies; imports and exports of transportation; investment and management in industries of finance, insurance, trust, securities and futures; investment and management of tourism, hotels and catering and related service industries; real estate development and property management and consultation services; investment and management of petrochemical business; investment and operation of transportation infrastructure; and management of overseas assets. To develop and operate and manage Shenzhen Shekou Industrial Zone and Fujian Zhangzhou Development Zone.

(2) Block Diagram of Property Right and Control Relations between the Company and Actual Controller at the End of Reporting Period



4. Other corporate shareholders holding over 10% shares

At the end of the reporting period, there is no other corporate shareholders holding over 10% shares of the Company

IV. Stock Overweight Plan Proposed or Implemented by Shareholders of the Company and Persons Acting in Concert during the Reporting Period

During the reporting period, the shareholders of the Company and persons acting in concert have not proposed or implemented the stock overweight plan.

Section Seven Information about the Company's Directors, Supervisors, Officers and Staff

I. Changes in ownership of directors, supervisors and officers

Name	Title	Position status	Gender	Age	Start date of term	End date of term	Number of shares held at the beginning of the period (share)		Number increased of shares during current period (share)		Number of shares held at the end of the period (share)	
							A share	B share	A share	B share	A share	B share
Sun Chengming	Chairman	Incumbent	Male	56	2014.04	2015.06						
Fu Gangfeng	Vice-chairman	Incumbent	Male	48	2014.04	2015.06						
Yang Tianping	Vice-chairman	Incumbent	Male	55	2011.12	2015.06						
He Jianya	Managing Director	Incumbent	Male	49	2011.12	2015.06	112,170		75,136		187,306	
Hu Yong	Director	Incumbent	Male	48	2011.12	2015.06						
Wu Zhenqin	Director and Chief Financial Director	Incumbent	Female	56	2013.11	2015.06				7,500		7,500
Chen Gang	Director	Incumbent	Male	55	2013.11	2015.06						
Chai Qiang	Independent director	Incumbent	Male	53	2011.12	2015.06						
Liu Hongyu	Independent director	Incumbent	Male	52	2011.12	2015.06						
Lu Weixiong	Independent director	Incumbent	Male	54	2011.12	2015.06						
Zhang Wei	Independent director	Incumbent	Male	43	2011.12	2015.06						
Hua Li	Chairman of Board of Supervisors	Incumbent	Male	43	2013.11	2015.06						
Liu Qingliang	Supervisor	Incumbent	Male	55	2013.11	2015.06						
Huang Junlong	Supervisor	Incumbent	Male	49	2011.12	2015.06						
Chen Yan	Employee Supervisor	Incumbent	Female	36	2011.12	2015.06						
Chen Qing	Employee Supervisor	Incumbent	Female	32	2011.12	2015.06						
Liu Wei	Deputy General Manager	Incumbent	Male	51	2013.07	2015.06			9,900		9,900	
Yang Zhiguang	Deputy General Manager	Incumbent	Male	51	2011.12	2015.06	56,295	33,000	43,897	16,500	100,192	49,500
Hu Jianxin	Chief Green Low-carbon Officer	Incumbent	Male	56	2014.02	2015.06	15,400		23,200		38,600	

Zhu Wenkai	Deputy General Manager	Incumbent	Male	47	2011.12	2015.06	17,000		24,500		41,500	
Meng Cai	Deputy General Manager	Incumbent	Male	56	2011.12	2015.06	61882		46,641		108,523	
Zhang Lin	Deputy General Manager	Incumbent	Male	52	2011.12	2015.06	2,200	10,900	16,100	6,350	18,300	17,250
Wang Zhengde	Chief Economist	Incumbent	Male	51	2011.12	2015.06		10,000		20,000		30,000
He Fei	Deputy General Manager	Incumbent	Male	43	2014.02	2015.06	2,000		1,000		3,000	
Wang Xi	Deputy General Manager	Incumbent	Male	44	2014.02	2015.06						
Liu Ning	Secretary of the Board of Directors	Incumbent	Female	46	2011.12	2015.06		13,500		6,751		20,251
Lin Shaobin	Former Chairman	Quitted	Male	54	2011.12	2014.04	59,670	100,500	98,235	50,250	157,905	150,750
Wang Hong	Former Director	Quitted	Male	52	2011.12	2014.04						
Wang Li	Former Deputy General Manager	Quitted	Male	59	2011.12	2014.02	44,087		42,043		86,130	
Total							370,704	167,900	380,652	107,351	751,356	275,251

Note: 1. Terms of the seventh BOD and BOS of the Company expired in December 2014. Considering that the candidate nomination work of directors and supervisors has not been completed, the election of BOD and BOS for the Company would be postponed. And the Company is planned to complete relevant election by June 2015. Before the election, the seventh BOD and BOS will continue to perform their duties in accordance with related stipulations of laws, administrative regulations and Articles of Association.

2. During the reporting period, the Company has implemented the Scheme of Transferring Capitals Reserve to Capital Stocks; besides, directors and certain senior managers of the Company have increased stocks of the Company through the secondary market and increased the shares held by directors and senior managers of the Company at the end of the year;

II. Position

(I) Main work experiences of current directors, supervisors and senior managers

1. Members of the BOD

Sun Chengming: Senior Engineer, obtained bachelor's degree in Ship Building and Repairing of Wuhan Institute of Water Transport Engineering and MBA of CEIBS. He is currently the Chairman of the Company, the Deputy General Manager of China Merchants Group and Chairman of Shekou Industrial Zone. He has successively served as the General Manager of China Merchants Container Services Ltd., General Manager of China Merchants Godwin, Wharf & Transportation Co., Ltd., Deputy General Manager of China Merchants Transportation Group, Deputy General Manager, General Manager and General Party Branch Secretary of China Merchants Industry Group, General Manager Assistant of China Merchants Group Co., Ltd. and General Manager and Deputy Party Secretary of Shekou Industrial Zone.

Fu Gangfeng: Senior Accountant Obtained bachelor's degree in Finance and Accounting of Department of Economics and master's degree in Management Engineering of Department of Management of Xi'an Highway

Institute He is currently the Vice-President of the Company and the CFO of China Merchants Group. He has successively served as CFO of China Merchants Group, Head of Chief Accountant Office and Deputy Chief Accountant of Shekou Industrial Zone and CFO of the Company.

Yang Tianping: Senior Economist, obtained bachelor's degree in Industrial and Civil Buildings of Beijing University of Technology and MBA of CEIBS. He is currently the General Manager of Shekou Industrial Zone and the Vice Chairman of the Company. He has successively served as Deputy General Manager of China Merchants Development Co., Ltd., Deputy General Manager of China Merchants Jinshan Industrial Zone, Deputy General Manager of China Merchants Property Management Company, HR General Manager of Lam Soon Food Industry Co., Ltd. China, General Manager of Guangzhou Lam Soon Cleaning Supplies Co., Ltd., General Manager of Shenzhen Lam Soon Oil Co., Ltd., General Manager Assistant of China Merchants Industry Holdings Co., Ltd., Party Committee Secretary and Deputy General Manager of Shenzhen Nanyou (Holdings) Ltd. and Party Committee Secretary and Deputy General Manager of Shekou Industrial Zone.

He Jianya: Engineer, obtained master's degree in Electronic Engineering and Communication Engineering of Beihang University and MBA of Guanghua School of Management of Peking University. He is currently the General Manager of the Company and Chairman of China Merchants (Shenzhen) Property Development Co., Ltd. He has successively served as the Head for system management of Shekou Container Terminals Ltd., Deputy Head and Head of Business Management Office of Shekou Industrial Zone, Deputy General Manager and General Manager of China Merchants (Shenzhen) Property Development Co., Ltd. and Deputy General Manager of the Company.

Hu Yong: Senior Engineer, obtained bachelor's degree in Port Machinery Design and Manufacturing of Wuhan Institute of Water Transport Engineering. He is currently the Supervisor of Real Estate Department of China Merchants Group and the Director of the Company. He has successively served as Supervisor Assistant and Deputy Supervisor of Business Development Department as well as the Head of Major Affairs Office.

Wu Zhenqin: Senior Accountant, obtained bachelor's degree in Water Transport Management of Shanghai Maritime University. He is currently the CFO of the Company. He has successively served as Chief of Finance Department of COSCO, Director of Finance Department of Ship Inspection Bureau of Ministry of Transport, General Manager of Finance Department of Shekou Industrial Zone and Supervisor of Audit Department of China Merchants Group.

Chen Gang: Senior Economist, obtained bachelor's degree of Department of Automation of Tsinghua University and MBA of State University of New York (University at Buffalo). He is currently the Chief Economist of Shekou Industrial Zone and the Director of the Company. He has successively served as General Manager of Shekou Industrial Zone Investment and Development Company and Deputy Chief Economist of Shekou Industrial Zone.

Chai Qiang: obtained Bachelor of Engineering in Management Engineering of Wuhan University of Technology and Master of Economics as well as Doctorate in Economics in Technological Economy of Graduate School of Chinese Economy of Social Sciences. He is approved by the State Council to enjoy special government allowances and is also the honorable member of Appraisal Institute. He is currently the Vice-Chairman and Secretary General of China Institute of Real Estate Appraisers and Agents, Member of Science and Technology Committee of Ministry of Housing and Urban-Rural Development and Independent Director of the Company. He has served successively as Deputy Director of Urban Economy Research Office in Institute of Chinese Urban and Rural Economic Development, Deputy Chief Economist of MOHURD Center for Policy Research and Vice Chairman and Secretary General of China Institute of Real Estate Appraisers.

Liu Hongyu: Real Estate Appraiser and Fellow of the Royal Institution of Chartered Surveyors (FRICS). He

has obtained bachelor's degree in Structural Engineering and master's degree in Management Engineering from Tsinghua University in 1985 and 1988. He is currently the Professor of Department of construction Management and Director of Institute of Real Estate Studies in Tsinghua University, Director of Hang Lung Center for Real Estate, Tsinghua University and Independent Director of the Company. He is also Vice Chairman of China Institute of Real Estate Appraisers and Agents (CIREA), Standing Director of China Real Estate Industry Association and Director (Former Chairman) of International Real Estate Society (IRES) and Asian Real Estate Society (AsRES).

Lu Weixiong: Member of Australian Society of Certified Practicing Accountants and Member of Hong Kong Institute of Certified Public Accountants. He graduated from Australia James Cook University and obtained the bachelor's degree in Commerce. He is currently Chief Financial Officer of Yongshun Oil International (Hong Kong) Co., Ltd. and Independent Director of the Company. He has served successively as Director of China Resources Development & Investment Co., Ltd. and Consultant of Hengyu Holdings Co., Ltd. And he has successively working in many international accounting firms.

Zhang Wei: He graduated from Harvard University in 2005 and obtained the doctor's degree in Clinical Medicine from Peking Union Medical College in 1998. He puts emphasis on innovation research of enterprise strategies and business models. Since 2008, he has been teaching in China Europe International Business School (CEIBS); currently, he is Director of CEIBS Medical Management and Policy Research Center, Independent Director of the Company and Part-time Professor of School of Government, Peking University. He is also the Member of Academic Committee of China Hospital Association and Deputy Director of Economic Evaluation Center for Chinese Medical Doctor Association.

2. Members of the BOS

Hua Li: a certified public accountants (non-practicing), with a bachelor's degree from Shanghai Maritime University as an accounting major and a master's degree from accounting of Chinese University of Hong Kong and EMBA degree of Hong Kong University of Science and Technology, he is now serving as the Director of the Finance Department of China Merchants Group and Chairman of the BOS of the Company. He has successively held the posts of Deputy Manager of the Finance Department of China Merchants International Co., Ltd., Manager of the Finance Department of China Merchants Transportation Group Co., Ltd., Head and Deputy Director of the Finance Department of China Merchants Group, and Finance Director of Shekou Industrial Zone.

Liu Qingliang: Accountant, MBA, now the Director of Audit Department of China Merchants Group and the Supervisor of the Company. He has successively held the posts of Finance Director of China Merchants Logistics Group Co., Ltd., Supervisor of Shenzhen Shekou Ocean Shipping Tally Company, Finance Director of Shenzhen Merchants Petrochemical Co., Ltd. and Deputy General Manager of Finance Department of Shekou Industrial Zone, and Vice-president of Zhangzhou Development Zone Electric Power Company.

Huang Junlong: he graduated from the Management Faculty of Changsha Traffic Institute in financial accounting major; after receiving bachelor's degree, he studied in China Europe International Business School and received MBA degree. Now he is serving as the Finance Director of Shekou Industrial Zone and the Supervisor of the Company. He has successively held the posts of Deputy General Manager of Finance Department of Shekou Industrial Zone, Finance Director of China Merchants (Shenzhen) Petrochemical Co., Ltd., Finance Director of China Merchants Port Administration Co., Ltd., Finance Director of China Merchants Logistics Group Co., Ltd., and Deputy Director of the Finance Department of China Merchants Group.

Chen Yan: Chinese certified public accountant (non-practicing) and certified internal auditor. She graduated from Sun Yat-sen University accounting Faculty and received master's degree. In October 2009, she joined the Finance Department of the Company, and is now serving as the senior manager and worker supervisor of the

Company. She ever served Deloitte Touche Tohmatsu CPA Ltd. as the audit manager.

Chen Qing: intermediate accountant, she/he graduated from the Accounting Faculty of Xiamen University and received a bachelor's degree; in April 2007, she/he joined the Company and successively worked in the Finance Department, secretariat and office of the BOD, and now takes the post of the Senior Manager and the Worker Supervisors of the Company She ever served Deloitte Touche Tohmatsu CPA Ltd. as the auditor.

3. Officers

He Jianya: Managing Director. See the aforesaid introduction of directors.

Liu Wei: Researcher, graduated from Tongji University in structural engineering major and received doctor's degree. Now she/he is serving as the Deputy General Manager and secretary of the Party committee of the Company. He has successively held the posts of the Deputy General Manager and deputy secretary of the Party committee of China Merchants Zhangzhou Development Zone Co., Ltd., and secretary of the Party committee and Executive Vice-president of China Merchants Chongqing Communications Research and Design Institute.

Wu Zhenqin: Director and Finance Director. See the aforesaid introduction of directors.

Yang Zhiguang: Senior Engineer, graduated from South China University of Technology in architectural structure engineering major and later received MBA degree of Cheung Kong Graduate School of Business. Now he is serving as the Deputy General Manager of the Company. He has successively held the posts of Development Department of China Merchants Shekou Industrial Zone Real Estate Company, assistant General Manager of China Merchants Shekou Industrial Zone Real Estate Company, Deputy General Manager of China Merchants (Shenzhen) Property Development Co., Ltd. and the General Manager of China Merchants Property Co., Ltd. and China Merchants (Shenzhen) Pioneering Co., Ltd.

Hu Jianxin: professor level senior engineer, certified as among the first group of "National Talents of Shenzhen" in 2009. He graduated from South China University of Technology in civil engineering major and received master's degree. Now he is serving as the chief green low-carbon officer and chief engineer of the Company. He has successively held the posts of Deputy General Manager of the Company, deputy manager of the subsidiary of Guangdong Construction Company, Deputy General Manager of China Merchants Property Co., Ltd. and the Deputy General Manager of China Merchants Real Estate and the General Manager of China Merchants Property Co., Ltd.

Zhu Wenkai: economist, graduated from Wuhan Institute of Water Transportation Engineering in transportation management engineering major and received master's degree. Now he is serving as the Deputy General Manager of the Company. He has successively held the posts of Assistant General Manager of China Merchants (Shekou) Port Administration Co., Ltd., General Manager of Shenhen Shekou Zhaogang Industrial Development Co., Ltd., Manager of Enterprise Management Department and Manager of Planning Department of China Merchants (Shenzhen) Real Estate, Deputy Director of the Planning Center, General Manager and Assistant General Manager of the Marketing Center.

Meng Cai: engineer, graduated from Lanzhou Railway University in water supply and drainage major and received bachelor's degree. Now he is serving as the Deputy General Manager of the Company. He has successively held the posts of Deputy Manager, Manager of Real Estate Department of Nanshan Development Company, Deputy General Manager of China Merchants (Shenzhen) Property Development Co., Ltd. and the Company, Associate Director of Hong Kong Sino Group, Executive Director of Hong Kong Kerry Construction (China) Co., Ltd.

Zhang Lin: Senior engineer, graduated from Department of Precision Instrument of Tsinghua University, and received the bachelor's degree. Now he is serving as the Deputy General Manager of the Company. He has successively held the posts of the Deputy General Manager of the Planning Department of China National

Automation Control System Corp. as well as Shenzhen Huayi Lineng Computer Company, Managing Director of CATIC Shenzhen Holdings Limited CATIC Investment and Development Co., Ltd., General Manager of B&Q Shenzhen Joint Venture in South China, vice executive president of B&Q (China) Investment Co., Ltd.

Wang Zhengde, senior accountant, graduated from Zhongnan University of Economics and Law and received a master's degree. Now he is serving as the Chief Economist of the Company. He has successively held the posts of the director of the second and third Board of the Company, General Manager and Deputy Chairman of Shenzhen Bandao Fund Company, Deputy Chief Account and finance person-in-charge of Shekou Industrial Zone, Deputy General Managing Director and Finance Director of China Merchants International Co., Ltd.

He Fei: senior engineer, graduated from Southeast University in engineering management major and received a master's degree. Now he is serving as the Deputy General Manager of the Company and General Manager of China Merchants (Shenzhen) Property Development Co., Ltd. He has successively held the posts of the Assistant General Manager of the Company, General Manager of the Operation Management Center, Deputy General Manager of Guangzhou Management Head Office of the Company, General Manager of China Merchants (Guangzhou) Property Development Co., Ltd., and General Manager of China Merchants (Foshan) Property Co., Ltd.

Wang Xi: senior engineer, graduated from South China University of Technology in management science and engineering major and received a master's degree. Now he is serving as the Deputy General Manager of the Company. She has successively held the posts of Assistant General Manager of the Company, General Manager of the Product Management Center, General Manager of the Planning and Design Center of the Company, and the Deputy Director of the Planning and Design Center, Deputy Director of Market Planning Center, and Deputy Manager of the Planning Department of China Merchants (Shenzhen) Property Development Co., Ltd.

Liu Ning: economist, graduated from Central South University of Forestry and Technology in mechanical processing major and received a bachelor's degree. He finished the postgraduate courses of business management major in International Business School of Nankai University in 2000, and then studied in Macau University of Science and Technology and received MBA degree. Now he is serving as the Secretary of the BOD of the Company and has been working in the securities transaction field since 1998; he was hired as representative of the securities transaction in 2001, head at the director secretariat of the Company in 2004, and as the secretary to the BOD of the Company since 2008.

(II) Employment of directors and supervisors in shareholder's unit or actual controller unit

Name	Employer	Title	Term of office
Sun Chengming	China Merchants Group	Deputy General Manager	From March 2008
Sun Chengming	Shekou Industrial Zone	Chairman	From February 2011
Fu Gangfeng	China Merchants Group	Chief Financial Director	From October 2011
Yang Tianping	Shekou Industrial Zone	General Manager	From February 2011
Hu Yong	China Merchants Group	Director of the Real Estate Department	From March 2011
Chen Gang	Shekou Industrial Zone	Chief Economist	From April 2004
Hua Li	China Merchants Group	Director of the Finance Department	From December 2011
Liu Qingliang	China Merchants Group	Director of the Audit Department	From November 2014
Huang Junlong	Shekou Industrial Zone	Chief Financial Director	From December 2011

Note: the above directors and supervisors are not employed on a full-time or part-time basis in unit outside China Merchants Group system.

(III) Employment of directors and supervisors in other units

Main work experiences of current directors and supervisors

III. Compensation of directors, supervisors and officers

Decision-making process and determination basis for compensation of directors, supervisors and officers:

The remuneration and appraisal committee of the BOD of the Company has formal and transparent procedures and is responsible for the formulation and review of the remuneration policies and schemes according to the main scope and responsibilities of directors, officers and management posts, and pay levels and combination of industry-related posts. Develop assessment standards for the directors (excluding the independent directors), and officers of the Company, mainly including performance evaluation standard, procedure and main evaluation system, the main scheme and system of rewards and punishment, etc, reviewing the performance of duties of the Company's directors and officers, and performing annual performance appraisal in accordance with the assessment standard.

The BOD of the Company determines remuneration standards for the directors and officers of the Company according to the Company's compensation management system and the annual performance review by the board remuneration and appraisal committee. The subsidiary standard for independent directors shall be approved by the resolution of general meetings of shareholders. The remuneration of worker supervisor is determined by Employee Remuneration Review System of the Company. Other directors and supervisors were not compensated by the Company during the reporting period.

Unit: RMB 10,000

Name	Title	Gender	Age	Position status	Total remuneration obtained from the Company	Total remuneration obtained from shareholder's company	Actual remuneration obtained during the reporting period
Sun Chengming	Chairman	Male	56	On-the-job			
Fu Gangfeng	Vice-chairman	Male	48	On-the-job			
Yang Tianping	Vice-chairman	Male	55	On-the-job			
He Jianya	Managing Director	Male	49	On-the-job	414.98		276.88
Hu Yong	Director	Male	48	On-the-job			
Wu Zhenqin	Director and Chief Financial Director	Female	56	On-the-job	294.30		153.93
Chen Gang	Director	Male	55	On-the-job			
Chai Qiang	Independent director	Male	53	On-the-job	12.00		12.00
Liu Hongyu	Independent director	Male	52	On-the-job	12.00		12.00
Lu Weixiong	Independent director	Male	54	On-the-job	12.00		12.00
Zhang Wei	Independent director	Male	43	On-the-job	12.00		12.00
Hua Li	Chairman of Board of Supervisors	Male	43	On-the-job			
Liu Qingliang	Supervisor	Male	55	On-the-job			
Huang Junlong	Supervisor	Male	49	On-the-job			
Chen Yan	Employee Supervisor	Female	36	On-the-job	56.93		37.75

Chen Qing	Employee Supervisor	Female	32	On-the-job	42.29		29.26
Liu Wei	Deputy General Manager	Male	51	On-the-job	373.48		185.53
Yang Zhiguang	Deputy General Manager	Male	51	On-the-job	288.64		209.39
Hu Jianxin	Chief Green Low-carbon Officer	Male	56	On-the-job	288.01		209.06
Zhu Wenkai	Deputy General Manager	Male	47	On-the-job	293.28		214.20
Meng Cai	Deputy General Manager	Male	56	On-the-job	293.11		212.52
Zhang Lin	Deputy General Manager	Male	52	On-the-job	293.25		213.67
Wang Zhengde	Chief Economist	Male	51	On-the-job	288.91		209.73
He Fei	Deputy General Manager	Male	43	On-the-job	293.84		214.96
Wang Xi	Deputy General Manager	Male	44	On-the-job	293.47		214.38
Liu Ning	Secretary of the Board of Directors	Female	46	On-the-job	180.54		116.33
Lin Shaobin	Former Chairman	Male	54	Quitted			92.26
Wang Hong	Former Director	Male	52	Quitted			
Wang Li	Former Deputy General Manager	Male	59	Quitted	237.12		185.87
Total	--	--	--	--	3,980.15		2,743.42

Note: The total remuneration received from the Company includes payable basic wage, bonus, subsidiaries, employee's welfare paid by the Company and shareholder's unit and various insurances, reserved fund, annuity, and other total remuneration; actual remuneration during the reporting period means actual payment received from the Company and shareholder's units, including basic wage, bonus, subsidiaries, employee's welfare and various insurances, reserved fund, annuity, and other total remuneration that has been deducted tax payable and withholding charges.

Equity incentive granted to the directors, supervisors and officers of the Company

Name	Title	Exercisable shares in the reporting period	Exercised shares in the reporting period	Exercise price of exercised shares in the reporting period (RMB/share)	Market price at the end of reporting period (RMB/share)	Number of stock option held at the beginning of the reporting period	Number of new stock option granted in report period	Price granted to stock option (Yuan/share)	Number of stock option held at the end of the reporting period
Sun Chengming	Chairman				26.39		257,300	11.24	257,300
Fu Gangfeng	Vice-chairman				26.39		241,800	11.24	241,800
He Jianya	Managing Director				26.39		641,600	11.24	641,600
Hu Yong	Director				26.39		201,600	11.24	201,600
Wu Zhenqin	Director and Chief Financial Director				26.39		364,500	11.24	364,500
Liu Wei	Deputy General Manager				26.39		364,500	11.24	364,500
Yang Zhiguang	Deputy General				26.39		364,500	11.24	364,500

	Manager								
Hu Jianxin	Chief green low-carbon officer				26.39		364,500	11.24	364,500
Zhu Wenkai	Deputy General Manager				26.39		364,500	11.24	364,500
Meng Cai	Deputy General Manager				26.39		364,500	11.24	364,500
Zhang Lin	Deputy General Manager				26.39		364,500	11.24	364,500
Wang Zhengde	Chief Economist				26.39		364,500	11.24	364,500
He Fei	Deputy General Manager				26.39		364,500	11.24	364,500
Wang Xi	Deputy General Manager				26.39		356,100	11.24	356,100
Liu Ning	Secretary of the Board of Directors				26.39		259,100	11.24	259,100
Total	--			--	--		5,238,000	--	5,238,000
Remarks	The first grant date of the stock option of the Company is September 18, 2014; upon the exercise conditions are met, the validity period may be between the first transaction date after 36 months from the first grant date and the last transaction date within 60 months from the first grant date, between the first transaction date after 48 months from the first grant date and the last transaction date within 72 months from the first grant date, or between the first transaction date after 60 months from the first grant date and the last transaction date within 84 months from the first grant date, and the exercisable ratio of each exercise period is all 1/3.								

IV. Personnel changes of directors supervisors and officers

On February 24, 2014, upon approval in the first interim meeting of the seventh BOD of the Company in 2014, Hu Jianxin was engaged as the chief green low-carbon officer and chief engineer of the Company, and He Fei and Wang Xi were engaged as the Deputy General Managers of the Company.

On April 14, 2014, in the 2013 General Meeting of Shareholders Sun Chengming and Fu Gangfeng were appointed as the directors of the seventh board; in the twelfth meeting of the seventh BOD, Sun Chengming was appointed as the Chairman and Fu Gangfeng as the Vice Chairman of the Company.

Due to change of the job, Lin Shaobin resigned from the posts of director and chairman of the seventh BOD, Wang Hong Resigned from the post of director of the seventh BOD, and Hu Jianxin resigned from the post of Deputy General Manager of the Company.

Limited by the age, Wang Li resigned from the post of Deputy General Manager of the Company and is now serving as the senior consultant of the Company.

V. Change of core technical teams or key technicians during the reporting period

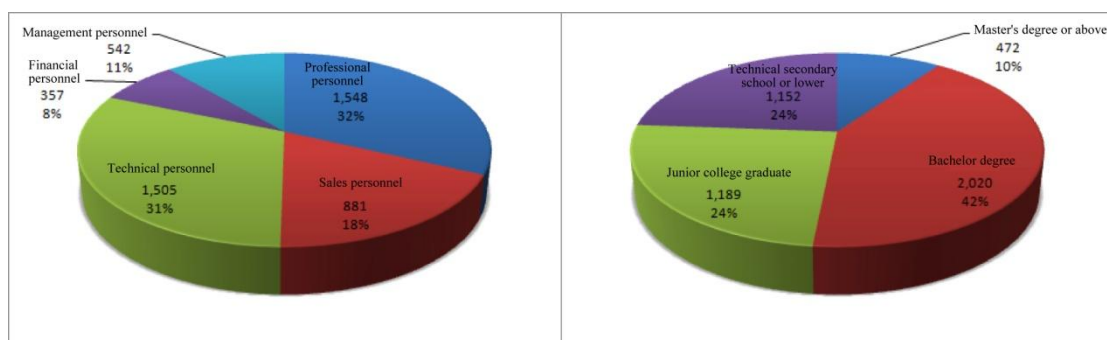
In the reporting period, the core technical team of key technical personnel remain stable without major change.

VI. Status of the Company's staff

By the end of 2014, the Company had 16,720 employees, including:

(I) 4,833 employees in real estate development and subordinate units (including power supply, properties and commercial supporting facilities), and the discipline and education background information is as follows:

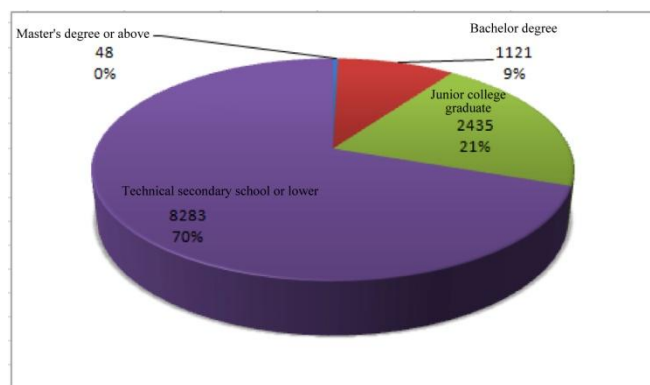
Professional occupation			Education background		
Type of employees	Number of people	Proportion	Type of employees	Number of people	Proportion
Professional personnel	1,548	32.03 %	Master's degree or above	472	9.77 %
Sales personnel	881	18.23 %	Bachelor degree	2,020	41.80 %
Technical personnel	1,505	31.14 %	Junior college graduate	1,189	24.61 %
Financial personnel	357	7.39 %	Technical secondary school or lower	1,152	23.84 %
Management personnel	542	11.22 %			
Total	4,833	100.00 %	Total	4,833	100.00 %



(II) 11,887 employees in total in property management system; the education background is as shown in the following table:

Type of employees	Number of people	Proportion
Master's degree or above	48	0.4 %
Bachelor degree	1121	9.4 %
Junior college graduate	2435	20.5 %
Technical secondary school or lower	8283	69.7 %
Total	11,887	100 %

Note: the Company needs not to assume the expenses for retired employees.



Section Eight Corporate Governance

I. Basic condition of corporate governance

(I) Basic Information of Corporate Governance

During the reporting period, the Company constantly improves the corporate governance structure and regulates the operation of company in accordance with requirements of Company Law, Securities Law and other laws and regulations. There is no difference between governance structure and *Articles of Association* and relevant regulations of CSRC.

The corporate governance structure is sound; and the General Meeting of Stockholders, Board of Directors and Board of Supervisors are in the standardized operation and perform function and power in accordance with stipulations of laws and regulations as well as articles of company. All the previous meeting notices, decisions, meeting agenda and information disclosure of General Meeting of Stockholders, Board of Directors and Board of Supervisors meet requirements of legal procedures. The Company has always attached great importance to the information disclose. The true, accurate, complete and timely information disclose guarantees that all shareholders enjoy equal status and ensures that all shareholders, especially minority shareholders, enjoy the right to know and participate for major items of the company.

The holding shareholders and actual controller of company support the Company to improve governance structure and enhance corporate governance. The holding shareholders and actual controller of company fulfill their commitments all the time and support the sound development of company.

(II) Activities of Corporate Governance

The Company, in accordance with requirements of China Securities Regulatory Commission (CSRC) for enhancing special activities of listed corporate governance, improves the corporate governance structure and enhances corporate governance. During the reporting period, Shenzhen Security Regulatory Bureau has inspected company governance, information disclosure, accounting and basic financial accounting work of the Company since January, 2014, and come up with regulatory comments. According to such supervision suggestions made by SACSRC, the Company further strengthens the awareness of standard operation and consolidates achievements of special governance activities. The Company actively participate in important trainings such as Warning Education Exhibition of Insider Trading organized by regulators; while at the same time, the Company also regularly organizes trainings of listing rules and laws and regulations for company directors, supervisors, officers and staff. During the reporting period, the Company is in standardized operation and there are no unresolved governance issues.

(III) Preparation and implementation of registration and administration system for persons with insider information

1. The Company has established Registration Management System of Inside Information Insiders in accordance with supervision requirements.

Registration Management System of Inside Information Insiders further clarifies the scope of inside information and such inside information insiders and regulates the approval and registration recording systems of inside information and duty of confidentiality. The System fully guarantees that there are rules to be followed for the management of company inside information. During the performance of System, the Company strictly performs the System, clearly divides labors and is clear about responsibilities; controls exports and uniformly be against products from foreign companies; and strengthens the audit and eliminates errors. During the reporting period, the inside information of Company is managed and controlled effectively and there are no any violations occurred.

2. Submitting undisclosed information for major shareholders

During the reporting period, the Company conducts the information reporting and confidentiality work in accordance with scope of undisclosed information and approval process stipulated in Confidentiality and Reporting System for Related Insiders Providing Undisclosed Information for Major Shareholders. The undisclosed information submitted by the Company for major shareholders is mainly reviewed and approved by principals of related departments in the Company and submitted by means of report software or e-mails. The related personnel at each link are included into the scope of insiders. Such information, before being submitted, is approved by competent leaders. And the authorization approval records are complete. The substantial shareholder – Shekou Industrial Zone and the actual controller-China Merchants Group of the Company have strictly performed their commitments and used the unpublished information reported by the Company as required.

In the reporting period, unpublished information reported by the Company includes: monthly financial and business bulletins, quarterly financial statements, operating performance and cost analysis reports, statistical analysis report; annual financial budget, final accounts statements and planning forecast table for five years.

II. Annual general meeting and extraordinary general meeting during the reporting period

1. Annual general meeting of shareholders in this reporting period

Section number of meetings	Opening date	Name of proposal	Decision	Date of disclosure
As amended by Annual General Meeting of Shareholders 2013	April 14, 2014	2013 Financial Report	7 Proposals were passed by the meeting, of which Proposal 6 is related to a related transaction to which affiliated shareholders (including proxies) withdrew from voting.	April 15, 2014
		Annual Report and its Extract of 2013		
		2013 Profit distribution plan and the plan for converting capital reserves to share capital		
		Proposal on Further Employment of External Audit report		
		Proposal on Review of the Company's Providing Guarantee Limit to Controlling Subsidiary in 2014		
		Proposal on Review of the Company's Providing Guarantee Limit to China Merchants Guangming Science Park Co., Ltd. in 2014		
		Proposal on Election of the Seventh BOD		

2. Extraordinary general meeting of shareholders in this reporting period

Section number of meetings	Opening date	Name of proposal	Decision	Date of disclosure
2014 first extraordinary shareholder meeting	September 16, 2014	Proposal on Provision of Guarantee for the Trust Loan of China Merchants (Shenzhen) Construction Co., Ltd.	The meeting approved 9 proposals, of which, Proposal 6 through Proposal 9 are about the stock option incentive plan, therefore, the objects and agents of the stock option incentive plan of the Company withdrew from their voting.	September 17, 2014
		Proposal on Revision of the Articles of Association		
		Proposal on Revision of the Rules of Procedure of the BOD		
		Proposal on Revision of the Rules of Procedure of the BOS		
		Proposal on Review of the Company's Shareholder Return Planning for Future Three Years (2014-2016)		
		Proposal on Review of Plan for Initial Granting of Stock Option (Draft) and its abstract		
		Proposal on Formulation of the Company's Measures on Implementation Assessment of the Stock Option Incentive Plan		
		Proposal on Formulation of the Company's Measures on Management of the Stock Option Incentive Plan		
	Proposal on Authorizing the BOD to Handle Matters Related to the Stock Option Incentive Plan			
2014 second extraordinary general meeting	October 24, 2014	Proposal on Application to the General Meeting of Shareholders for Authorization of Issuing Medium-term Notes	Pass	October 25, 2014
2014 third extraordinary shareholder meeting	December 02, 2014	Proposals on Company's Eligibility for Public Issuance of A Share Convertible Bonds	8 Proposals were passed by the meeting, of which Proposal 8 is related to a related transaction to which affiliated shareholders (including proxies) withdrew from voting.	December 03, 2014
		Proposals on Company's Public Issuance Plan of A Share Convertible Bonds		
		Plan on Public Issuance of A Share Convertible Bonds of China Merchants Property Development Co., Ltd.		
		Feasibility Research Report on Use of Proceeds from Public Issuance of A Share Convertible Bonds of China Merchants Property Development Co., Ltd.		
		Report on Use of Proceeds from Previous Public Issuance of A Share Convertible Bonds of China Merchants Property Development Co., Ltd.		
		Proposal on Shareholders Meeting' Authorization to Board of Directors on Public Issuance of A Share Convertible Bonds		
		Proposal on Amendments to <i>Management System for Proceeds from Issuance of Convertible Bonds of China Merchants Property Development Co., Ltd.</i>		
		Proposal on Offering Guarantee for Bank Loans of China Merchants Group Industrial Park (Qingdao) Development Co., Ltd.		

III. Performance of Independent Directors during this reporting period

1. Description of attendance of independent directors in Board of Directors and general meeting

Description of attendance of independent directors in Board of Directors						
Name of independent directors	Times of attending director meeting during this reporting period	Times of attendance	Times of attendance of communication ways	Times of attendance of authorization	Times of absence	Whether absent from the meeting in two successive times
Chai Qiang	23	4	18	1		No
Liu Hongyu	23	3	18	2		No
Lu Weixiong	23	5	18			No

Zhang Wei	23	4	18	1		No
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In the reporting period, the Company had four general meetings of shareholders and all independent directors were present.

2. Dissidence to items relevant to the Company from independent directors

In the reporting period, independent directors put forward no objection to the proposals and other issues of the Company reviewed by the BOD Meeting.

3. Other description of performance of independent directors

In the reporting period, the four independent directors of the Company carefully performed their duties according to the supervision regulations and the Working Instructions to Independent Directors of the Company:

(I) Presence of independent directors in the BOD meetings and general meetings of shareholders

In the reporting period, all independent directors attended all BOD meetings of the Company. Detailed presence information is seen in abovementioned table.

In the reporting period, the Company had four general meetings of shareholders and all independent directors were present.

(II) Participation in the work of the three special committees of the BOD

In the reporting period, all independent directors gave full play to their specialties and actively participated in the work of special committees. Under the guidance of the independent directors, the strategic committee enhanced the research on industry development trend, assisted the Company in further seeking for long-term development, and effectively guided the Company to cope with market changes through interpretation of macro and industrial policies; the independent directors of the Audit Committee provided professional decision-making support for internal control construction, annual audit, associated transaction, etc. Under the guidance of independent directors of the remuneration and appraisal committee of the Company, the Company implemented stock option incentive plan and established a three-dimensional incentive and binding mechanism combing short-term, medium-term and long-term incentives.

(III) Visit of the business site of the Company

In the reporting period, independent directors visited the site where the real estate project of the Company is located during the BOD meetings or specially to survey the operation of the Company, and made precious comments on the product and sales strategies of the Company.

(IV) Independent comments

In the reporting period, according to the supervision regulations and the Working Instructions to Independent Directors, independent directors made independent comments on employment of senior executives, associated transactions, external guarantee, further employment of auditor body, internal control self-evaluation report, etc., and exactly performed their supervision duties.

In the reporting period, there is no case where the relevant suggestions of independent directors to the Company are not adopted.

IV. Execution of duty of special committee under Board of Directors during the reporting period

1. Performance of duties of the Strategy Committee of the BOD.

Confronted with the complicated market situation, the Strategy Committee has carefully performed its duties according to the Articles of Association and the Working Instructions to the Strategy Committee to keenly find the change of external environment, timely grasped the direction of the industry policies and actively guides the Company to make development strategy, and realized sophisticated urban research under the strategy guidance through top-down strategy organization and implementation, so as to ensure the realization of annual operation objectives and sustainable development of the Company.

2. Performance of Audit Committee of the Board of Directors

In the reporting period, according to relevant supervision regulations, the Audit Committee's work mainly includes: direct the arrangement of annual audit work; during annual audit, timely communicate and discuss the audit plan with accountants for annual audit, and audit relevant issues in the progress; it has successively reviewed the 2014 annual finance report of the Company for three times and presented written review comments; it objectively evaluated the work of the accounting firm responsible for annual audit, wrote the summary reports related to audit work, and put forward suggestions on the further employment of accounting firm by the Company. In addition, the Audit Committee has offered guidance for the construction of the Company's internal control and other work.

3. Performance of the Remunerations and Assessment Committee of BOD

In 2014, the Remunerations and Assessment Committee continues to guide the Company to refine the performance management instruments, perfect the incentive and restraint mechanism, during reporting period, guide the Company to formulate and release the Guidelines for the Administrative Operations of Expatriates (2014 version), the Instructive Opinions on Timely Incentive by the City Company and the Guidelines for the Administrative Operations of the Project Incentives with the Whole Plate. Meanwhile, the Remunerations and Assessment Committee also supervises the work of implementation of stock option incentive by the Company and the work of the daily salary management and assessment as well as the performance conditions of remunerations of directors and senior executives and expresses opinions.

V. Work of the Board of Supervisors

In 2014, the BOS seriously conducted the work in accordance with the relevant laws and regulations and

relevant provisions of the Rules of Procedure for the BOS, and conducted the supervision and inspection to the Company for its legal operative condition, financial condition, related transaction condition, self-assessment report of internal control and other matters and expressed positive opinions. It has performed its supervising duties according to law.

In the reporting period, a total of 11 meetings were held by the BOS, and periodical reports, equity incentive plans and awards and changes in the accounting estimates and other matters were approved. The members of the BOS attended previous BOD meetings and stockholder meeting of the Company, supervised the convening, holding procedures and decision-making process for general meetings of shareholders and BOD meetings of the Company, implementation of decisions of general meetings of shareholders by the BOD, fulfillment of duties of the senior managerial personnel of the Company and implementation of the management system of the Company, and urged the Company's BOD and management to operate according to law and make scientific decisions.

Except the above-mentioned risk factors, no any other risk of the Company was found by the BOS in the supervising activities during the reporting period.

VI. Independence and completeness in terms of business, personnel, asset, organization and finance of the Company against the controlling shareholder

The Company is independent with controlling shareholders in terms of business, personnel, asset, organization and finance and has independent and complete business and operation ability.

VII. Horizontal competition

In the reporting period, no any horizontal competition existed between the Company, controlling shareholders and actual controllers.

VIII. Performance evaluation and incentive system for officers

The appraisal on the senior managerial personnel was conducted by the Company by combination of KPI assessment, 360 - degree comprehensive assessment and annual interview assessment, and the results of appraisal of the senior managerial personnel were significant basis for determining their post adjustment and remuneration level by the Company.

According to the Articles of Association and relevant laws and regulations, when deciding the incentives of the officers, the BOD of the Company laid emphasis on the association with the performance and management performance, and reasonably determined the remuneration level of the senior managerial personnel by reference to marketing level.

Section Nine Internal Control

I. Establishment of internal control

(I) Overview of internal control of the Company

The Company is among the 26 enterprises for internal control standard construction pilot under Shenzhen jurisdiction of the Securities Bureau, and has established standard and effective internal control system according to the regulations of the Company Law, Securities Law and Listing Rules of Shenzhen Stock Exchange based on the business structural features of the industry and the Company.

(II) Establishment and implementation of internal control system

The current internal control system of the Company mainly includes: with the Function Management Authority Manual and Business Management Authority Manual as basic framework and supported by specific procedure guidance document, the Company imposes control by way of three-level organization structure “controlling head office, regional head office and city company”, establishes good internal environment and implements effective control through reasonably post set-up and HR policies, supervises and checks internal control by way of internal audit, internal control checking and professional surveillance tests, assesses relevant risks based on comprehensive risk management work and ensures effective communication by way of internal report and announcement to promote the implementation of rectification and system revision.

During the reporting period, the Company has conducted the systematic carding and optimization for involved approval authorities of functions and business approval authorities during the daily operation and then formed the 2014 Functional Management Rights and Liabilities Manual and Business Management Rights and Liabilities Manual. The Company further clarifies the rights and liabilities distribution relation for organizations at all levels during functional management, simplifies the business approval path, improves the transparency of business operations and effectively manages and controls risks. Thus, the Company has laid a solid foundation for improving management, promoting the meticulous management, strengthening internal risk control and increasing efficiency.

In addition, the Audit Department of the Company continues to perfect and optimize internal control self-evaluation templates of relevant content for the purpose of improving suitability based on the guidance revision of this year and internal control self-evaluation templates of previous years.

(III) Set-up of internal control supervision department

The Company impose multi-level supervision and control on the implementation of internal control. The Audit Committee of the BOD reviews and supervises the effective implementation and self-evaluation of internal control. The Internal Control Regulation Team of the Company is responsible for direction and supervision of the establishment, perfection and implementation of the internal control system of the Company. The Audit Department of the Company is responsible for daily supervision under the Audit Committee of the BOD. The Company employs audit agency to audit the internal control self-assessment report.

II. Declaration by the Board of Directors on the internal control responsibility

To establish, perfect and effectively implement internal control is the responsibility of the Company's BOD who shall be responsible for the authenticity of internal control evaluation report. The goal of internal control of the Company is to reasonably ensure legal compliance of operation, asset security, true and complete financial reports and related information, improve the management efficiency and effectiveness and promote the realization of development strategy. Due to inherent limitations of internal control, the achievement of the mentioned objective can only be reasonably guaranteed. In addition, due to the change of situation which lead to inappropriate internal control or lowering of the degree in following control policies and procedures, it is expected that the validity of future internal control may face certain risk according to the internal control evaluation results.

III. Basis for establishing internal control of financial reports

The Company has set up a complete and effective accounting and financial management system according to the relevant laws and regulations and the Accounting Standards for Enterprises, Basic Norms for Internal Control, as well as the internal control application guidance of the financial report based on the characteristics of the real estate industry and the Company's own production and business operation characteristics. The Company has set reasonable posts of financial accounting and finance management, specified corresponding duties and authorities and equipped financial personnel suitable for the development of the Company, which have ensured the finance management work in compliance and in order. The Company formulated Accounting System and Financial Accounting Management Procedure mainly for the purpose of providing detailed guidance for accounting audit.

IV. Evaluation report of internal control

In 2014 Internal Control Self-Evaluation Report, according to the affirmation of financial report internal

control major defects of the Company, there is no major defect of financial report internal control by the base date of internal control evaluation report. The Company has maintained effective financial report internal control in all materials respects according to the requirements of enterprise internal control specification system and relevant regulations. According to the affirmation of non-financial report internal control major defects of the Company, there is no major defect of non-financial report internal control by the base date of internal control evaluation report. No factors affecting internal control effective evaluation results occur from the base date of internal control evaluation report to the issuing date of the internal control evaluation report.

V. Internal control audit report or attestation report

In recent years, the Company actively carried out internal control self-evaluation activity each year and engages audit report to audit the internal control self-evaluation report of the Company. ShineWing Certified Public Accountants gave clean opinions on the 2014 internal control self-evaluation report of the Company which are consistent with that given by the BOD of the Company.

VI. Establishment and implementation of accountability system for major mistakes in information disclosure in annual reports

In April 2010, at the twelfth meeting of the sixth BOD of the Company, the System on Investigation of Responsibility for Major Errors of Annual Report Information Disclosure. The Company prepares for all aspects of the annual report formulation, defines each person's responsibility, and there has never been any major error occurring to the annual report information disclosure.

Section Ten Audit Report

XYZH/2014SZA1021

All shareholders of China Merchants Property Development Co., Ltd.:

We have audited the attached financial statements of China Merchants Property Development Co., Ltd. (hereinafter referred to as “CMPD”), including Consolidated Balance Sheet as of December 31, 2014, Consolidated Profit Statement, Consolidated Cash Flow Statement, Consolidated Statement of Change in Stockholder Equity and Notes to Financial Statements of 2014.

I. Management's responsibility for the financial statements

The management of CMPD shall take responsibilities for formulating and presenting the financial statements. Such responsibilities include: (1) prepare the financial statements in accordance with the *Accounting Standards for Business Enterprises* to fairly and truly reflect situation of the Company; (2) design, implement and maintain the internal control that is relevant to the preparation of these financial statements so as to make the financial statements free of material misstatements which are caused by fraud and mistake.

II. CPA's responsibility

Our responsibilities are to express opinions on these financial statements based on our audit work. We conducted our audits in accordance with *Auditing Standards for CPAs of China*. *Auditing Standards for CPAs of China* requires us to observe occupational morality and to plan and conduct our audit to obtain reasonable assurance on whether the financial statements are free of material misstatement or not.

The audit involves performing auditing procedures to obtain the amounts of the financial statements and the auditing evidences disclosed. The procedures selected depend on the CPA's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. When making risk assessment, the CPA took the internal control relevant to the preparation of the financial statements and fair presentation into consideration so as to design appropriate auditing process. The audit work also includes evaluating the appropriateness of accounting policies selected and the rationality of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Audit opinions

In our opinion, the above financial statements of CMPD are in compliance with the Corporate Accounting System and, in all material respects, present fairly the financial standing of your consolidation and parent company dated December 31, 2014 and the operation results and cash flow of consolidation and parent company of 2014.

Shinewing Certified Public Accountants (Special Ordinary Partnership)

Beijing, China

CPA: Guo Jinlong Chinese Certified Public Accountant

Wang Yaming Chinese Certified Public Accountant

March 9, 2015

Consolidated Balance Sheet

December 31, 2014

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

Unit: yuan

Item	Note	Ending balance	Beginning balance
Current assets:			
Monetary funds	VI. 1	22,983,386,443.02	24,240,458,796.50
Financial assets measured at fair value with changes included in current profits and losses			
Notes receivable	VI. 2	4,390,000.00	4,000,000.00
Accounts receivable	VI. 3	68,311,944.30	76,864,814.81
Prepayments	VI. 4	3,619,194,870.49	2,815,967,507.79
Interest receivable			100,000.00
Dividends receivable	VI. 5	64,195,980.00	
Other receivables	VI. 6	8,941,860,794.39	13,683,883,876.17
Inventory	VI. 7	101,018,636,735.26	78,476,507,470.78
Divided into assets held for sale			
Non-current assets due within one year			4,175,229.58
Other current assets	VI. 8	3,550,695,892.97	3,550,197,939.60
Total current assets		140,250,672,660.43	122,852,155,635.23
Non-current assets:			
Available-for-sale financial assets			
Held-to-maturity investment			
Long-term accounts receivable			
Long-term equity investments	VI. 9	1,905,735,901.68	1,653,194,214.56
Investment property	VI. 10	5,447,243,949.46	5,661,844,333.88
Fixed assets	VI. 11	1,845,537,869.92	2,038,420,991.55
Construction in progress	VI. 12	84,973,050.61	104,895,578.36
Engineering material			
Liquidation of fixed assets			
Intangible assets	VI. 13	511,546,467.17	542,448,651.42
Development expenses			
Goodwill	VI. 14	159,560,861.23	159,560,861.23
Long-term deferred expenses	VI. 15	247,265,491.47	257,668,842.73
Deferred income tax assets	VI. 16	1,239,828,866.61	770,257,880.69
Other non-current assets			
Total non-current assets		11,441,692,458.15	11,188,291,354.42
Total assets		151,692,365,118.58	134,040,446,989.65

The Notes are the integral part of the financial statement, and the financial statement is signed by the following persons

Legal representative: Sun Chengming Accounting supervisor: Wu Zhenqin Legal representative of the accounting firm: Li Shifang

Consolidated Balance Sheet (Continued)

December 31, 2014

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

Unit: yuan

Item	Note	Ending balance	Beginning balance
Current liabilities:			
Short-term loans	VI. 17	3,886,900,000.00	4,250,000,000.00
Financial liabilities measured at fair value with changes included in current profits and losses			
Notes payable	VI. 18	47,344,138.00	27,267,637.07
Accounts payable	VI. 19	15,213,477,059.40	12,010,832,454.50
Advance received	VI. 20	35,599,290,811.40	37,517,671,641.79
Payroll payable	VI. 21	398,745,343.32	385,894,712.53
Tax payable	VI. 22	3,133,693,418.62	1,464,425,877.10
Interests payable	VI. 23	192,136,769.30	152,361,058.07
Dividends payable	VI. 24	160,730,318.08	120,927,194.29
Other payables	VI. 25	11,782,505,874.39	9,009,337,462.53
Divided into liabilities held for sale			
Non-current liabilities due within one year	VI. 26	5,970,100,938.48	6,331,007,932.13
Other current liabilities	VI. 27	3,729,367,673.26	3,566,701,090.18
Total current liabilities		80,114,292,344.25	74,836,427,060.19
Non-current liabilities:			
Long-term loans	VI. 28	24,666,515,200.02	17,051,917,894.42
Bonds payable	VI. 29	3,018,076,924.57	3,003,382,977.23
Including: preferred shares			
Perpetual capital securities			
Long-term payables	VI. 30	104,353,146.52	102,745,035.90
Long-term payroll payable			
Special payables			
Estimated liabilities	VI. 31		10,473,360.10
Deferred income	VI. 32	6,526,053.33	9,736,760.00
Deferred income tax liabilities	VI. 16	35,822,337.24	108,596,697.05
Other non-current liabilities			
Total non-current liabilities		27,831,293,661.68	20,286,852,724.70
Total liabilities		107,945,586,005.93	95,123,279,784.89
Owners' equity:			
Share capital	VI. 33	2,575,950,754.00	1,717,300,503.00
Other equity instruments			
Including: preferred shares			
Perpetual capital securities			
Capital reserve	VI. 34	8,529,757,654.36	8,458,826,075.70
Less: treasury stocks			
Other comprehensive income	VI. 35	78,901,353.52	78,901,353.52
Special reserves			
Surplus reserve	VI. 36	1,246,228,257.72	1,133,515,392.99
Undistributed profits	VI. 37	18,663,578,091.22	15,336,958,642.03
Total owners' equity attributable to parent company		31,094,416,110.82	26,725,501,967.24
Minority shareholders' equity		12,652,363,001.83	12,191,665,237.52
Total shareholders' equity		43,746,779,112.65	38,917,167,204.76
Total liabilities and shareholders' equity		151,692,365,118.58	134,040,446,989.65

Consolidated Balance Sheet of Parent Company

December 31, 2014

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

Unit: yuan

Item	Note	Ending balance	Beginning balance
Current assets:			
Monetary funds		8,893,516,594.16	6,296,121,745.68
Financial assets measured at fair value with changes included in current profits and losses			
Notes receivable			
Accounts receivable			
Prepayments			193,000.00
Interest receivable		25,144,020.00	11,814,660.00
Dividends receivable		2,037,168,805.28	1,186,411,976.56
Other receivables	XVI. 1	29,205,557,475.48	28,619,556,967.65
Inventory			
Divided into assets held for sale			
Non-current assets due within one year			
Other current assets			
Total current assets		40,161,386,894.92	36,114,098,349.89
Non-current assets:			
Available-for-sale financial assets			
Held-to-maturity investment			
Long-term accounts receivable			
Long-term equity investments	XVI. 2	8,926,259,288.07	9,227,039,815.19
Investment property			
Fixed assets		1,153,721.49	1,548,967.06
Construction in progress			
Engineering material			
Liquidation of fixed assets			
Intangible assets			
Development expenses			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets			
Other non-current assets			
Total non-current assets		8,927,413,009.56	9,228,588,782.25
Total assets		49,088,799,904.48	45,342,687,132.14

Balance Sheet of Parent Company (continued)

December 31, 2014

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

Unit: yuan

Item	Note	Ending balance	Beginning balance
Current liabilities:			
Short-term loans		3,275,000,000.00	2,250,000,000.00
Financial liabilities measured at fair value with changes included in current profits and losses			
Notes payable			
Accounts payable		320,143,894.81	
Advance received			
Payroll payable		9,402,578.82	9,010,550.63
Tax payable		656,908.61	4,569,810.63
Interests payable		139,423,235.44	90,378,579.30
Dividends payable			
Other payables		14,165,111,926.02	15,791,231,019.71
Divided into liabilities held for sale			
Non-current liabilities due within one year		4,012,581,100.00	2,404,241,120.00
Other current liabilities			357,710.82
Total current liabilities		21,922,319,643.70	20,549,788,791.09
Non-current liabilities:			
Long-term loans		9,695,442,200.00	7,633,824,285.00
Bonds payable			
Including: preferred shares			
Perpetual capital securities			
Long-term payables			
Long-term payroll payable			
Special payables			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		9,695,442,200.00	7,633,824,285.00
Total liabilities		31,617,761,843.70	28,183,613,076.09
Owners' equity:			
Share capital		2,575,950,754.00	1,717,300,503.00
Other equity instruments			
Including: preferred shares			
Perpetual capital securities			
Capital reserve		8,077,543,540.86	8,927,054,193.00
Less: treasury stocks			
Other comprehensive income			
Special reserve			
Surplus reserve		1,195,276,864.72	1,082,563,999.99
Undistributed profits		5,622,266,901.20	5,432,155,360.06
Total shareholders' equity		17,471,038,060.78	17,159,074,056.05
Total liabilities and shareholders' equity		49,088,799,904.48	45,342,687,132.14

Consolidated statement

2014

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

Unit: yuan

Item	Note	Amount incurred in this year	Amount incurred in previous year
I. Total operating income		43,385,058,201.09	32,567,813,857.52
Including: operating income	VI. 38	43,385,058,201.09	32,567,813,857.52
II. Total operating cost		35,401,691,445.07	25,209,872,088.20
Including: operating cost	VI. 38	27,189,241,648.40	19,045,102,287.65
Operating taxes and surcharges	VI. 39	5,417,546,136.10	4,577,575,494.22
Sales expenses	VI. 40	887,760,646.25	770,608,081.81
Management expenses	VI. 41	547,186,542.29	555,894,821.96
Financial expenses	VI. 42	819,195,354.51	614,458,390.98
Assets impairment losses	VI. 43	540,761,117.52	-353,766,988.42
Add: income from changes in fair value (“-” indicates the loss)			
Investment profit (“-” indicates the loss)	VI. 44	325,044,301.79	557,493,075.02
Including: investment income from affiliated enterprises and joint ventures	VI. 44	330,543,039.33	299,030,107.66
III. Operating profit (“-” indicates the loss)		8,308,411,057.81	7,915,434,844.34
Add: non-operating income	VI. 45	66,806,471.06	69,414,481.75
Including: gains from disposal of non-current assets	VI. 45	57,109.85	604,183.76
Less: non-operating expenditure	VI. 46	49,173,505.26	29,447,080.00
Including: loss from disposal of non-current assets	VI. 46	447,988.42	2,183,321.32
IV. Total profit (“-” indicates the total loss)		8,326,044,023.61	7,955,402,246.09
Less: income tax	VI. 47	2,816,193,561.77	2,458,865,329.17
V. Net profit (“-” indicates the net loss)		5,509,850,461.84	5,496,536,916.92
Net profits attributable to the parent company shareholders		4,263,636,555.36	4,190,374,825.04
Gain and loss of minority shareholders		1,246,213,906.48	1,306,162,091.88
VI. After-tax net of other comprehensive incomes			-266,154.33
After-tax net of other comprehensive incomes owned by the owner of the parent company			-9,505,824.86
(I) Other comprehensive incomes that cannot be classified into profit and loss in the future			
1. Re-measurement of changes in net liabilities or net assets in defined benefit plan			
2. Share in other comprehensive incomes that cannot be reclassified into profit and loss in investee by equity method			
(II) Other comprehensive incomes that would be classified into profit and loss in the future			-9,505,824.86
1. Shares in other comprehensive incomes that can be reclassified into profit and loss in investee by equity method in the future			
2. Loss and profit of change in fair value of available-for-sale financial assets			
3. Loss and profit of available-for-sale financial assets of held-to-maturity investments			
4. Effective part of hedge profit and loss of cash flow			
5. Translation difference in the foreign currency financial statement			-9,505,824.86
6. Others			
Net of tax from other comprehensive incomes owned by minority stockholders			9,239,670.53
VII. Total comprehensive income		5,509,850,461.84	5,496,270,762.59
Total consolidated income attributable to the shareholder of the parent company		4,263,636,555.36	4,180,869,000.18
Total consolidated income attributable to minority shareholders		1,246,213,906.48	1,315,401,762.41
VIII. Earnings per share:			
(I) Basic earnings per share		1.66	1.63
(II) Diluted earnings per share		1.66	1.63

Profit Statement of Parent Company

2014

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

Unit: yuan

Item	Note	Amount incurred in this year	Amount incurred in previous year
I. Operating income	XVI. 3	5,670,000.00	24,520,000.00
Less: operating cost	XVI. 3	4,878,611.86	2,540,090.96
Operating taxes and surcharges		3,174,279.26	5,190,372.00
Sales expenses			
Management expenses		48,669,410.68	44,727,346.09
Financial expenses		83,314,177.16	360,885,008.65
Assets impairment losses			
Add: income from changes in fair value ("-" indicates the loss)			
Investment profit ("-" indicates the loss)	XVI. 4	1,261,963,792.81	1,455,330,648.13
Including: investment income from affiliated enterprises and joint ventures	XVI. 4	-805,433.81	-5,590,772.71
II. Operating profit ("-" indicates the loss)		1,127,597,313.85	1,066,507,830.43
Add: non-operating income		200,000.13	
Including: gains from disposal of non-current assets			
Less: non-operating expenditure		668,666.67	9,163,879.51
Including: loss from disposal of non-current assets			
III. Total profit ("-" indicates the total loss)		1,127,128,647.31	1,057,343,950.92
Less: income tax			
IV. Net profit ("-" indicates the loss)		1,127,128,647.31	1,057,343,950.92
V. After-tax net of other comprehensive incomes			
(I) Other comprehensive incomes that cannot be classified into profit and loss in the future			
1. Re-measurement of changes in net liabilities or net assets in defined benefit plan			
2. Share in other comprehensive incomes that cannot be reclassified into profit and loss in investee by equity method			
(II) Other comprehensive incomes that would be classified into profit and loss in the future			
1. Shares in other comprehensive incomes that can be reclassified into profit and loss in investee by equity method in the future			
2. Loss and profit of change in fair value of available-for-sale financial assets			
3. Loss and profit of available-for-sale financial assets of held-to-maturity investments			
4. Effective part of hedge profit and loss of cash flow			
5. Translation difference in the foreign currency financial statement			
6. Others			
VI. Total comprehensive income		1,127,128,647.31	1,057,343,950.92

Consolidated statement of cash flows

2014

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

Unit: yuan

Item	Note	Amount incurred in this year	Amount incurred in previous year
I. Cash flows from operating activities:			
Cash received from sales of commodities and provision of services		41,608,963,264.17	42,524,900,792.38
Refunds of taxes and levies			15,808,867.22
Cash received from other operating activities	VI. 48	8,512,192,484.41	4,742,948,288.83
Sub-total of cash inflows from operating activities		50,121,155,748.58	47,283,657,948.43
Cash paid for purchasing goods and services		39,881,908,800.65	31,779,772,963.55
Cash paid to and for employees		1,787,414,090.41	1,462,218,085.03
Payments of taxes		8,058,164,657.57	7,793,961,358.12
Other cash paid relating to operating activities	VI. 48	6,840,723,680.07	5,751,781,987.22
Sub-total of cash outflows from operating activities		56,568,211,228.70	46,787,734,393.92
Net cash flows from operating activities		-6,447,055,480.12	495,923,554.51
II. Cash flows from investing activities:			
Cash received from withdrawal of investments			80,123.00
Cash received from returns on investments		20,548,073.61	326,819,319.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		107,184.00	374,097.82
Net cash received from disposal of subsidiaries and other business units		29,291,349.15	
Other cash received relating to investing activities	VI. 48	3,527,537.27	
Sub-total of cash inflows from investing activities		53,474,144.03	327,273,539.97
Cash paid to acquire fixed assets, intangible assets & other long-term assets		55,918,249.25	324,441,222.50
Cash paid to acquire investments		76,671,105.19	33,964,976.91
Net cash received from payment of subsidiaries and other business units			154,796,235.07
Cash payments relating to other investment activities	VI. 48		561,222,801.84
Sub-total of cash outflows from investing activities		132,589,354.44	1,074,425,236.32
Net cash flows from investing activities		-79,115,210.41	-747,151,696.35
III. Cash flows from financing activities:			
Cash received from capital contribution		1,596,048,344.17	1,610,886,152.23
Including: cash from the investment of minority shareholders of the subsidiaries		1,596,048,344.17	1,610,886,152.23
Cash received from borrowings		20,157,822,505.82	16,696,358,600.58
Cash from issue of bonds			3,003,382,977.23
Other cash received relating to financing activities			
Sub-total of cash inflows from financing activities		21,753,870,849.99	21,310,627,730.04
Cash repayment for debts		13,296,874,838.87	12,914,869,820.00
Cash paid for distribution of dividends and profits or payment of interests		2,709,853,982.36	2,161,728,243.21
Including: dividends and profits paid by subsidiaries to minority shareholders		271,914,574.62	149,669,583.36
Other cash payments relating to financing activities	VI. 48	521,900,000.00	
Sub-total of cash outflows from financing activities		16,528,628,821.23	15,076,598,063.21
Net cash flows from financing activities		5,225,242,028.76	6,234,029,666.83
IV. Influence of exchange rate change on cash and cash equivalents		13,007,999.54	34,372,878.81
V. Net increase of cash and cash equivalents		-1,287,920,662.23	6,017,174,403.80
Add: balance of cash and cash equivalents at the beginning of period		24,235,680,921.50	18,218,506,517.70
VI. Balance of cash and cash equivalents at the end of period	VI. 48	22,947,760,259.27	24,235,680,921.50

Cash Flow Statement of Parent Company

2014

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

Unit: yuan

Item	Note	Amount incurred in this year	Amount incurred in previous year
I. Cash flows from operating activities:			
Cash received from sales of commodities and provision of services		5,670,000.00	92,520,000.00
Refunds of taxes and levies			
Cash received from other operating activities		5,363,719,819.80	11,565,003,778.48
Sub-total of cash inflows from operating activities		5,369,389,819.80	11,657,523,778.48
Cash paid for purchasing goods and services			
Cash paid to and on behalf of employees		30,248,918.14	21,215,403.93
Payments of taxes		6,930,551.31	38,460,491.31
Other cash paid relating to operating activities		6,922,182,900.93	7,082,018,486.58
Sub-total of cash outflows from operating activities		6,959,362,370.38	7,141,694,381.82
Net cash flows from operating activities		-1,589,972,550.58	4,515,829,396.66
II. Cash flows from investing activities:			
Cash received from withdrawal of investments		470,000,000.00	
Cash received from returns on investments		407,810,317.92	3,152,299,129.15
Net cash received from disposal of fixed assets, intangible assets & other long-term assets			
Net cash received from disposal of subsidiaries and other business units			49,966,963.90
Other cash received relating to investing activities			
Sub-total of cash inflows from investing activities		877,810,317.92	3,202,266,093.05
Cash paid to acquire fixed assets, intangible assets and other long-term assets		48,740.00	1,350,550.00
Cash paid to acquire investments		88,671,105.19	3,364,741,275.00
Net cash received from payment of subsidiaries and other business units			
Cash payments relating to other investment activities			
Sub-total of cash outflows from investing activities		88,719,845.19	3,366,091,825.00
Net cash flows from investing activities		789,090,472.73	-163,825,731.95
III. Cash flows from financing activities:			
Cash received from capital contribution			
Cash received from borrowings		9,754,325,750.00	5,894,463,250.00
Cash from issue of bonds			
Other cash received relating to financing activities			
Sub-total of cash inflows from financing activities		9,754,325,750.00	5,894,463,250.00
Cash repayments of amounts borrowed		5,062,074,000.00	7,972,050,460.00
Cash payments for interest expenses and distribution of dividends or profit		1,296,895,486.17	1,255,902,247.76
Other cash payments relating to financing activities			
Sub-total of cash outflows from financing activities		6,358,969,486.17	9,227,952,707.76
Net cash flows from financing activities		3,395,356,263.83	-3,333,489,457.76
IV. Influence of exchange rate change on cash and cash equivalents		2,920,662.50	-200,338.56
V. Net increase of cash and cash equivalents		2,597,394,848.48	1,018,313,868.39
Add: balance of cash and cash equivalents at the beginning of period		6,296,121,745.68	5,277,807,877.29
VI. Balance of cash and cash equivalents at the end of period		8,893,516,594.16	6,296,121,745.68

Consolidated Statement of Owners' Equity Changes

2014

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

Unit: yuan

Item	Current year												
	Total shareholders' equity attributed to parent company											Minority shareholders' equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	General risk provisions	Undistributed profits		
Preferred share		Perpetual capital securities	Others										
I. Balances at the end of previous year	1,717,300,503.00				8,458,826,075.70		78,901,353.52		1,133,515,392.99		15,336,958,642.03	12,191,665,237.52	38,917,167,204.76
Add: profit or loss from accounting policy changes													
Fund for corrections of errors of previous period													
Corporate combination under common control													
Others													
II. Balances at the beginning of this year	1,717,300,503.00				8,458,826,075.70		78,901,353.52		1,133,515,392.99		15,336,958,642.03	12,191,665,237.52	38,917,167,204.76
III. Increased/decreased amount this year ("-" indicates decrease)	858,650,251.00				70,931,578.66				112,712,864.73		3,326,619,449.19	460,697,764.31	4,829,611,907.89
(I) Total comprehensive income											4,263,636,555.36	1,246,213,906.48	5,509,850,461.84
(II) Capital paid in and reduced by shareholders					929,581,829.66							439,818,386.34	1,369,400,216.00
1. Ordinary share invested by shareholders												1,360,260,617.14	1,360,260,617.14
2. Capital invested by other equity instruments holders													
3. Amounts of share-based payments recognized in shareholders' equity					9,113,603.33								9,113,603.33
4. Others					920,468,226.33							-920,442,230.80	25,995.53
(III) Profit distribution									112,712,864.73		-937,017,106.17	-1,225,334,528.51	-2,049,638,769.95
1. Appropriation to surplus reserves									112,712,864.73		-112,712,864.73		
2. Appropriation of general risk reserves													
3. Distribution to owners (or shareholder)											-824,304,241.44	-1,225,334,528.51	-2,049,638,769.95

4. Others													
(IV) Internal carry-forward of shareholders' equity	858,650,251.00				-858,650,251.00								
1. Capital reserves transferred to share capital	858,650,251.00				-858,650,251.00								
2. Surplus reserves transferred to share capital													
3. Surplus reserves for making up losses													
4. Others													
(V) Special reserve													
1. Withdrawn amount of this year													
2. Utilization amount of this year													
(VI) Others													
IV. Balance at the end of this year	2,575,950,754.00				8,529,757,654.36	78,901,353.52	1,246,228,257.72		18,663,578,091.22	12,652,363,001.83	43,746,779,112.65		

Consolidated Statement of Owners' Equity (continued)

2014

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

Unit: yuan

Item	2009												
	Total shareholders' equity attributed to parent company										Minority shareholders' equity	Total owners' equity	
	Share capital	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	General risk provisions			Undistributed profits
Preferred share		Perpetual capital securities	Others										
I. Balances at the end of previous year	1,717,300,503.00				8,386,926,298.12				1,027,780,997.90		12,173,100,556.73	6,045,763,466.00	29,350,871,821.75
Add: profit or loss from accounting policy changes									88,407,178.38				88,407,178.38
Fund for corrections of errors of previous period													
Corporate combination under common control													
Others													
II. Balances at the beginning of this year	1,717,300,503.00				8,386,926,298.12				1,027,780,997.90		12,173,100,556.73	6,045,763,466.00	29,439,279,000.13
III. Increased/decreased amount this year ("-" indicates decrease)					71,899,777.58				-9,505,824.86		3,163,858,085.30	6,145,901,771.52	9,477,888,204.63
(I) Total comprehensive income									-9,505,824.86		4,190,374,825.04	1,315,401,762.41	5,496,270,762.59
(II) Capital paid in and reduced by shareholders					60,122,528.44						-405,592,193.75	5,541,001,830.59	5,195,532,165.28
1. Ordinary share invested by shareholders												5,161,250,375.40	5,161,250,375.40
2. Capital invested by other equity instruments holders													
3. Amounts of share-based payments recognized in shareholders' equity													
4. Others					60,122,528.44						-405,592,193.75	379,751,455.19	34,281,789.88
(III) Profit distribution									105,734,395.09		-620,924,545.99	-260,618,848.32	-775,808,999.22
1. Appropriation to surplus reserves									105,734,395.09		-105,734,395.09		

								9					
2. Appropriation of general risk reserves													
3. Distribution to owners (or shareholder)										-515,190,150.90	-260,618,848.32	-775,808,999.22	
4. Others													
(IV) Internal carry-forward of shareholders' equity													
1. Capital reserves transferred to share capital													
2. Surplus reserves transferred to share capital													
3. Surplus reserves for making up losses													
4. Others													
(V) Special reserve													
1. Withdrawn amount of this year													
2. Utilization amount of this year													
(VI) Others					11,777,249.14						-449,882,973.16	-438,105,724.02	
IV. Balance at the end of this year	1,717,300,503.00				8,458,826,075.70		78,901,353.52		1,133,515,392.99		15,336,958,642.03	12,191,665,237.52	38,917,167,204.76

Statement of Equity Changes of Parent Company Owner

2014

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

Unit: yuan

Item	Current year										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
		Preferred share	Perpetual capital securities	Others							
I. Balances at the end of previous year	1,717,300,503.00				8,927,054,193.00				1,082,563,999.99	5,432,155,360.06	17,159,074,056.05
Add: profit or loss from accounting policy changes											
Fund for corrections of errors of previous period											
Others											
II. Balances at the beginning of this year	1,717,300,503.00				8,927,054,193.00				1,082,563,999.99	5,432,155,360.06	17,159,074,056.05
III. Increased/decreased amount this year ("-" indicates decrease)	858,650,251.00				-849,510,652.14				112,712,864.73	190,111,541.14	311,964,004.73
(I) Total comprehensive income										1,127,128,647.31	1,127,128,647.31
(II) Capital paid in and reduced by shareholders					9,139,598.86						9,139,598.86
1. Ordinary share invested by shareholders											
2. Capital invested by other equity instruments holders											
3. Amounts of share-based payments recognized in shareholders' equity					9,113,603.33						9,113,603.33
4. Others					25,995.53						25,995.53
(III) Profit distribution									112,712,864.73	-937,017,106.17	-824,304,241.44
1. Appropriation to surplus reserves									112,712,864.73	-112,712,864.73	
2. Distribution to shareholders										-824,304,241.44	-824,304,241.44
3. Others											
(IV) Internal carry-forward of shareholders' equity	858,650,251.00				-858,650,251.00						
1. Capital reserves transferred to share capital	858,650,251.00				-858,650,251.00						
2. Surplus reserves transferred to share capital											
3. Surplus reserves for making up losses											
4. Others											
(V) Special reserve											

1. Withdrawn amount of this year											
2. Utilization amount of this year											
(VI) Others											
IV. Balance at the end of this year	2,575,950,754.00				8,077,543,540.86				1,195,276,864.72	5,622,266,901.20	17,471,038,060.78

Statement of Equity Changes of Parent Company Owner (continued)

2014

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

Unit: yuan

Item	2009										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
		Preferred share	Perpetual capital securities	Others							
I. Balances at the end of previous year	1,717,300,503.00				8,927,054,193.00				976,829,604.90	4,995,735,955.13	16,616,920,256.03
Add: profit or loss from accounting policy changes											
Fund for corrections of errors of previous period											
Others											
II. Balances at the beginning of this year	1,717,300,503.00				8,927,054,193.00				976,829,604.90	4,995,735,955.13	16,616,920,256.03
III. Increased/decreased amount this year ("-" indicates decrease)									105,734,395.09	436,419,404.93	542,153,800.02
(I) Total comprehensive income										1,057,343,950.92	1,057,343,950.92
(II) Capital paid in and reduced by shareholders											
1. Ordinary share invested by shareholders											
2. Capital invested by other equity instruments holders											
3. Amounts of share-based payments recognized in shareholders' equity											
4. Others											
(III) Profit distribution									105,734,395.09	-620,924,545.99	-515,190,150.90
1. Appropriation to surplus reserves									105,734,395.09	-105,734,395.09	
2. Distribution to shareholders										-515,190,150.90	-515,190,150.90
3. Others											
(IV) Internal carry-forward of shareholders' equity											
1. Capital reserves transferred to share capital											
2. Surplus reserves											

transferred to share capital											
3. Surplus reserves for making up losses											
4. Others											
(V) Special reserve											
1. Withdrawn amount of this year											
2. Utilization amount of this year											
(VI) Others											
IV. Balance at the end of this year	1,717,300,503.00				8,927,054,193.00				1,082,563,999.99	5,432,155,360.06	17,159,074,056.05

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

I. Company Profile

China Merchants Property Development Co., Ltd (hereinafter referred to as the Company and the Group when the subsidiaries are referred to), originally named China Merchants Shekou Holdings Co., Ltd and founded in Shenzhen, China, September 1990, is a joint venture through restructuring of China Merchants Shekou Port Service Co., Ltd by China Merchants Shekou Industrial Zone Co., Ltd (hereinafter referred to Shekou Industrial Zone).

In February 1993, the Company issued 27,000,000 Class A shares by way of public offering within the territory of People's Republic of China and 50,000,000 Class B shares outside the territory of People's Republic of China as approved by SFBF (1993) No. 358 Document issued by the General Office of the People's Government of Shenzhen. This made the total shares of the Company aggregate to 210,000,000 shares. A share and B share issued by the Company were listed on the Shenzhen Stock Exchange in June 1993.

In July 1995, part of B shares of the Company was listed on the Singapore Stock Exchange in the form SDR (Singapore Depository Receipts).

In July 2004, the Company was renamed as China Merchants Property Development Co., Ltd. As of December 31, 2004, the total shares of the Company aggregated to 618,822,672 shares through dividend payout and distribution from 1994 to 2004.

On January 18, 2006, the scheme of split structure reform of Class A shares was adopted at relevant shareholder' meetings of the Company, namely each holder of outstanding Class A shares of the Company can acquire two Class A shares and cash of RMB 3.14 from non-outstanding shareholders for every 10 outstanding Class A shares he or she held. After the implementation of the scheme, the total shares of the Company remained unchanged.

As approved by Doc.No.67 (ZJFZ [2006]) of China Securities Regulatory Commission, on August 30, 2006, the Company preferably placed the full amount to the shareholders of the original A share who waive part of 15,100,000 convertible bonds (with the par value of RMB100 for each) of the Company which was distributed by the way of public offering to institutional investors offline at fixed prices. This part of convertible bonds of the Company was listed on Shenzhen Stock Exchange for trading from September 11, 2006 ("China Merchants Convertible Bond" for short) and these bonds were converted into shares on March 1, 2007.

On May 25 2007, the China Merchants convertible bond stopped trading and converted, the non-converted bonds were repurchased by the Company. As result, the Company had a total

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

of 15,093,841 convertible bonds with the par value of RMB 1,509,384,100 converted to 115,307,691 shares; the remaining non-converted 6,159 bonds with the par value of RMB 615,900 were repurchased by the Company. As result, the total shares of the Company aggregated to 734,130,363 shares.

As approved by Doc.No.299 (ZJFXZ [2007]) of China Securities Regulatory Commission, the Company issued 110,736,639 non-public shares to Shekou Industrial Zone (the shareholder of the Company) on September 19, 2007. After this issuance, the total shares of the Company aggregated to 844,867,002 shares.

On March 17, 2008, the Scheme of Profit Distribution and Capitalization from Capital Public Reserve for 2007 was reviewed and adopted at the annual shareholder meeting in 2007, in which the Company made a profit contribution for every 10 shares with 3 shares based on 844,867,002 shares in total on December 31, 2007 and every 10 shares were distributed with 2 shares from capitalization of capital public reserve. After this distribution and conversion, the total shares of the Company aggregate to 1,267,300,503 shares.

As approved by Doc.No.989 (ZJXK [2008]) of China Securities Regulatory Commission , the Company publicly issued 450,000,000 shares to the shareholders of the original A share on November 26, 2008, of which Shekou Industrial Zone purchased 279,349,288 shares. After this issuance, the total shares of the Company aggregated to 1,717,300,503 shares.

On April 14, 2014, the Scheme of Profit Distribution and Capitalization from Capital Public Reserve to Capital Stock 2013 was reviewed and adopted at the annual shareholder meeting in 2013, in which every 10 shares were distributed with 5 ordinary shares from capitalization from capital public reserve based on the total 1,717,300,503 share at the end of 2013 . After this, a total of 858,650,251 shares were added and the total shares of the Company aggregated to 2,575,950,754 shares.

As of December 31, 2014, the total shares of the Company aggregated to 2,575,950,754 shares, of which there were 1,337,166,998 shares with trading limited conditions (accounting for 51.91% of total shares) and 1,238,783,756 shares without trading limited conditions (accounting for 48.09% of total shares).

The Company is a property development company, mainly engaging in the property development, operation and management and utilities (power) supply services.

The controlling shareholder of the Company is Shekou Industrial Zone, and the ultimate controlling party is China Merchants Group. The Shareholder's General Committee is the

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Company's organ of authority and shall exercise decision right of such major events as preparation of operational guideline, financing, investment, profit distribution, etc. The Board of Directors is accountable to the Shareholder's General Committee and shall exercise the rights of management and decision-making; the management is liable for the organization and implementation of decisions of Shareholder's General Committee and Board of Directors, and organization of production, operation and management of the Company.

II. Scope of consolidated financial statements

The consolidated financial statements of the Group involve 178 companies such as the Company and China Merchants Real Estate (Shenzhen) CO., LTD. Compared to last year, 33 companies such as China Merchants (Yantai) Property Co., Ltd. are added and one company (China Merchants Honglong (Zhangzhou) Property Co., Ltd) is removed this year since it was canceled.

For details, see Note "VII Change in consolidation scope" and "VIII Rights and interests in other parties".

III. Formulation basis of financial statements

The financial statements were prepared on the basis of going-concern assumption, actual trades, Enterprise Accounting System issued by the Ministry of Finance as well as accounting policies and accounting estimates based on Note IV "Significant Accounting Policies and Accounting Estimates".

IV. Significant Accounting Policies and Accounting Estimates

1. Statement for Compliance with Enterprise Accounting System

The financial statements prepared by the Company fully comply with Accounting Standards for Business Enterprise and demonstrate truly and completely the financial status of the Company and the Group, operating performance and cash flow.

2. Accounting period

The fiscal year of the Group runs from January 1 to December 31 of each calendar year.

3. Reporting Currency

RMB is adopted as the functional currency of the Group.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

4. Accounting methods for corporate merger under the same control and not under the same control

The assets and debts acquired by the Group (as the merging party) through merging with other enterprises under common control shall be measured as per the book value of the merged party in the consolidated financial statements of the ultimate controller on the day of merger. The difference between the book value of net assets acquired and the book value of the combination paid is used to adjust the capital reserves, and the retained earnings are adjusted in case of insufficient capital reserves.

Regarding combination not under common control, the recognizable assets, liabilities and contingent liabilities of the seller are measured upon fair value on the purchase day. The merger cost is the sum of cash or the fair value of non-cash assets, issued or borne debts and issued equity securities paid by the Group for acquiring the control over the acquiree on the purchase day and all of the expenses incurred to the Group directly relevant to the merging. In case of merging by step, the merger cost is the sum of the cost of every single transaction. Where the merger cost is more than acquired definable net assets fair proportion of the acquiree, the balance is recognized as goodwill. Where the merger cost is less than acquired definable net assets fair proportion of the acquiree, the definable assets, debts, fair value of contingent liabilities and the fair value of the non-cash assets or issued equity securities as merger consideration are rechecked first, and in case the merger cost is less than acquired definable net assets fair proportion of the acquiree after recheck, the balance is included in current nonrevenue receipt.

5. Preparation method of consolidated financial statements

The Group incorporates all of the subsidiaries and structured entities under its control into the consolidated financial statements.

For any difference occurring in accounting policies and accounting periods between the Company and its subsidiaries when preparing consolidated financial statements, necessary adjustments shall be made based on accounting policies and periods of the Company.

All transactions, significant balances and unrealized gains within the consolidation range are reduced in the preparation of consolidated financial statements. For the subsidiaries, the proportion of ownership equity not belonging to the parent company, current net profits and losses, other comprehensive income and the proportion of the total comprehensive income belonging to minority shareholder are included in “Equity for minority shareholder”, “Profits

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

and losses for minority shareholder”, “Other comprehensive income for minority shareholder” and “Total comprehensive income for minority shareholder” respectively in the consolidated financial statements.

For the subsidiaries under common control merged by the Group, the operation results and cash flow of such subsidiaries are incorporated into the consolidated financial statements from the beginning of the current period in which the merger is carried out. When preparing the comparative consolidated financial statements, the relevant items in the financial statements of the last year are adjusted based on the assumption that the reporting entity exists since the ultimate controller has obtained the controlling right

For the subsidiaries not under common control merged by the Group, the operation results and cash flow of such subsidiaries are incorporated into the consolidated financial statements from the day of the Group acquiring the control over the subsidiary. In preparation of consolidated financial reports, financial statements of subsidiaries shall be adjusted based on the fair value of recognizable net assets, liabilities and contingent liability defined on the purchasing date.

Where the Group disposed part of long-term equity investment in the subsidiaries without losing control over of such subsidiaries, in the financial statements, the balance between the income from disposal and the net assets proportion of the subsidiaries entitled by the disposed long-term equity investment and continually calculated from the purchase day or day of merger is adjusted as the capital stock premium of the capital public reserve and retained earnings is adjusted in case of the capital public reserve not enough for deduction.

Where the Group lost the control over the invested party for such reason as disposing partial equity investment, the remaining equity was re-measured as per the fair value of such equity on the day of losing controlling right when preparing the consolidated financial statements. The balance between the sum of the consideration from the disposal of equity and the fair value of the remaining equity and the net assets proportion of the subsidiaries entitled by the disposed long-term equity investment and continually calculated from the purchase day or day of merger is included in the investment income for the period and the goodwill is deducted. Other consolidated income related to the equity investment of the original subsidiary shall be transferred into current investment profit and loss upon losing control.

Where the Group lost control over a subsidiary through multiple transactions and step-by-step disposal of the equity of the subsidiary, and such multiple transactions to a package deal, the multiple transactions shall be deemed one transaction in which the control in the

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

subsidiary was lost; however, the balance between the disposal price and the net assets proportion of the subsidiaries entitled by the disposed long-term equity investment prior losing control over the subsidiary was recognized as other comprehensive income and was transferred to the profits and losses of current period at the time of losing control.

6. Classification of joint arrangement and accounting methods for joint operation

The joint arrangement of the Group includes joint operation and joint venture. For jointly operated projects, the Group as a partner recognizes the assets and debts it holds independently and proportionally as well as recognizes the income and expenses as agreed. Where purchase and sale of an asset during joint operation does not constitute a business, only the part in the profits and losses from the transaction belonging to other partners is recognized.

7. Cash and cash equivalent

Cash in the Cash Flow Statement refers to cash in hold and deposits which can be used for payment at any time. Cash equivalents in the Cash Flow Statements refer to short-lived (generally not more than 3 months) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

8. Foreign currency transaction

The transactions denominated in foreign currency of the Group are converted in the initial recognition at the rate which is approximate to the spot exchange rate on the transaction day, which shall be the spot exchange rate of the beginning of the month when the transaction occurs.

At the balance sheet date, the monetary items denominated in foreign currency are translated to RMB at the spot exchange rate at the balance sheet date, and the balance between the spot exchange rate at the balance sheet date and the rate in the initial recognition or on the last balance sheet date is included in current profits and losses except for 1) the balance from exchange of specific borrowings that is capitalized and included as part of the cost qualifying asset; 2) the balance from exchange of hedge instrument adopted for evading the exchange risks that is treated according to hedge accounting; 3) the balance from exchange arising from the foreign currency non-monetary items available for sale (e.g. the stock) and that arising from the change in the book value of the monetary items available for sale except for amortized cost is recognized as other comprehensive income.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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Non-monetary items of foreign currency measured by historical cost still adopt spot exchange rate of transaction date for conversion with functional currency amount unchanged. As for the foreign currency non-monetary items measured by fair value, the spot exchange rate on the date when the fair value is confirmed is adopted for conversion. The amount differences between functional currency amount after conversion and the original functional currency amount, processed as fair value changes (including change in exchange rate), are recognized into current profits and losses or recognized into other comprehensive incomes.

9. Financial assets and liabilities

The Group recognizes one item of financial asset or financial liability when it becomes a party of any financial instruments contract.

(1) Financial assets

1) Classification, recognition basis and measurement method of financial assets

The financial assets of the Group are divided into the following categories in accordance with investment purposes and economic substance: the financial assets at fair value through profit or loss; held-to-maturity investments, loans and receivables; and available-for-sale financial assets.

The financial assets that are measured by fair value and the changes are recognized into current profit or loss include trading financial assets and the financial assets that are measured by fair value and the changes are recognized into current profit or loss when they are initially recognized. This kind of financial assets designated by the Group includes mainly the financial assets it holds for sale in the short period of time. For such financial assets, fair value is adopted for subsequent measurement. Variations of fair value are recognized into current profits and losses are recognized in the fair value variation profits and losses; interest or cash dividends acquired during the asset holding period are recognized as investment income; and the difference between its fair value and initial recognition amount shall be recognized as investment profits and losses upon disposal, and fair value variation profits and losses shall be adjusted simultaneously.

Held-to-maturity investment refers to non-derivative financial assets which have fixed due date and fixed or confirmed recovery amount and which the Group is determined and able to hold till maturity. As to held-to-maturity investment, effective interest method is adopted for subsequent measurement as per amortized cost. The profit or loss occurred by amortization, impairment or derecognition are all recognized into current profit or loss.

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Receivables refer to non-derivative financial assets which have no quotation in active market and fixed or determined recovery amount. Effective interest method is adopted for subsequent measurement as per amortized cost. The profit or loss occurred by amortization, impairment or derecognition are all recognized into current profit or loss.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale at initial measurement or are not classified in any of the three preceding categories. For this kind of assets, the equity instrument investment with no price in active market and its fair value not reliably measured and the derivative financial assets linked with the equity instrument and settled through the delivery of the equity instrument are subsequently measured as per the cost; those with quotation in active market and the fair value reliably measured are measured as per the fair value and the changes in fair value are included in other comprehensive income. Fair value is adopted for subsequent measurement for such financial assets. In addition to exchange gains or losses generated from impairment loss and foreign currency financial assets, changes in fair value of available-for-sale financial assets will be directly included in shareholder' equity and the accumulative amount of the changes in the fair value that is originally directly included in equity shall be transferred in current profit or loss upon the derecognition of the financial assets. For the available-for-sale liability instruments, the interest is calculated with actual interest rate during the holding period, together with the cash dividend of the available-for-sale equity instrument investments shall be recognized into current profits and losses as investment incomes when the invested company distributes the dividend. The investments in equity instruments not quoted in an active market and whose fair value cannot be reliably measured is subsequently measured based on the cost.

2) Recognition basis and measurement method for financial asset transfer

Where a financial asset satisfies any of the following requirements, the recognition shall be terminated: (1) the contractual rights for collecting the cash flow of the said financial asset are terminated; (2) the said financial asset has been transferred with almost all risks and remunerations thereof transferred to the transferee; (3) the said financial asset has been transferred and the Group gives up the control over the financial assets even though it neither transfers nor retains almost all risks and remunerations thereof.

Where the Company neither transfers/retains almost all risks and remunerations in connection with the financial assets nor gives up the control over the financial assets, it shall recognize related financial assets as well as related financial liabilities according to its continuing involvement in the transferred financial assets.

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If the overall transfer of financial assets meets the conditions for derecognition, the balance between the following two amounts shall be recognized into current profits and losses: (1) book value of transferred financial assets; (2) the sum of the consideration received from the transfer and the accumulative amount of changes in the fair value that is originally and directly recognized into other comprehensive income.

If the partial transfer of financial assets does not meet the conditions of derecognition, the overall book value of transferred financial assets between derecognition and non-derecognition shall be amortized based on relative fair value. The balance between following two amounts shall be recognized into current loss and profit; (1) the sum of the consideration received from the transfer and the accumulative amount of changes in fair value that shall be amortized for derecognition and recognized into other comprehensive income and (2) the balance of the amortized of the aforesaid carrying amount.

3) Financial asset depreciation test and accounting methods

The Group examines the book value of other financial assets except those which are measured at their fair value and of which the variation is recorded into the profits and losses of current period on each balance sheet date and accrues the provisions for impairment if any objective evidences prove the impairment of the financial assets.

In case of impairment of financial assets measured by amortized cost, the impairment provision of assets is accrued based on the shortfall of book value over its present value (excluding future credit losses that have not been incurred). The formerly recognized impairment shall be reversed and recognized into the current profit or loss if there is objective evidence showing that the financial assets are recovered and it objectively has relations with the items happened after the impairment is recognized.

If there is impairment loss of available-for-sale financial assets, the accumulated loss due to the decline of fair value that is previously and directly included in the owners' equity shall be transferred and recognized into impairment loss. As for available-for-sale debt instruments with impairment affirmed, the fair value has been increased in the subsequent accounting period and objectively has relations with the items happened after the recognition of former impairment, the formerly recognized impairment shall be reversed and recognized into the current profit or loss. As for available-for-sale debt instruments with impairment affirmed, the increased fair value in the subsequent accounting period shall be directly included in the shareholder's equity.

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(2) Financial liabilities

1) Classification, recognition basis and measurement method of financial liabilities

Financial liabilities are divided into the following categories at the initial recognition: the financial liabilities that are measured by fair value and whose changes are included in current profit or loss, and other financial liabilities.

For the financial liabilities measured with fair value and the changes recognized into current profit or loss including trading financial liabilities and the financial liabilities that are measured with fair value and the changes recognized into current profit or loss on initial recognition, fair value is adopted for subsequent measurement; and all profits or losses from change in fair value as well as dividend and interest income relevant to such financial liabilities shall be recognized into current profits and losses.

Other financial liabilities adopt effective interest method for subsequent measurement according to amortized cost.

2) Derecognition of financial liabilities

All of or part of the current obligations of financial liabilities have been canceled. Derecognize the financial liabilities or part with obligations being derecognized. The balance between partial book value and the consideration paid shall be included in the current profit or loss.

10. Provision for bad debts of accounts receivable

The following standards shall be followed to determine the provision for bad debts of accounts receivable: debt unit cancellation, bankruptcy, insolvency, serious shortage of cash flow, production halt due to serious natural disaster and failure to pay back debts within foreseeable times; the debt unit fails failure to perform its obligations three (3) years after due; and other conclusive evidences showing that such debt cannot or is unlikely to be withdrawn.

Possible bad debt losses are accounted by allowance method with separate impairment test or that by portfolio taken at the end of the year, and provision for bad debts are accrued are included in current profits and losses. For accounts receivable with conclusive evidence showing that such accounts receivable cannot be recovered, such accounts receivable are included into bad debt losses with the approval from the Group's management and bad debt reserves are offset.

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(1) Receivables of individual account with significant amount and accrued provision for bad debt

Judgment basis or amount standard for significant single amount	Receivable more than RMB 5 million shall be deemed as a significant single account
Accounts receivable with significant individual amount and accrued method for provision of bad debts by single account	Individual impairment test will be made on the financial assets with significant single account. Financial assets with no impairment in separate impairment test are included into financial assets portfolios with similar characteristics of credit risk for impairment test. Receivables with impairment recognized after individual testing are no longer included into financial assets portfolios with similar characteristics of credit risk for impairment test.

(2) Receivables for which the bad debts reserve is withdrawn based on the credit risk feature portfolio

Basis for portfolio determination	
Portfolio 1	The portfolios are classified according to the credit risk features of the debtors and include mainly the receivables confirmed as not to be depreciated by independent test (including the single significant or insignificant receivable from the associated parties of the Group, government agencies and the joint venture, such as reserve funds and deposits). Such receivables are least impossible to become bad debts
Portfolio 2	This portfolio includes receivables except for Portfolio 1 and the receivables for which single bad debts reserve is withdrawn. When withdrawing the bad debts reserve for the receivables of this portfolio, the Group adopts aging analysis method in combination with the past experience in this regard.
Accrued method for provision of bad account by portfolio	
Portfolio 1	No provision for bad debt
Portfolio 2	Aging analysis

1) Provisions for bad debts can be accrued with aging analysis method and the accruing proportion is as follow:

Aging	Accruing rate of account receivable (%)	Accruing rate of other receivables (%)
Within 6 months (inclusive)	2	2
From 6 to 12 months	5	5
1-2 years	20	20
2-3 years	50	50
Over 3 years	100	100

(3) Receivables for which single amount is insignificant but the bad debts reserve is withdrawn independently

Reason for bad debt provision by single account	The single amount is insignificant and there is evidence showing that it is possible not to recover contractual cash flow.
Method to charge provision for bad debt	The provision for bad debts is accrued based on the balance of the present value of future cash flow lower than the book value balance.

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11. Inventory

The inventories of the Group include mainly property development products, raw materials, commodity stocks, low-value consumables and others.

The property development products include the properties under construction (including the land to be developed) and as-built properties (including the leased property available for sale). Actual costs of real estate development products include land-transferring cost, supporting infrastructure cost, construction & installation cost, loans before completion of the development projects and other relevant cost during development. Actual costs of delivered real estate development products are determined by specific identification of costs.

Actual cost accounting is adopted for construction contract, including direct costs and indirect costs from contract signing to completion of the contract and related to fulfillment of the contract. The net amount after the offset of accumulated cost and accumulated recognized gross profits (loss) for the properties under construction and the settlement is listed as net amount after offset in the balance sheet. Where the sum of accumulated cost and accumulated recognized gross profits (loss) for the properties under construction is more than the settlement, the balance is listed as inventories; where the latter is more than the former, the balance is listed as unearned revenue.

Travel expenses, tender expenses, etc. for construction contract signing can be separately distinguished and reliably calculated. For contracts probably to be concluded, expenses are recognized into contract cost upon receiving the contract; otherwise, expenses are recognized into current profits or losses.

One-off amortization method is adopted for receipt of low-value consumables and other inventories.

The ending inventory is measured by the cost and net reliable value whichever is lower. When the net reliable value of the property development product is less than the cost, the inventory falling price reserve shall be withdrawn. Net reliable value refers to the amount of the predicted sale price less predicted as-built cost and expenses arising from sale and taxes during normal production and operation process. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made and take into consideration the purpose for which the inventory is held and the influences of events occurring after the balance sheet day.

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After the accrual of devaluation provision for inventory, where affecting factors for former write-down of inventory value has disappeared, the write-down amount shall be recovered and reversed in the formerly accrued depreciation provision amount, and reversed amount shall be included in current profit or loss and reversed amount shall be included in current profit or loss.

12. Long-term equity investments

The long-term equity investment of the Group includes mainly the investment to the subsidiaries, associated enterprises and joint ventures.

The basis for the Group to define joint control is that all participating parties or the combination of the parties control the arrangement jointly and the policies relevant to the activities of the arrangement must be agreed by such parties.

The Group will be generally deemed to have significant impact on the invested entity if the Group holds 20% (inclusive) to 50% of voting right of an invested entity directly or indirectly through its subsidiaries. Where the Group holds less than 20% of voting right of an invested entity, the Group's significant impact on the invested entity will depend on whether the Group has its representative in the Board of Director or any similar organ of power of the invested entity, whether the Group participates in the formulation of financial and operation policies of the invested entity, whether the Group has important deals with the invested entity, whether the Group dispatches management personnel to the invested entity or whether the Group provides the invested entity with key technical data.

Any entity under the control of the Group is the subsidiary of the Group. The long-term equity investment acquired through merging with an enterprise under common control, the book value of net asset of the acquiree in the consolidated financial statements of the ultimate controller on the day of merger is taken as the initial investment cost of the long-term equity investment. Where the book value of net asset of the acquiree on the day of merger is negative, the cost of the long-term equity invest is recognized as zero.

Where the long-term equity investment is acquired thorough merging with an enterprise not under common control, the merger cost is taken as initial investment cost. The merger cost is the fair value of the assets given, debt occurred or borne and equity securities issued by the Group for acquiring the controlling right of the acquiree on the day of merger

Aside from the above long-term equity investment acquired by the merger of enterprises, long-term equity investment acquired by cash payment adopts the actual paid purchase amount as the investment cost; long-term equity investment acquired by issuance of equity securities

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adopts the fair value of issued equity securities as the investment cost; long-term equity investment invested by investors adopts the value reached in the investment contract or agreement as the investment cost.

The investment of the Group to the subsidiaries is calculated with cost method, and equity method is applied for joint ventures and associated enterprises.

For the long-term equity investment with cost method applied for subsequent measurement, in case investment is added, the book value of the long-term equity investment cost is added with the fair value of additional investment cost and resulting transaction expenses. The cash dividend or profit distributed by an invested entity is recognized as current return on investment based on the distributed amount.

For the long-term equity investment with equity method applied for subsequent measurement, the book value of the long-term equity investment is increased or decreased with the change in the ownership equity of the invested entity. The proportion of net profit or loss of the invested company to be enjoyed or assumed by the Group is confirmed by taking the fair value of recognizable assets of the invested company upon obtaining the investments as the base, and offsetting the proportion of internal transaction profits and losses occurring between the associated enterprises and joint ventures which is due to the investing enterprise according to shareholding proportion and adjusting the net profit of the invested unit.

For disposal of long-term equity investment, the difference between the book value and the actual received payment shall be recognized into current income. For the disposal of the long-term equity investments which are calculated with equity method and recognized into the owner equity due to the changes in owner equity other than the net profits and losses of the invested company, the part initially recognized into the owner equity shall be carried over to current income and losses in corresponding proportion.

Where losing joint control over or significant impact on the invested entity is a result of such fact as disposing partial equity investment, the remaining equity is calculated as the finance asset available for sale and the balance between the fair value and the book value of the remaining equity on the day of losing joint control or significant impact is included in current profits and losses. For other comprehensive income of the original equity investment recognized with equity method, the basis same as that of the invested entity directly disposing relevant asset or debts is applied for accounting when the equity method is ceased to be used.

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Where losing control over the invested entity is a result of disposing partial long-term equity investment and the Group has a common control over or have significant impact on the invested entity by using the remaining equity, the equity method is applied, the balance between the book value and disposal consideration of the disposed equity is included in the return on investment, and the remaining equity is adjusted as if it was calculated with equity method since the acquiring of such equity. In case the Group cannot have a common control over or have significant impact on the invested entity by using the remaining equity, regulations for financial assets available for sale are applied and the balance between the book value and disposal consideration of the disposed equity is included in the return on investment, and the balance between the fair value and book value of the remaining equity on the day of losing control is included in current profits and losses.

13. Investment property

The investment property of the Group includes the leased land use right, the land use right it is entitled to for assignment after appreciation, the leased properties and the properties it holds for sale. Cost model is applied for measurement.

The investment property of the Group is amortized with the average service life method. Estimated service life, net residual value rate and annual amortization rate of investment property are as follows:

Type	Asset class breakdown	Depreciation years	Estimated residual value rate (%)	Annual depreciation rate (%)
Land use rights	—	Remaining service life of land use right	0	Determined as per calculation of depreciation year
Buildings	Steel structure	30 years or duration of land use whichever is shorter	5	≥ 3.17
	Reinforced cement structure	25 years or duration of land use whichever is shorter	5	≥ 3.8
	Brick-concrete structure	20 years or duration of land use whichever is shorter	5	≥ 4.75

14. Fixed assets

The Group's fixed assets are tangible assets that: (i) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; (ii) have useful lives more than one year; and (iii) have unit value more than RMB 2,000.

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The fixed assets can be recognized only when their economic interests may flow into the Group and their costs can be reliably measured. Fixed assets of the Group are classified as houses and buildings, machines and equipment, transportation equipment, office facility, etc.

All fixed assets, apart from those fixed assets that have been depreciated and accrued but are still in use and those lands that are transferred into fixed assets separately according to actual values, are depreciated and accrued by the Group. The average service life method is applied for accrual of depreciation. The classification, depreciation years, estimated net residual value rate and depreciation rate of fixed assets are as follows:

Type	Asset class breakdown	Depreciation years	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings	Steel structure	30 years or duration of land use whichever is shorter	5	≥3.17
	Reinforced cement structure	25 years or duration of land use whichever is shorter	5	≥3.8
	Brick-concrete structure	20 years or duration of land use whichever is shorter	5	≥4.75
Plant equipment	—	5 to 20 years	5	4.75-19
Transportation equipment	Passenger car	5 years	5	19
	Vehicles for production	5 to 8 years	5	11.88-19
	Auxiliaries of vehicles	5 years	5	19
Office equipment	Instruments	5 years	5	19
	Office goods	5 years	5	19
	Computer equipment	3 to 10 years	5	9.5-31.67
	Furniture and appliances	5 years	5	19
	Others	5 to 10 years	5	9.5-19

The Group shall check the useful life of fixed assets, expected net salvage value and depreciation method not later than the end of the year. Any change will be disposed as accounting estimation change.

15. Construction in progress

The constructions in progress shall be transferred into the fixed assets based on the estimated value since the date when they are in the intended use state, according to project budget, cost or actual cost of the project, etc., and be withdrew and depreciated since the next month. The estimated value then is adjusted according to the actual cost after the completion settlement has not been handled.

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16. Borrowing costs

The borrowings used for fixed assets, investment property and inventories needing more than 1 year to construct or product for intended use or sale are capitalized after the capital is paid, borrowings are obtained and the construction or production begins, and are ceased to be capitalized after the intended use or sale of the same is available. The subsequent borrowings are included in current profits and losses. If the asset in conformity with capitalization conditions suffers abnormal disruption during the process of purchase and construction or production, and the duration of the disruption exceeds three (3) consecutive months, the capitalization of borrowing costs shall be suspended until the purchase and construction or production activity of the asset resumes.

In the property development project of the Group, the construction or production necessary for intended use or sale of the assets mean that the land use right required for the construction has been obtained and the construction (such as the pile foundation works or other substantial construction works) has commenced; the asset available for intended use or sale mean the return receipt of final acceptance records of the property project is received

In the case of loan specially borrowed for the acquisition and construction or production of assets conforming to capitalization conditions, the capitalized amount is equal to actual interests of the loan specially borrowed minus the interest income of the borrowed capital that has not been used in the bank deposit or the revenue from temporary investment from the actual interests incurred in the current period of specially borrowed capital. The interest amount of general loan to be capitalized is calculated by multiplying the weighted average of the part of aggregate assets expenditure in excess of the special loan expenditure of assets by the capitalization rate of utilized general loan. The capitalization rate is determined on the basis of weighted average interest rate of general loans.

17. Intangible assets

The intangible assets of the Group include the land use right and software acquired for the construction of self-used properties. The land use right acquired for daily operation is calculated as the inventory. Intangible assets are measured at actual cost upon acquisition, where, the actual cost of intangible assets purchased consists of the actual payment and relevant expenses; and the cost input by the investors in intangible assets is determined in accordance with the value stipulated in the investment contract or agreement; unless the contract or agreement stipulates that the value is not fair, then the actual cost is measured at the fair value.

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Land use right is amortized averagely according to transfer term counted from transferring date; software and other intangible assets shall be amortized averagely according to the shortest term among anticipated service life, beneficiary years stipulated in contract and valid terms formulated by law. Amortized amount is included in relevant asset cost and current profit or loss by beneficiaries. Estimated service life and amortization method of intangible assets with limited service life are recheck at the end of each year, treatment of changes in accounting estimates is adopted for any change.

18. Impairment of non-financial asset excluding goodwill

When the Group found that there was an indication of impairment of long-term equity investment, investment property, fixed assets, project under construction, and intangible assets with limit service life on each balance sheet date, the Group conducted impairment test. The intangible assets with uncertain service life shall be tested in impairment at the end of the year, no matter whether there is any sign of impairment.

The recoverable amount of assets should be estimated on a single asset basis, or the recoverable amounts of a single asset cannot be estimated, it is allowed to estimate the recoverable amount of the asset group to which the said asset belongs. The recoverable amount is determined to be the fair value of the asset or asset group with the disposal expense deducted or the present value of estimated cash flow of the asset or asset group, whichever is higher. If the book value of the asset is more than the recoverable amount, the difference will be recognized as the impairment loss; and once the impairment loss is recognized, it shall not be reversed in the later accounting periods.

19. Goodwill

The balance of the equity investment costs or consolidation costs not under the same control greater than the fair value of the share of net assets or recognizable net assets of the invested unit or seller acquired from enterprise consolidation is recognized as goodwill.

Goodwill related to the subsidiary is separately listed on the consolidated financial statements; goodwill related to the associated enterprises and joint ventures is included in the book value of long-term equity investment.

Impairment test is carried out for goodwill at the end of the year, no matter whether there is any sign of impairment. The goodwill was, together with the related asset group or combination of asset groups, subject to the impairment test. That is, the book value of goodwill was reasonably apportioned to the asset group or combination of asset groups which benefit from the

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synergy of business merger from the purchase date. If the recoverable amount of the asset group or combination of asset groups of goodwill with apportionment is less than its book value, the related impairment loss shall be recognized. Impairment loss is firstly amortized to the carrying values of goodwill in asset group or asset group portfolio, and then deducted for the carrying value of other assets in according to the percentage occupied of other assets (except goodwill) in the asset group or asset group portfolio.

20. Long-term deferred expenses

The long-term unamortized expenses of the Group include the improvement expenditure of fixed assets under operating lease and other expenses with a benefit period over 1 year. Such expenses were amortized averagely in the benefit period. Where the long-term deferred expenses fail to benefit the subsequent accounting periods, all amortized value that has not been amortized yet shall be transferred to the current profits and losses.

21. Employee remuneration

The remuneration of employees in the Group includes short-term remuneration, welfare after dimission, dismissal welfare and other long-term welfare.

The short-term remunerations mainly include the employee's salary and welfare expense of employee. The actual short-term remunerations shall be recognized as the debt during the accounting period when the employees provide service and included in current profits and losses or related asset costs according to the benefit object.

The welfare after demission mainly includes the basic endowment insurance premium and unemployment insurance expense and is classified into the defined contribution plan and the defined benefit plan according to the risk an obligation undertaken by the Company. For the defined contribution plan, the sinking fund deposited to an independent entity for the service provided by employee in the accounting period on the balance sheet date is recognized as the debt and included in current profits and losses or related asset costs according to the benefit object. There is no defined benefit plan in the Company.

When the Group cannot unilaterally withdraw the dismissal welfare provided for the plan on the cancellation of labor relationship or layoff proposal, or recognize the cost or expense involved with the recombination of dismissal welfare or payment of such dismissal welfare (whichever is earlier), the employee's remuneration incurred by the dismissal welfare is recognized as the debt and included in current profits and losses or related asset costs.

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22. Estimated liabilities

When the businesses related to contingencies like external guarantee and pending actions or arbitrations conform to the following conditions at the same time, they will be recognized as the debt by the Group: the obligation is the current obligation undertaken by the Group; the implementation of such obligation may probably cause the outflow of economic interests from the Group; and the amount of that obligation can be measured reliably.

23. Share payment

The equity-settled share-based payment to exchange the provision of service by employees is measured by the fair value of the equity instrument conferred to the employees on the grant date. Where it is exercisable upon finishing the service within the waiting period or satisfying the regulated performance conditions, based on the optimal estimation of the exercisable equity instrument quantity within the waiting period, the fair value amounts are included in relevant cost or expense after calculation by the method of line, with relevant capital surplus increased.

24. Recognition and measurement of income

The operation revenue of the Group mainly include the sales revenue, lease revenue and property management revenue of real estate development products, utilities (electric power supply) revenue and construction contract revenue and revenue recognition policies are as follows:

1) The revenue of real estate development products are recognized under the following conditions:

A. Seller and Purchaser sign the sales contract and file a record in the land department;

B. The revenue of real estate development products are completed and are qualified in acceptance;

C. The Company has received full house-purchase price or obtained the right of collecting the full purchase price (e.g. the written commitment letter for releasing mortgage payment from bank);

D. The formalities of property delivery are handled or the customers are deemed to accept the property according to the terms in the purchase contract.

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2) Lease revenue: the lease revenue of investment property is recognized as the lease revenue by the method of line according to rent agreed in the contract or agreement over the lease term.

3) Utilities revenue: when electric power supply service has been provided and its relevant economic benefit has obtained by the Company, meanwhile, relevant revenue and cost can be measured reliably, the realization of utilities revenue is recognized.

4) Property management revenue: when property management service has been provided and its relevant economic benefit has obtained by the Company, meanwhile, relevant revenue and cost can be measured reliably, the realization of utilities revenue is recognized .

25. Government subsidies

Government subsidies refer to monetary assets and non-monetary assets acquired without any charge from the government. Government subsidies can only be recognized upon meeting the condition that the Company meets all conditions of government subsidy and is able to receive the government subsidy.

If government subsidies are monetary assets, it shall be calculated according to the received; if the government subsidy is distributed subject to fixed quota standard or if there is definite evidence showing that it is in conformity with relevant requirements of the financial support policies, it shall be calculated according to the receivable amount; and if the government subsidy is non-monetary assets, it shall be measured at the fair value; and if the fair value fails to be obtained reliably, it shall be calculated according to nominal amount (RMB 1).

Government subsidies in relation to assets are recognized as deferred income and allocated equally within the service life of relevant assets, which will then be included in current profit or loss. Government subsidies relevant with incomes and that are used to make up future expenses or losses will be recognized as deferred income and recognized into current profits and losses within the recognition period of relevant expenses; government subsidies used to make up incurred relevant expenses or losses are included into current profits or losses directly.

26. Deferred income tax assets and deferred income tax liabilities

Deferred income tax assets and deferred income tax liabilities are measured in accordance with the tax base of assets and liabilities and difference of its book value (temporary difference). Deferred income tax assets shall be recognized based on the deductible losses of the income tax payable in the following year in accordance with the tax law. A deferred tax liability shall not be

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recognized if the temporary difference arises from the initial recognition of goodwill. The deferred income tax assets and liabilities shall not be recognized to the extent that the temporary difference arises from the initial recognition of an asset or liability in a transaction which contains both of the following characteristics (i): the transaction is not a business combination and (ii) at the time of the transaction, it affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, the deferred income tax assets and deferred tax liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, according to the requirements of tax laws.

Deferred tax assets are recognized with a limit of the future taxable income which is likely to be used by the Group for deducting any deductible temporary difference, deductible loss and tax deduction.

27. Leasing

The leasing business of the Group is operating lease.

The rent paid by the Group as the Lessee in the operating lease is included in related asset costs or current profits and losses by the method of line over the lease term.

28. Change in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

According to the Circular of the Finance Ministry of the PRC on Printing and Distributing such accounting standards as the amended Enterprise Accounting Standard No. 2 - Long-term Equity Investment, the Company implemented relevant accounting standards and restated the comparative financial statements in preparing 2014 Annual Report.

1) Before 2014, the dilution income incurred by decreased proportion of shareholding in the invested company was included in investment income, and such declining proportion was resulted from capital increase and share expansion in the invested company. Then such dilution income was included in the rights and interests in accordance with the revised Accounting Standards for Enterprise No. 2 - Long-term Equity Investments. The Group adopted the retroactive adjustment approach for such accounting policy change and the comparative statement 2014 was restated. The decreased undistributed profit in balance sheet 2013 was RMB 11,777,249.14, increased capital reserve RMB 117,772,491,400, and gross value of assets had no influence. The decreased investment profit and net profit in profit statement 2013 is RMB 11,777,249.14.

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According to the Accounting Standards for Enterprise No. 30 - Presentation of Financial Statement, the deferred income items are added in the financial statement. Therefore, the Group adopted the retroactive adjustment approach and restated the comparative statement 2014. The decreased other non-current liabilities in balance sheet 2013 was RMB 11,236,760.00, decreased other payables RMB 4,710,020.00, increased deferred income RMB 9,736,760.00, increased other current liabilities RMB 6,210,020.00 and total liabilities had no influence.

3) According to the revised Accounting Standards for Enterprises No.30 – Reporting Financial Statement, other comprehensive income items have been added in balance sheet of financial statement; the Company has adopted retroactive adjustment method to revise the 2014 comparative statement by expressing the translation reserve as other new comprehensive income items.

(2) Significant changes in accounting estimates

The asset classes were in wide range during the accounting estimates of the original fixed assets, depreciation and amortization of investment property, which resulted in a broad choice of depreciation life and estimated ratio of remaining value of the same asset class, greater difference in the recognition of such depreciation life and estimated ratio of remaining value of the same asset class, thus depreciation and amortization accounting estimate did not conform to the actual situation. For ensuring asset depreciation be more consistent with the actual use of the asset, changes in accounting estimates of the fixed assets, depreciation and amortization of investment property were approved by in the eleventh meeting of the seventh Board of Directors of the Company on March 14, 2014 and admitted by the resolution in the fifteenth meeting of the seventh Board of Supervisors of the Company.

Changes in accounting estimates of the fixed assets, depreciation and amortization of investment property:

1. Fixed assets accounting estimate

Item	Asset class	After change		Before change	
		Depreciation years	Estimated residual value rate	Depreciation years	Estimated residual value rate
Buildings	Steel structure	30 years or duration of land use whichever is shorter	5 %	10 to 50 years	5%-10%
	Reinforced cement structure	25 years or duration of land use whichever is shorter	5 %	10 to 50 years	5%-10%
	Brick-concrete structure	20 years or duration of land use whichever is shorter	5 %	10 to 50 years	5%-10%

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Plant equipment	—	5 to 20 years	5 %	10 to 20 years	5%-10%
Transportation equipment	Passenger car	5 years	5 %	5 to 10 years	5 %
	Vehicles for production	5 to 8 years	5 %	5 to 10 years	5 %
	Auxiliaries of vehicles	5 years	5 %	5 to 10 years	5 %
Office equipment	Instruments	5 years	5 %	5 to 10 years	5 %
	Office goods	5 years	5 %	5 to 10 years	5 %
	Computer equipment	3 to 5 years	5 %	5 to 10 years	5 %
	Furniture and appliances	5 years	5 %	5 to 10 years	5 %
	Others	5 to 10 years	5 %	5 to 10 years	5 %

2. Investment property accounting estimate

Item	Asset class breakdown	After change		Before change	
		Depreciation years	Estimated net residual value	Depreciation years	Estimated net residual value
Buildings	Steel structure	30 years or duration of land use whichever is shorter	5 %	20	10 %
	Reinforced cement structure	25 years or duration of land use whichever is shorter	5 %	20	10 %
	Brick-concrete structure	20 years or duration of land use whichever is shorter	5 %	20	10 %

Changes in accounting estimates of the fixed assets, depreciation and amortization of investment property were conducted from the approved date by the Board of Directors. Therefore, depreciation and amortization amount withdrawn in this report period was increased approximately by RMB 9,850,000 than the amount before changes.

五、Taxation

1. Main taxes and tax rates

Taxes	Tax calculation basis	Tax rate
Enterprise income tax ^{Note 1}	Taxable income	Note 1
Business tax	Sales revenue of real estate and property lease revenue	5 %
Value-added tax	Commodity sales revenue and power supply revenue ^{Note 2}	17 %
Land value increment tax	Sales revenue of real estate - sum of deductible items	As per 30%-60% of progressive tax rate of super-rate
Deed tax	Transfer amount of land use rights and property	3%
Housing property tax	70% of original value of the property or rent	1.2 % or 12 %

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Taxes	Tax calculation basis	Tax rate
	Note revenue 3	
City maintenance and construction tax	Business tax (or paid value added tax)	1%-7%
Education surtax	Business tax (or paid value added tax)	3%

Note 1: The profit tax rate of the Company's subsidiary in Hong Kong is 16.5% as per the Inland Revenue Ordinance of Hong Kong and the profit tax rate of the Company and other subsidiaries in the Chinese Mainland is 25%.

Note 2: VAT amount is equal to the balance of output tax deducting the deductible input tax, and the output tax is calculated according to sales revenue and corresponding tax rate.

Note 3: The housing property tax is paid according to 70% of initial book value of assets and specified tax rate for the fixed assets like house and rental property of the Company and the subsidiaries in Shenzhen, and the new houses are exempted from the housing property tax three years after the houses are filed a record in the tax authority; the housing property tax of the subsidiaries in the other place shall be paid according to the local regulations.

VI. Notes to Major Items in Consolidated Financial Statement

With respect to the following data disclosed in the Financial Statements, unless otherwise stated, "the beginning of the year" refers to January 1, 2014; "the end of the year" refers to December 31, 2014; "this year" refers to the period between January 1, 2014 to December 31, 2014, and the "previous year" refers to the period between January 1, 2013 to December 31, 2013. The currency unit is RMB.

1. Monetary fund

Item	Ending balance	Beginning balance
Cash	372,572.19	277,828.02
Bank deposit	19,547,572,224.50	21,969,131,604.53
Other monetary fund	3,435,441,646.33	2,271,049,363.95
Total	22,983,386,443.02	24,240,458,796.50
Including: total amount deposited in the foreign countries	920,105,484.28	3,458,738,312.81

Note: The balance of housing sales amount received in advance which is regulated under the Regulatory Measures on Pre-sale Funds in the other monetary fund is RMB 3,399,815,462.58; the restricted monetary funds is RMB 35,626,183.75, among which the margin deposit in the account associated with pre-sale regulation is RMB 20,700,990.50.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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2. Notes receivable

(1) Category of notes receivable

Item	Ending balance	Beginning balance
Bank acceptance bill	4,390,000.00	4,000,000.00
Total	4,390,000.00	4,000,000.00

3. Accounts receivable

(1) Types of accounts receivable

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable of individual account with significant amount and accrued provision for bad debt	6,974,970.60	8.17	6,974,970.60	100.00	
Receivables of individual account with insignificant amount but accrued for provision of bad debts	5,872,817.05	6.88	5,872,817.05	100.00	
Accounts receivable with provision for bad debts withdrawn based on the credit risk feature portfolio					
Portfolio 1	33,254,915.38	38.96			33,254,915.38
Portfolio 2	39,250,012.81	45.99	4,192,983.89	10.68	35,057,028.92
Subtotal of portfolio	72,504,928.19	84.95	4,192,983.89	5.78	68,311,944.30
Total	85,352,715.84	100.00	17,040,771.54		68,311,944.30

Continued:

Type	Amount at the beginning of the year				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable of individual account with significant amount and accrued provision for bad debt	6,028,220.80	6.52	6,028,220.80	100.00	
Receivables of individual account with insignificant amount but accrued for provision of bad debts	7,553,893.68	8.17	5,890,495.58	77.98	1,663,398.10
Accounts receivable with provision for bad debts withdrawn based on the credit risk feature portfolio					

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Type	Amount at the beginning of the year				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Portfolio 1	48,400,728.29	52.36			48,400,728.29
Portfolio 2	30,463,772.65	32.95	3,663,084.23	12.02	26,800,688.42
Subtotal of portfolio	78,864,500.94	85.31	3,663,084.23	4.64	75,201,416.71
Total	92,446,615.42	100.00	15,581,800.61		76,864,814.81

- 1) Accounts receivable which single amount is significant and bad debts reserve is withdrawn at the end of year

Company name	Ending balance			
	Accounts receivable	Provision for bad debts	Accruing proportion (%)	Reason for accruing
Customer I	6,974,970.60	6,974,970.60	100	Unrecoverable
Total	6,974,970.60	6,974,970.60		

- 2) Accounts receivable with bad debts provisions accrued by aging analysis method in the portfolio

Aging	Ending balance		
	Accounts receivable	Provision for bad debts	Accruing proportion (%)
Within 1 year	34,766,365.50	778,853.22	2.24
1 to 2 years	1,233,608.45	246,721.70	20.00
2 to 3 years	165,259.78	82,629.89	50.00
Over 3 years	3,084,779.08	3,084,779.08	100.00
Total	39,250,012.81	4,192,983.89	10.68

- (2) Provision for bad debts withdrawn and returned back (or taken back) in this year

Provision for bad debts withdrawn in this year is RMB 2,289,438.80; bad debts reserve returned back or taken back in this year is RMB 829,967.86.

- (3) Top five arrears balance of accounts receivable by the end of the year

Company name	Ending balance	Aging	Proportion in total year-end balance of accounts receivable (%)	Year-end balance of provision for bad debts
Customer I	20,000,000.00	Within 1 year	23.43	
Customer II	8,769,800.51	Within 1 year	10.27	175,395.93

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Company name	Ending balance	Aging	Proportion in total year-end balance of accounts receivable (%)	Year-end balance of provision for bad debts
Customer III	6,974,970.60	Over 3 years	8.17	6,974,970.60
Customer IV	4,472,118.20	Over 3 years	5.24	4,472,118.20
China Merchants (Shanghai) Investment Co., Ltd.	2,544,000.00	Within 1 year	2.98	
Total	42,760,889.31		50.09	11,622,484.73

4. Prepayments

(1) Aging of prepayments

Item	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	3,618,208,580.30	99.97	2,815,020,465.70	99.97
1 to 2 years	119,980.00	0.01	947,042.09	0.03
2 to 3 years	866,310.19	0.02		
Total	3,619,194,870.49	100.00	2,815,967,507.79	100.00

The prepayment amount at the end of the year increased by RMB 803,227,400 than the beginning of the year, with an increase rate of 29% due to the prepaid land funds .

(2) Top five prepaid balance of accounts receivable by the end of the year

Company name	Ending balance	Aging	Proportion in total year-end balance of prepayment(%)
Supplier I	1,520,000,000.00	Within 1 year	42.00
Supplier II	881,819,373.50	Within 1 year	24.37
Supplier III	522,000,000.00	Within 1 year	14.42
Supplier IV	430,191,213.95	Within 1 year	11.89
Supplier V	123,250,000.00	Within 1 year	3.41
Total	3,477,260,587.45		96.09

5. Dividends receivable

(2) Details of dividends receivable

Invested company	Ending balance	Beginning balance
Shanghai Ledu Property Co., Ltd.	40,195,980.00	

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Invested company	Ending balance	Beginning balance
Shenzhen TCL Opto-electronic Tech Co., Ltd.	24,000,000.00	
Total	64,195,980.00	

6. Other receivables

(1) Classification of other receivables

Type	Amount at the end of the year				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of individual account with significant amount and accrued for provision for bad debts	11,270,000.00	0.13	11,270,000.00	100.00	
Other receivables of individual account with insignificant amount and accrued for provision for bad debts	13,313.37		3,994.01	30.00	9,319.36
Other accounts receivable withdrawn provision for bad debts based on credit risk feature combination					
Portfolio 1	8,913,924,206.56	99.40			8,913,924,206.56
Portfolio 2	42,763,207.56	0.47	14,835,939.09	34.69	27,927,268.47
Subtotal of portfolio	8,956,687,414.12	99.87	14,835,939.09	0.17	8,941,851,475.03
Total	8,967,970,727.49	100.00	26,109,933.10		8,941,860,794.39

Continued:

Type	Amount at the beginning of the year				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of individual account with significant amount and accrued for provision for bad debts	11,270,000.00	0.08	11,270,000.00	100.00	
Other receivables of individual account with insignificant amount and accrued for provision for bad debts	13,313.37		3,994.01	30.00	9,319.36
Other accounts receivable withdrawn provision for bad debts based on credit risk feature combination					
Portfolio 1	13,657,904,323.94	99.63			13,657,904,323.94
Portfolio 2	40,250,394.52	0.29	14,280,161.65	35.48	25,970,232.87

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Type	Amount at the beginning of the year				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Subtotal of portfolio	13,698,154,718.46	99.92	14,280,161.65	0.10	13,683,874,556.81
Total	13,709,438,031.83	100.00	25,554,155.66		13,683,883,876.17

1) Other receivables which single amount is significant and bad debts reserve is withdrawn at the end of the year

Company name	Ending balance			
	Other receivables	Provision for bad debts	Accruing proportion (%)	Reason for accruing
Huizhou Taitong Real Estate Investment Co., Ltd	11,270,000.00	11,270,000.00	100.00	Unrecoverable
Total	11,270,000.00	11,270,000.00		

2) Other receivable with provisions of bad debts accrued by aging analysis method in the portfolio

Aging	Ending balance		
	Other receivables	Provision for bad debts	Accruing proportion (%)
Within 1 year	22,659,100.59	515,908.56	2.28
1 to 2 years	4,265,633.15	853,126.62	20.00
2 to 3 years	4,743,139.84	2,371,569.93	50.00
Over 3 years	11,095,333.98	11,095,333.98	100.00
Total	42,763,207.56	14,835,939.09	34.69

(2) Provision for bad debts withdrawn and returned back (taken back) in this year

Provision for bad debts withdrawn in this year is RMB 2,006,382.39; bad debts reserve returned back or taken back in this year is RMB 1,451,104.95.

(3) Classification of other receivables by nature

Fund nature	Book balance at the end of the year	Book balance at the beginning of the year
Current account transferred from shareholder in subsidiary	4,782,132,352.57	5,391,222,931.39
Cash deposit and pledge	1,712,390,760.99	2,226,095,531.52
Current account of associated enterprise	977,673,455.25	3,386,022,273.26
Imprest	865,536,014.75	673,006,107.37
Earnest money for cooperation	602,933,039.29	1,948,463,500.00

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Fund nature	Book balance at the end of the year	Book balance at the beginning of the year
Others	27,305,104.64	84,627,688.29
Total	8,967,970,727.49	13,709,438,031.83

(4) Other accounts receivable in top five based on year-end balance collected from arrear party:

Company name	Fund nature	Ending balance	Aging	Proportion in total year-end balance of other receivables (%)	Year-end balance of provision for bad debts
Company I	Current account transferred from shareholder in subsidiary	1,160,000,000.00	Within 3 year	12.93	
Company II	Current account transferred from shareholder in subsidiary	831,619,470.94	1 to over 3 years	9.27	
Company III	Imprest	707,286,552.87	0 to over 3 years	7.89	
Foshan Merchants Longyuan Real Estate Co., Ltd.	Current account of associated enterprise	673,692,974.37	0 to over 3 years	7.51	
Company IV	Current account transferred from shareholder in subsidiary	662,679,044.12	Within 1 year	7.39	
Total		4,035,278,042.30		44.99	

7. Inventories

(1) Classifications of inventories

Item	Ending balance		
	Book balance	Devaluation provision	Book value
Cost of real estate development	89,269,182,505.62	528,579,913.07	88,740,602,592.55
Real estate development product	12,450,610,550.75	186,041,798.10	12,264,568,752.65
Raw material	7,371,922.75		7,371,922.75
Low-price consumables	6,256,448.97	162,981.66	6,093,467.31
Total	101,733,421,428.09	714,784,692.83	101,018,636,735.26

Continued:

Item	Beginning balance		
	Book balance	Devaluation provision	Book value
Cost of real estate development	70,028,577,041.98		70,028,577,041.98
Real estate development product	8,609,017,171.77	185,161,833.73	8,423,855,338.04
Raw material	7,513,712.18		7,513,712.18

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Item	Beginning balance		
	Book balance	Devaluation provision	Book value
Low-price consumables	16,724,360.24	162,981.66	16,561,378.58
Total	78,661,832,286.17	185,324,815.39	78,476,507,470.78

The inventory at the end of the year increased by RMB 22,542,129,300 than the beginning of the year, with an increase rate of 29% due to the real estate project of the Group.

(2) Inventory composition

Item	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Cost of real estate development	70,028,577,041.98	48,069,485,831.31	28,828,880,367.67	89,269,182,505.62
Real estate development product	8,609,017,171.77	28,828,880,367.67	24,987,286,988.69	12,450,610,550.75
Raw material	7,513,712.18	47,552,322.59	47,694,112.02	7,371,922.75
Low-price consumables	16,724,360.24	38,881,461.51	49,349,372.78	6,256,448.97
Total	78,661,832,286.17	76,984,799,983.08	53,913,210,841.16	101,733,421,428.09

A. Property projects under construction

Project name	Commencement date	Estimated time of completion of next phase	Estimated total investment (RMB 10,000)	Beginning balance	Ending balance
Tianjin Star City	January 2007		359,494	517,394,155.19	
Tianjin Moti Garden	August 2012	October 2015	512,700	2,111,257,001.68	1,942,897,727.70
Tianjin Yonghaiyuan	May 2014	May 2017	239,282		1,664,794,978.36
Qingdao Hyde Garden	May 2013	February 2015	82,220	203,325,256.40	606,867,492.26
Qingdao LAVIE Commune	April 2012	May 2015	140,367	933,152,636.23	518,059,485.68
Beijing Xicheng Homeland and Longyuan	May 2013	June 2015	507,456	259,174,212.36	331,761,127.45
Beijing Park 1872	January 2006	December 2015	448,505	501,183,199.19	13,664,595.65
Evian County in Tianjin	May 2011	February 2015	133,329	158,906,079.57	350,203,682.16
Harbin Notting Hill	April 2013	October 2015	347,581	148,301,132.07	417,466,046.36
Beacon Hill in Harbin	May 2014	June 2016	142,015.63		996,801,309.48
Yantai Merchant East Coast	June 2014	December 2015	175,818		461,520,676.50
Rizhao Leyden Town	June 2014	September 2016	483,351		912,702,949.70
Yantai China Merchant West Coast	May 2014	December 2015	308,068		594,362,574.05
Orchid Valley in Dalian	July 2013	December	135,000	540,833,533.26	782,338,145.47

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Project name	Commencement date	Estimated time of completion of next phase	Estimated total investment (RMB 10,000)	Beginning balance	Ending balance
		2015			
Xi'an Evian Qujiang	September 2014	October 2016	296,712		541,490,612.80
Hangzhou Magnificent House	May 2014	June 2016	151,175		1,008,682,215.82
Hangzhou Kingbay	March 2014	August 2016	262,855		1,903,307,211.89
Note 1 to Ningbo Park 1872	December 2013	August 2018	436,058		2,543,063,760.07
Throne Bay in Zhenjiang	May 2011	December 2015	621,044	2,981,543,426.67	2,125,278,500.58
Zhenjiang Evian Uptown	July 2014	November 2017	151,457		240,628,200.95
Scenery Bay in Suzhou	March 2011		215,000	967,815,190.00	
Magnificent House in Suzhou	March 2013	December 2015	152,557	994,018,019.59	1,198,208,447.53
Noble Hill in Suzhou	June 2013	July 2015	87,076	458,605,748.21	662,293,393.57
Suzhou Small Stone City	March 2010	November 2015	485,432	1,104,701,524.85	1,150,455,971.39
Evian Mansion in Suzhou	February 2014	June 2016	163,971		1,104,232,661.19
Merchants Bay Garden in Shanghai	May 2011	October 2015	139,059	438,413,354.96	327,851,154.90
Sheshan Longyuan Project in Shanghai	October 2010		303,342	1,619,057,055.04	1,018,900,771.99
Shanghai Hongqiao Mansion	December 2012	August 2014	144,300	1,178,422,820.66	
Head Garden in Shanghai	May 2006	October 2016	187,254	1,410,089,918.17	1,274,672,206.47
Nanjing Evian County	August 2014	December 2015	151,400		662,921,300.07
Nanjing Yonghuafu	December 2012	May 2015	335,945	2,193,241,119.30	2,619,284,586.06
Nanjing Fangshanli Garden	October 2014	June 2016	71,142		356,149,325.62
Changzhou Park 1872	February 2013	May 2015	300,031	775,718,949.71	1,134,843,521.43
Changshu Xicheng Garden	June 2014	November 2015	145,998		852,189,554.31
Holiday 365, Zhangzhou	June 2010	March 2015	44,205	97,506,634.50	133,525,527.09
Zhangzhou Cadaques	May 2010	December 2015	332,501	1,078,851,560.65	1,277,717,672.53
Xiamen Magnificent House	March 2014	January 2016	92,306		796,816,368.04
Xiamen Sea May Flower	March 2011	December 2016	256,949	1,081,038,717.30	612,580,190.75
Xiamen Hyde Park	May 2011	August 2015	233,354	1,495,403,744.30	790,750,945.78
Magnificent House in Wuhan	July 2011		99,183	861,018,328.37	
Land Plot 1872A of Park, Wuhan	March 2012	May 2017	373,771	1,857,220,454.61	1,284,084,823.48

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Project name	Commencement date	Estimated time of completion of next phase	Estimated total investment (RMB 10,000)	Beginning balance	Ending balance
Land Plot 1872 B of Park, Wuhan	October 2014	August 2015	134,593		676,535,803.13
Land Plot 1872C of Park, Wuhan	October 2014	March 2016	134,422		61,044,729.94
Glory of the City, Wuhan	May 2014	March 2016	192,743		1,746,814,179.73
Chongqing Changjianghui	May 2011	December 2019	1,281,749	3,426,326,531.72	2,828,918,135.31
Garden City in Chongqing	August 2011	June 2015	351,717	1,845,235,291.40	1,254,938,677.85
Chongqing Evian	May 2014	April 2017	108,141		628,825,958.94
Chongqing Central Park Project	July 2014	December 2019	1,179,807		3,025,832,005.41
Yunnan Haigongguan	January 2013	March 2016	230,070	929,185,752.65	1,354,648,970.66
Bijie China Merchants Garden City	April 2012	December 2015	300,147	781,668,293.64	532,279,432.91
Scenery Bay in Nanning	July 2014	March 2017	290,000		854,730,395.09
Magnificent House in Chengdu	April 2012	July 2015	275,371	1,904,618,663.66	356,270,829.56
Evian Uptown in Chengdu	February 2014	June 2016	123,121		425,799,461.39
Garden City in Zhuhai	December 2009		151,667	795,320,613.02	
Evian Town in Foshan	April 2014	March 2017	129,425		670,638,863.80
Sanya Haitang Bay Qingtian Town	January 2013	January 2016	208,088	51,583,724.98	184,170,478.62
Guangzhou Jinshan Valley and Creative Park	July 2009	July 2015	670,181	996,703,463.16	1,037,816,619.77
Wanbo Mansion in Guangzhou	August 2014	September 2016	229,802		1,574,263,261.28
Donghuicheng in Guangzhou	March 2012	December 2015	289,176	1,963,425,999.76	1,539,701,580.31
Evian International in Foshan	February 2013	July 2015	89,197	276,038,549.14	412,924,897.45
Foshan Evian Property Center	October 2013	November 2016	210,869	878,602,934.91	687,319,284.40
Evian Buena Vista in Foshan	December 2010	January 2015	113,487	334,308,921.45	454,370,725.05
Evian Riviera in Foshan	August 2011		146,022	1,343,002,124.56	
Foshan Park 1872	September 2013	December 2015	220,000	1,401,881,905.84	1,706,096,128.86
Foshan Kingbay	March 2014	February 2016	112,265		758,826,483.42
Foshan Evian Mansion	February 2014	March 2016	55,389		344,782,063.71
Evian Mansion in Foshan	April 2014	November 2015	90,010		568,241,550.30
Shenzhen Central Plaza	February 2011		6,918	53,526,164.81	
Jingshan The Ninth in Shenzhen	May 2011		292,370	2,012,634,209.09	

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Project name	Commencement date	Estimated time of completion of next phase	Estimated total investment (RMB 10,000)	Beginning balance	Ending balance
Shenzhen Yuercun Project	TBD	TBD	TBD	269,113,953.75	278,385,884.46
Shenzhen One City Project	November 2011	December 2016	735,678	3,917,668,541.84	2,060,034,689.63
Renovation of Sanlian Village of Shenzhen	June 2015	October 2018	171,582	37,556,658.80	83,450,363.05
Shenzhen Xiyong Project	TBD	TBD	TBD		5,727,898.28
Shenzhen Pingshan Garden City	April 2013	November 2015	322,408	1,575,860,527.71	2,200,442,700.46
Shenzhen Prince's Building	June 2013	December 2015	211,046	1,067,217,206.78	1,269,675,944.66
Shenzhen Sea World Residence	July 2013	February 2016	1,203,461	2,834,590,034.27	8,045,513,371.93
Shenzhen NHECOOL Business Transformation	March 2013		600	5,742,046.60	
Shenzhen Chuantou Plaza	August 2015	August 2016	24,013		85,082,840.38
Shenzhen Merchants Plaza Club	February 2015	June 2015	3,887		9,491,032.46
Shenzhen Jinxiu Kwun Town	December 2011		94,264	759,733,888.03	
Shenzhen Sea World Museum	May 2013	May 2015	113,969	15,922,583.76	302,471,062.30
Municipal Works of Shenzhen Sea World	July 2013	December 2015	7,541		25,283,531.16
Others				11,162,125.15	31,687,864.50
Total				55,454,824,483.32	73,296,407,415.29

Note 1: Ningbo Jiangwan Property Development Co., Ltd. terminated the obtainment of the capital increase and share expansion of Forte (Group) Co., Ltd. and Shanghai Shimao Co., Ltd. as of December 31, 2014, and has control over the company in current period, therefore, the statement of the company was incorporated and Ningbo Park 1872 was acquired by Jiangwan Real Estate Development Co., Ltd.

B. Proposed property project

As of December 31, 2014, the Group's land reserve area is 4,419,500 m², and land cost is RMB 15,972,775,090.33.

Project name	Scheduled commencement time	Estimated time of completion of next phase	Estimated total investment (RMB 10,000)	Beginning balance	Ending balance
Tianjin Yonghaiyuan	March 2015	May 2017	191,537		1,244,160,000.00
Beacon Hill in Harbin	May 2015	May 2017	923,625	2,659,778,476.22	2,176,227,707.50

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Project name	Scheduled commencement time	Estimated time of completion of next phase	Estimated total investment (RMB 10,000)	Beginning balance	Ending balance
Land Plots 3-7 of Harbin Notting Hill	May 2015	May 2017	347,581	556,342,750.32	405,446,215.43
Rizhao Leyden Town	May 2015	June 2016	493,351		1,030,525,477.63
Xi'an Evian Qujiang	October 2015	October 2017	296,712		427,089,500.00
Noble Hill in Suzhou	March 2015	April 2016	86,950	341,150,180.95	496,019,977.50
Nanjing Yanziji	June 2015	November 2017	340,000		1,228,973,612.55
Nanshan, Zhenjiang Creative Industry Park	March 2015	April 2017	TBD	49,562,123.13	61,688,493.41
Zhangzhou Banshan	December 2015	December 2018	TBD		958,930,000.00
Land Plot C of Wuhan Moshui Lake	May 2015	October 2017	323,490	1,217,517,401.97	1,165,000,000.00
Land Plot B of Wuhan Moshui Lake	May 2015	October 2017	226,219	922,306,172.00	265,602,240.90
Evian Uptown in Chengdu	August 2015	October 2017	226,172	769,788,038.50	516,798,812.93
Yunnan Haigongguan	March 2015	March 2017	90,029	341,064,823.18	341,064,823.18
Chongqing Central Park Plot	October 2015	August 2017	1,179,807		1,227,830,000.00
Banan Land Plot of Chongqing	April 2015	August 2016	340,000	262,616.00	752,112,428.94
Yantai China Merchant West Coast	June 2015	September 2016	308,068	1,253,365,941.20	832,919,800.00
Foshan Evian Mansion	February 2015	July 2016	136,176	368,300,700.00	222,746,891.47
Evian Buena Vista in Foshan	November 2015	November 2016	67,298	284,799,443.85	151,188,245.92
Evian Mansion in Foshan	June 2015	November 2016	145,429		675,617,296.70
Foshan Kingbay	June 2015	November 2017	88,271.15		422,671,270.08
Bo'ao Big Lake of Hainan	March 2015	October 2020	TBD	829,914,940.82	856,186,960.65
Diamond Hill Plaza of Shenyang Note 1	May 2015	July 2018	133,762		513,975,335.54
Others Note				4,979,598,950.52	
Total				14,573,752,558.66	15,972,775,090.33

Note 1: The Company obtained Diamond Hill Plaza of Shenyang by acquiring 51% of stock rights of Jinhui (China) Shareholding Co., Ltd. in December 2014. The Project has not been commenced in current period.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Note 2: the others are the projects to be constructed in current period, including Hangzhou Magnificent House, Hangzhou Scenery Bay, Evian Mansion in Suzhou, Xiamen Magnificent House and Scenery Bay in Nanning.

C. Real estate development products are as follows:

Project name	As-built date of the last phase	Initial amount	Debit in this period	Credit in this period	Ending amount
Tianjin Star City	July 2014	146,820,760.37	1,123,575,578.84	416,665,118.15	853,731,221.06
Tianjin Yonghuafu	October 2012	169,749,194.87	2,123,086.53	6,250,584.22	165,621,697.18
Tianjin Beacon Hill	August 2014		940,046,670.22	744,540,338.89	195,506,331.33
Evian County in Tianjin	June 2013	14,459,901.01		9,537,757.17	4,922,143.84
No. 36, Xikang Road, Tianjin	November 2009	1,907,351.03			1,907,351.03
Qingdao LAVIE Commune	May 2014		600,848,214.29	308,459,286.88	292,388,927.41
Beijing Park 1872	July 2014	91,666,642.14	877,391,061.57	841,975,823.98	127,081,879.73
Beijing Xicheng Garden	September 2010	91,987,334.55		4,095,187.42	87,892,147.13
Beijing Park Lounge	July 2013	237,927,265.47		222,593,461.11	15,333,804.36
Harbin Notting Hill	July 2014	149,427,578.53	219,825,044.48	144,984,594.15	224,268,028.86
Throne Bay in Zhenjiang	July 2014	45,539,301.62	1,233,629,819.95	968,702,937.85	310,466,183.72
Scenery Bay in Suzhou	November 2014	371,540,730.88	1,066,196,080.23	1,335,113,007.13	102,623,803.98
Suzhou Evian Town	December 2009	9,701,439.23		3,933,445.94	5,767,993.29
Suzhou Small Stone City	December 2014	59,695,486.25	744,810,335.03	762,563,091.04	41,942,730.24
Merchants Bay Garden in Shanghai	June 2014	439,566,442.73	255,267,593.16	189,897,415.42	504,936,620.47
Shanghai Sheshan Longyuan	August 2014	907,904,549.76	776,857,103.00	171,157,766.48	1,513,603,886.28
Head Garden in Shanghai	May 2014	36,353,144.39	347,185,815.00	342,048,762.41	41,490,196.98
Shanghai Hongqiao Mansion	August 2014		1,406,586,349.35	891,331,760.00	515,254,589.35
Nanjing Purple Mountain No.1	December 2013	1,120,333,242.89		211,075,189.82	909,258,053.07
Nanjing Evian Valley	October 2010	6,380,500.81		6,380,500.81	
Cadaques, Zhangzhou	June 2014	105,378,492.95	127,019,700.48	148,448,439.38	83,949,754.05
Zhangzhou China Merchants Garden City	June 2013	54,650,716.25		31,205,684.57	23,445,031.68
Sunshine Garden, Zhangzhou	June 2006	2,656,378.89			2,656,378.89
Golden Triangle Commercial Apartment, Zhangzhou	December 2004	1,439,657.00			1,439,657.00
Zhangzhou Holiday 365	November	74,653,044.41		60,374,721.25	14,278,323.16

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Project name	As-built date of the last phase	Initial amount	Debit in this period	Credit in this period	Ending amount
	2013				
Xiamen May Flower	August 2014	127,018,694.10	829,120,294.88	668,178,605.95	287,960,383.03
Xiamen Hyde Park	April 2014	154,964,402.02	883,518,944.04	868,773,237.54	169,710,108.52
Land Plot 1872A of Park, Wuhan	December 2014		1,230,611,149.30	472,460,627.78	758,150,521.52
Magnificent House in Wuhan	May 2014		895,823,159.10	844,606,366.36	51,216,792.74
Chongqing China Merchants Garden City	September 2014	171,699,732.21	1,036,321,367.99	825,862,080.18	382,159,020.02
Glory of the City, Chongqing	September 2013	172,958,742.44		54,514,801.87	118,443,940.57
Chongqing Changjianghui	April 2014		979,969,732.65	886,879,270.01	93,090,462.64
Magnificent House in Chengdu	September 2014	69,466,590.37	1,946,077,584.67	1,659,721,117.92	355,823,057.12
Chengdu International East City	September 2012	23,093,954.26		-3,211,928.03	26,305,882.29
Bijie China Merchants Garden City	December 2014	74,584,020.48	812,590,577.45	342,615,597.74	544,559,000.19
Zhuhai Garden City	January 2014	283,791,082.74	938,217,227.34	731,555,216.40	490,453,093.68
Guangzhou Jinshan Valley	June 2013	420,050,667.82		156,957,935.37	263,092,732.45
Guangzhou Creative Park	September 2014		560,508,889.26	141,175,331.74	419,333,557.52
Donghuicheng in Guangzhou	June 2014		782,901,753.32	667,508,181.22	115,393,572.10
Evian Riviera in Foshan	July 2014	903,252,545.76	1,469,595,900.03	1,965,002,955.58	407,845,490.21
Evian Town in Foshan	September 2012	211,110,517.09	-22,529,568.55	109,086,338.27	79,494,610.27
Evian Uptown in Foshan	June 2013	1,166,177,250.80		1,071,079,193.12	95,098,057.68
Evian Buena Vista in Foshan	September 2014	219,160,941.21	248,892,636.61	334,781,952.41	133,271,625.41
Shenzhen Gorgeous Garden	October 2010	1,063,834.85			1,063,834.85
China Merchants (Shenzhen) Green Garden	June 2013	20,277,468.26			20,277,468.26
Shenzhen Yihai City	August 2014		2,772,182,577.72	2,281,989,687.55	490,192,890.17
Shenzhen NHECOOL Business Transformation	December 2014		24,455,984.38	24,455,984.38	
Kwun Town in Shenzhen	January 2012	280,919,862.26	5,655,793.31	214,873,273.71	71,702,381.86
Shenzhen Kingbay	August 2012	53,870,232.20	12,014.81	52,167,423.91	1,714,823.10
Shenzhen Evian County	October 2009	13,440,925.00		13,440,925.00	
Shenzhen Woods Apartment	June 2013		80,275,244.52	8,029,084.83	72,246,159.69
Jingshan The Ninth in Shenzhen	June 2014		2,565,238,329.74	1,945,748,840.38	619,489,489.36
Shenzhen Jinxiu Kwun Town	June 2014		883,212,910.25	802,881,913.15	80,330,997.10

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Project name	As-built date of the last phase	Initial amount	Debit in this period	Credit in this period	Ending amount
Shenzhen Lanxi Valley	May 2011	2,478,894.64		2,478,894.64	
Sea World Riverside	December 2014		77,717,929.82		77,717,929.82
Shenzhen Central Plaza	December 2014		56,576,597.22		56,576,597.22
Sea World Public Space (Nuwa Plaza)	December 2014		42,825,888.41		42,825,888.41
Shenzhen Huanchuan Plaza	September 2013	98,363,670.23		14,594,208.37	83,769,461.86
Others		1,533,987.00			1,533,987.00
Total		8,609,017,171.77	28,828,880,367.67	24,987,286,988.69	12,450,610,550.75

(3) Provision for inventory write-down

Item	Beginning balance	Increase of this year		Decrease of this year		Ending balance
		Counting and drawing	Others	Write-back or write-off	Other transfer out	
Cost of real estate development		528,579,913.07				528,579,913.07
Real estate development product	185,161,833.73	10,166,456.07		9,286,491.70		186,041,798.10
Low-price consumables	162,981.66					162,981.66
Total	185,324,815.39	538,746,369.14		9,286,491.70		714,784,692.83

Note 1: The estimated sale price applied to calculate net realizable value of inventory is divided into the presold and unsold parts, the estimated sale price of the presold part is confirmed according to the actual contracting price, and the estimated sale price of the unsold part according to the recently average contracting price or sale price of similar products.

Note 2: China Merchants Real Estate (Suzhou) Co., Ltd., China Merchants (Chengdu) Longcheng Property Development Co., Ltd., China Merchants (Hangzhou) Property Development Co., Ltd., China Merchants (Yantai) Property Co., Ltd. and Qingdao Zhongrunde Auto Trade Co., Ltd. tested the net realizable value of the projects according to the current market price and actual sales and withdrawn RMB 111,900,000.00, RMB 82,413,630.74, RMB 106,680,000.00, RMB 106,453,300.34 and RMB 121,132,981.99 of the inventory falling price reserve for Evian House, Phase I of Evian Uptown, Hangzhou Magnificent House and Merchant East Coast and Qingdao LAVIE Commune Business Park respectively.

Note 3: The Company's subsidiary, Shanghai Jingyuan Property Development Co., Ltd., withdrew inventory falling price reserves of RMB 207,957,544.04 and a write-off of RMB

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22,795,710.31 from sales ratio carry-over of previous year for Sheshan Longyuan Project in Shanghai developed by it as per prevailing market conditions. At the end of current period, Shanghai Jingyuan Property Development Co., Ltd. withdrew inventory falling price reserves of RMB 10,166,456.07 from the net realizable value after test as per current market price status and actual sales of Shanghai Sheshan Longyuan Project. Besides, there is an impairment loss of RMB 9,286,491.70 for current period due to write-off from carry-over sales.

- (4) Accumulative capitalized interest payments in real estate development costs are RMB 1,929,803,212.63, including the interest payments of RMB 790,506,393.96 included in real estate development costs for this year.

- (5) Inventory used as mortgage is listed as follows.

Borrower	Lending institution	Loan amount	Including: long-term loan amount due within one year	Collateral
Qingdao Zhongrunde Auto Trade Co., Ltd.	Bank	153,000,000.00	153,000,000.00	Qingdao LAVIE Commune (Phase I) site (corresponding land use right certificate number: QFDQSZ No. 20081844) and project under construction (ownership certificate number: QFDJS No. 201274753)
Qingdao Zhongrunde Property Co., Ltd.	Bank	79,800,000.00	21,000,000.00	Qingdao LAVIE Commune (Phase II) site (corresponding land use right certificate number: QFDQSZ No. 201013560) and project under construction (corresponding ownership certificate number: JZ No. 370200201316034)
Tianjin CM Taida Investment Co., Ltd.	Bank	148,928,563.46	97,728,563.46	Land use right (corresponding land use right certificate: JZ No. 114051200160, No. 114051300109, and No. 11405130007)
Dalian Zhaoyu Property Co., Ltd.,	Bank	65,000,000.00	30,000,000.00	Southern Dalian Orchid Valley Project site (corresponding ownership certificate No.: GXYQGY (2014) No. 05004) and project under construction (corresponding ownership certificate No.: JZ No. 210211201420009)
Harbin Yinkai Real Estate Development Co., Ltd.	Bank	200,000,000.00		Beacon Hill project in Harbin under construction (corresponding ownership certificate No.: HFJSZ No. 1410000033)
China Merchants (Harbin) Property Development Co., Ltd.	Bank	250,000,000.00		Harbin Notting Hill site (corresponding ownership certificate No.: HGY (2014) No. 10000012) and project under construction (corresponding ownership certificate No.: HFJSZ No. 1410000036)
China Merchants (Changshu) Real Estate Co., Ltd.	Bank	20,000,000.00		Changshu Taigongwang Garden Project site (corresponding land certificate No.: CGY (2014) No. 13137)
Ningbo Jiangwan Property Development Co., Ltd.,	Bank	50,000,000.00	10,000,000.00	3#-1 Site for Ningbo Park 1872 Project (corresponding land certificate No.: YGY (2014) No. 0101150)
Total		966,728,563.46	311,728,563.46	

8. Other current assets

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Item	Ending balance	Beginning balance	Nature
Provisional tax	3,535,041,730.18	3,547,427,010.52	Amount withhold for tax
Others	15,654,162.79	2,770,929.08	Other expenses prepaid
Total	3,550,695,892.97	3,550,197,939.60	

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

9. Long-term equity investments

Invested company	Beginning balance	Change amount of this year								Ending balance	Depreciation reserves at the end of year	
		Additional investments	Negative investment	Profit and loss on investments confirmed with equity method	Other comprehensive income adjustment	Other equity change	Profit or cash dividend declared to be distributed	Withdrawing depreciation reserves	Others			
I. Joint ventures												
Shenzhen Dehan Investment Development Co., Ltd.	13,439,089.52			-715,894.58							12,723,194.94	
Shenzhen Yihaicheng Property Management Co., Ltd	500,000.00			-500,000.00								
China Merchants (Foshan) Longyuan Property Development Co., Ltd Note 1												
Beijing Guangying Residential Property Development Limited Note 1												
Shenzhen CMOCTPM Co., Ltd	3,191,981.20			766,062.05							3,958,043.25	
Ningbo Jiangwan Property Development Co., Ltd.Note 2	29,025,146.81									-29,025,146.81		
Shanghai FTZ Pushen Property Co., Ltd. Note 3		18,000,000.00		-4,862,837.23							13,137,162.77	
II. Affiliated enterprises												
Shenzhen CMOCTPM Co., Ltd.	655,896,945.76			240,880,545.06			-320,548,073.60				576,229,417.22	
Guangzhou Panyu Innovation Science Park Co., Ltd.	313,093,571.68			-3,123,380.31							309,970,191.37	
Huizhou Taitong Real Estate Investment Co., Ltd Note 1												
Shanghai New South Mountain	56,329,128.55			57,241,901.1							113,571,029.74	

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Invested company	Beginning balance	Change amount of this year								Ending balance	Depreciation reserves at the end of year
		Additional investments	Negative investment	Profit and loss on investments confirmed with equity method	Other comprehensive income adjustment	Other equity change	Profit or cash dividend declared to be distributed	Withdrawing depreciation reserves	Others		
Real Estate Development Co., Ltd.				9							
China Merchants Guangming Science Park	163,856,555.45			-1,780,287.00						162,076,268.45	
China Merchants (Beijing) Tianping Property Co., Ltd.	2,490,529.24			27,570.99						2,518,100.23	
Tianjin Xinghai Real Estate Development Co., Ltd.	104,079,030.05			50,383.59						104,129,413.64	
Shanghai Ledu Property Co., Ltd.	217,515,645.59			5,785,741.96			-40,195,980.00			183,105,407.55	
Jones Tech Limited		75,281,982.35		-2,116,496.88						73,165,485.47	
Holly Profit Limited		90,435,568.55		-3,653,571.10						86,781,997.45	
Station Fortune Limited	298.75	89,832,662.75		-1,214,858.16						88,618,103.34	
Chief Master Limited	298.75	45,217,633.55		-862,460.38						44,355,471.92	
TCL Opto-electronic Tech (Shenzhen) Co., Ltd.	93,775,993.21			44,621,242.71			-24,000,000.00			114,397,235.92	
Tianjin Munanqiushi Industrial Co., Ltd. Note 4		17,000,000.00		-621.58						16,999,378.42	
Total	1,653,194,214.56	335,767,847.2		330,543,040.33			-384,744,053.60		-29,025,146.81	1,905,735,901.68	

Note 1: the long-term equity investments with the calculated book value depreciated to zero due to equity method applied are as follows:

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Invested company	Shareholding ratio	Investment cost	Accrual equity method adjustment
Foshan Merchants Longyuan Real Estate Co., Ltd.	50 %	50,000,000.00	-50,000,000.00
Beijing Guangying Residential Property Development Limited	34 %	6,258,825.01	-6,258,825.01
Huizhou Taitong Real Estate Investment Co., Ltd	49 %	25,484,900.00	-25,484,900.00

Note 2: As of July 16, 2013, the Company invested to establish Ningbo Jiangwan Property Development Co., Ltd., with a registered capital of CNY 30 million, and a shareholding ratio of 100%. As Ningbo Jiangwan Property Development Co., Ltd. plans to increase in capital and share and absorb the funds of Forte (Group) Co., Ltd. and Shanghai Shimao Co., Ltd. for the purpose of joint operation and the Company's proportion of voting rights is 34% as per the by-laws and relevant agreements of Ningbo Jiangwan Property Development Co., Ltd., this Company was excluded in merging in 2013; as of December 31, 2014, Ningbo Jiangwan Property Development Co., Ltd. stopped capital increase and share expansion and the Company has controlled this Company in present period, such Company is included in subsidiaries.

Note 3: On May 20, 2014, China Merchants (Shanghai) Properties Co., Ltd. (subsidiary of the Company) and Shanghai Waigaoqiao Free Trade Zone Development Co., Ltd. jointly established Shanghai Pilot Free Trade Zone Pushen Properties Co., Ltd. with registered capital of RMB 30 million; China Merchants (Shanghai) Properties Co., Ltd. has contributed RMB 18 million and enjoys 60% of equity capital. Shanghai Pilot Free Trade Zone Pushen Properties Co., Ltd., according to its Articles of Association and relevant agreements, is jointly controlled by both shareholders; therefore, it shall not be independently controlled by China Merchants (Shanghai) Properties Co., Ltd. and is not included in consolidated financial statement of the Company.

Note 4: On May 30, 2014, Tianjin Zhaosheng Properties Co., Ltd. (subsidiary of the Company), Tianjin Ronghongshenglong Industry Co., Ltd. and Tianjin Vanke Investment Co., Ltd. jointly established Tianjin Munanqiushi Industry Co., Ltd. with registered capital of RMB 51 million; Tianjin Zhaosheng Properties Co., Ltd. has contributed RMB 17 million and enjoys 33.33% of equity capital.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

10. Investment property

(1) Investment property of cost measurement model

Item	Real estate and buildings	Land use rights	Total
I. Original carrying value			
1. Beginning balance	4,619,714,535.01	2,461,979,489.81	7,081,694,024.82
2. Increase in the year	179,130,995.33	70,098,884.57	249,229,879.90
(1) Outsourcing			
(2) Carried over from inventory/fixed assets/intangible assets	139,169,744.82	26,705,525.20	165,875,270.02
(3) Other increases	39,961,250.51	43,393,359.37	83,354,609.88
(4) Increase of corporate combination			
3. Decrease in the year	183,135,280.56	50,790,095.90	233,925,376.46
(1) Disposal	34,222,158.65		34,222,158.65
(2) Carried over to inventory/fixed assets/intangible assets	21,764,215.32	11,559,384.47	33,323,599.79
(3) Other decreases	127,148,906.59	39,230,711.43	166,379,618.02
4. Ending balance	4,615,710,249.78	2,481,288,278.48	7,096,998,528.26
II. Accumulative depreciation and amortization			
1. Beginning balance	1,171,893,770.58	247,955,920.36	1,419,849,690.94
2. Increase in the year	181,540,116.23	68,495,506.20	250,035,622.43
(1) Withdrawing or amortization	163,706,082.19	63,858,398.68	227,564,480.87
(2) Carried over from inventory/fixed assets/intangible assets	17,834,034.04	374,686.73	18,208,720.77
(3) Other increases		4,262,420.79	4,262,420.79
(4) Increase of corporate combination			
3. Decrease in the year	198,967,393.33	233,995.24	20,130,734.57
(1) Disposal	14,869,980.01		14,869,980.01
(2) Other transfer-out	764,338.51	233,995.24	998,333.75
(3) Other decreases	4,262,420.81		4,262,420.81
4. Ending balance	1,333,537,147.48	316,217,431.32	1,649,754,578.80
III. Provision for impairment			
1. Beginning balance			
2. Increase in the year			
(1) Withdrawing			
(2) Carried over from inventory/fixed assets/intangible assets			
(3) Increase of corporate combination			
3. Decrease in the year			
(1) Disposal			
(2) Carried over to inventory/fixed assets/intangible assets			
4. Ending balance			
IV. Book value			
1. Ending book value	3,282,173,102.30	2,165,070,847.16	5,447,243,949.46
2. Beginning book value	3,447,820,764.43	2,214,023,569.45	5,661,844,333.88

(2) Investment property without proper certificate of title

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Book value	Reasons for uncompleted property right certificate
China Merchants Plaza	1,151,936,374.69	Handling ownership certificate
Chuanqian Plaza	375,742,209.32	
Chuanwei Plaza	355,054,031.01	
Chuanhou Plaza	353,838,017.05	
Maillen Apartment	246,632,233.88	
Refined decoration club in Zone D, Zhangzhou Cadaques	47,234,540.25	
Stores at exhibition area of Zhangzhou Cadaques	29,654,475.70	
The Hills Garden (Phase II)	22,675,905.25	
Zhangzhou Cadaques C3 Shopping Street	11,976,939.02	
Golden Triangle Commercial Apartment	476,592.11	
Crape Myrtle Garden (Phase I)	36,117,268.40	
Main body of culture and sports center	13,658,943.20	
Plant in Asia	7,048,679.69	
Swimming pool in culture and sports center	1,370,057.60	
Residential building for New Energy Group	422,986.14	
Rear inspection building	66,135.30	
Duty free building	56,859.77	
Negative 1st F to 8th F and 10th F of Peninsula Tower	49,373,376.22	No ownership certificate obtained for historical reasons and the missing of source material
Wal-Mart	45,401,572.23	
Jingshan Villa (Phase VIII) (#145-#180)	36,850,937.68	
Beike Venture Building	19,973,745.90	
No.5 building of Jingshan Apartment	14,611,743.67	
Store at Spring Plaza	4,528,556.57	
No. 50 ~ 52 buildings of Mid Ocean View Villa	3,179,540.73	
Store in Lanxi Valley	2,271,208.84	
Nanyou Plant	193,994.99	
Bayview Court	89,070.81	
Store in Mountain of Flowers and Fruit	919,353.60	It is a temporary building, and ownership registration cannot be issued before reconstruction as per urban planning.
Rose Garden warehouse	36,169.40	
Total	2,831,391,519.02	

11. Fixed assets

(1) Statement of Fixed Assets

Item	Buildings	Plant equipment	Transportation equipment	Office equipment	Total
I. Original carrying value					

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Buildings	Plant equipment	Transportation equipment	Office equipment	Total
1. Beginning balance	1,875,320,557.09	315,079,590.79	92,297,631.00	139,435,209.74	2,422,132,988.62
2. Increase in the year	70,506,501.75	16,681,357.47	21,663,678.47	57,405,836.02	166,257,373.71
(1) Purchasing		388,943.40	14,347,334.05	22,624,146.41	37,360,423.86
(2) Carried-over from construction under construction	16,696,967.44	16,054,364.07		942,557.25	33,693,888.76
(3) Increase of corporate combination			1,048,000.00	515,270.80	1,563,270.80
(4) Carried-over from other titles	29,509,212.59				29,509,212.59
(5) Other increases	24,300,321.72	238,050.00	6,268,344.42	33,323,861.56	64,130,577.70
3. Decrease in the year	173,148,617.94	54,639,359.72	3,960,726.50	8,553,571.80	240,302,275.96
(1) Disposal or discard as useless	54,051.51	1,131,055.88	3,520,781.50	7,324,525.54	12,030,414.43
(2) Decrease of corporate combination					
(3) Transfer-in investment property	136,295,040.98				136,295,040.98
(4) Carried over to other titles					
(5) Other decreases	36,799,525.45	53,508,303.84	439,945.00	1,229,046.26	91,976,820.55
4. Ending balance	1,772,678,440.90	277,121,588.54	110,000,582.97	188,287,473.96	2,348,088,086.37
II. Accumulated depreciation					
1. Beginning balance	121,026,820.32	155,336,824.02	47,442,026.52	59,906,326.21	383,711,997.07
2. Increase in the year	78,247,768.47	30,412,070.35	15,523,136.98	52,637,959.43	176,820,935.23
(1) Withdrawing	72,907,355.32	30,294,432.10	13,685,478.95	30,760,161.09	147,647,427.46
(2) Increase of corporate combination			37,429.92	22,966.68	60,396.60
(3) Carried-over from other titles	764,338.51				764,338.51
(4) Other increases	4,576,074.64	117,638.25	1,800,228.11	21,854,831.66	28,348,772.66
3. Decrease in the year	17,871,806.00	28,952,092.41	3,353,479.39	7,805,338.05	57,982,715.85
(1) Disposal or discard as useless	37,771.96	1,049,947.35	3,353,479.39	6,873,130.47	11,314,329.17
(2) Decrease of corporate combination					
(3) Transfer-in investment property	17,834,034.04				17,834,034.04
(4) Carried over to other titles					
(5) Other decreases		27,902,145.06		932,207.58	28,834,352.64
4. Ending balance	181,402,782.79	156,796,801.96	59,611,684.11	104,738,947.59	502,550,216.45
III. Provision for impairment					
1. Beginning balance					
2. Increase in the year					

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Buildings	Plant equipment	Transportation equipment	Office equipment	Total
(1) Withdrawing					
(2) Increase of corporate combination					
3. Decrease in the year					
(1) Disposal or discard as useless					
(2) Decrease of corporate combination					
4. Ending balance					
IV. Book value					
1. Ending book value	1,591,275,658.11	120,324,786.58	50,388,898.86	83,548,526.37	1,845,537,869.92
2. Beginning book value	1,754,293,736.77	159,742,766.77	44,855,604.48	79,528,883.53	2,038,420,991.55

(2) Fixed assets without proper certificate of title

Item	Book value	Reasons for uncompleted property right certificate
Zhangzhou Meillen Mountain Villa	119,632,046.62	New property, in progress...
Shenzhen Sea World Hilton Hotel	629,888,013.23	
Office at 22nd F of Dongcheng International	5,842,504.28	
Office at 26th F of China Merchants Plaza	20,419,497.77	
Mawan Transformer Substation building	16,476,660.24	
Phase 1 of Garden City in Zhuhai	7,744,997.27	
Haitao Hotel	701,070.92	Ownership certificate can be issued after rectification or improvement on relevant construction application formalities
The third transformer station (civil works)	6,510,028.90	
Civil works for CEEG's third cable project	1,451,296.86	
Mailen Club	16,483,580.03	House ownership certificate cannot be issued for relevant policy reasons of local government sectors
Part transformer station warehouse and distribution substation of China Merchants Power Supply	4,746,096.01	For property premise is Shekou industrial zone land of lease controlling shareholder, house ownership certificate cannot be issued.
Substation and underground tank in Zones 34 and 35 of Huangjintai	1,059,848.43	It is a temporary building and unqualified in handling ownership registration.
Total	830,955,640.56	

12. Construction in progress

(1) Breakdown of construction in progress

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Transformer station	77,450,226.12		77,450,226.12	97,696,226.79		97,696,226.79

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
project						
Reconstruction of plant in Zone 34	2,936,043.39		2,936,043.39	2,936,043.39		2,936,043.39
Reconstruction of Zengcheng Training Base	4,586,781.10		4,586,781.10	4,263,308.18		4,263,308.18
Total	84,973,050.61		84,973,050.61	104,895,578.36		104,895,578.36

(2) Change of significant construction in progress

Project name	Beginning balance	Increase of this year	Decrease of this year		Ending balance
			Transfer-in assets	fixed assets Other decreases	
Qianhai 110KV Mawan Transformer Station	73,747,859.97	9,744,413.03	16,696,967.44		66,795,305.56
Reconstruction of Zengcheng Training Base	4,263,308.18	323,472.92			4,586,781.10
Reconstruction of 10KV switchgear for the 1st transformer station	10,272,068.26		10,272,068.26		
Total	88,283,236.41	10,067,885.95	26,969,035.70		71,382,086.66

(continued)

Project name	Budget	Proportion of accumulative engineering investment in budget (%)	Project progress (%)	Accumulated amount of capitalized interest	Including: amount of capitalized interest in the year	Capitalization rate of interest for this year (%)	Capital sources
Qianhai 110KV Mawan Transformer Station	135,000,000.00	61.85	80.00				Self financing
Reconstruction of Zengcheng Training Base	7,363,308.18	62.29	95.00				Self financing
Reconstruction of 10KV switchgear for the 1st transformer station	17,200,000.00	59.72	100.00				Self financing
Total	159,563,308.18						

13. Intangible assets

(1) Details of intangible assets

Item	Land use rights	Software	Total
I. Original carrying value			

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Land use rights	Software	Total
1. Beginning balance	560,127,109.65	6,822,128.00	566,949,237.65
2. Increase in the year	12,055,879.47	828,620.00	12,884,499.47
(1) Purchasing		828,620.00	828,620.00
(2) Increase of corporate combination			
(3) Other increases	12,055,879.47		12,055,879.47
3. Decrease in the year	28,326,815.15	12,300.00	28,339,115.15
(1) Disposal			
(2) Decrease of corporate combination			
(3) Other decreases	28,326,815.15	12,300.00	28,339,115.15
4. Ending balance	543,856,173.97	7,638,448.00	551,494,621.97
II. Accumulated amortization			
1. Beginning balance	21,427,208.41	3,073,377.82	24,500,586.23
2. Increase in the year	16,604,182.89	1,902,673.37	18,506,856.26
(1) Withdrawing	16,370,187.65	1,902,673.37	18,272,861.02
(2) Increase of corporate combination			
(3) Other increases	233,995.24		233,995.24
3. Decrease in the year	3,056,987.69	2,300.00	3,059,287.69
(1) Disposal			
(2) Decrease of corporate combination			
(3) Other decreases	3,056,987.69	2,300.00	3,059,287.69
4. Ending balance	34,974,403.61	4,973,751.19	39,948,154.80
III. Provision for impairment			
1. Beginning balance			
2. Increase in the year			
(1) Withdrawing			
(2) Other increases			
3. Decrease in the year			
(1) Disposal			
(2) Other decreases			
4. Ending balance			
IV. Book value			
1. Ending book value	508,881,770.36	2,664,696.81	511,546,467.17
2. Beginning book value	538,699,901.24	3,748,750.18	542,448,651.42

14. Goodwill

(1) Original value of goodwill

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Invested company	Beginning balance	Increase of this year	Decrease of this year	Ending balance
China Merchants Land Ltd.	159,560,861.23			159,560,861.23
Total	159,560,861.23			159,560,861.23

(2) The Group determines the difference between the expected present value of future cash flow of goodwill asset group and book value of such group as the impairment loss of the group. Goodwill impairment did not occur after impairment test.

15. Long-term deferred expenses

Item	Beginning balance	Increase of this year	Amortization of this year	Other decreases of this year	Ending balance
Improvement expenditure of fixed assets for operation	198,031,614.61	10,453,980.68	19,266,320.89		189,219,274.40
Others	59,637,228.12	36,233,540.30	37,824,551.35		58,046,217.07
Total	257,668,842.73	46,687,520.98	57,090,872.24		247,265,491.47

16. Deferred income tax assets and deferred income tax liabilities

(1) Non-offset deferred income tax assets

Item	Ending balance		Beginning balance			
	Deductible difference	temporary	Deferred income tax assets	Deductible difference	temporary	Deferred income tax assets
Provision for assets impairment	19,921,208.20		4,980,302.05	20,247,980.42		5,061,995.11
Withdrawing increment tax on land value	3,019,735,278.84		754,933,819.71	2,960,884,621.18		740,221,155.30
Assets assessment appreciation note 1	1,831,111,563.40		457,777,890.85			
Others	88,547,416.00		22,136,854.00	99,898,921.16		24,974,730.28
Total	4,959,315,466.44		1,239,828,866.61	3,081,031,522.76		770,257,880.69

Deferred income tax assets increased by RMB 469.571 million, with an increase rate of 61%, mainly from investment property investment, and forming deductible temporary difference of assets assessment appreciation.

Note 1: on April 15, 2014, the seventh session of the 12th meeting of the Board Of Directors reviewed and adopted to establish five subsidiaries with the book value (RMB 1.491 billion) of China Merchants (Shenzhen) Investment Co., Ltd.'s Shekou Technology Building, China Merchants Technology Building (Phase II), Garden City Digital Building, Shekou Garden City Commercial Center, and New Times Plaza and RMB 3 million cash.

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The Company engaged professional assessment institution to make value assessment on the foresaid five assets and their subsidiaries' 100% stock rights. The base date of assets assessment is April 30, 2014, and assets assessment appreciation is RMB 1.87 billion. After the establishment of the five subsidiaries, their 100% stock rights will be publicly listed and transferred in assets and equity exchange. As of December 31, 2014, China Merchants (Shenzhen) Investment Co., Ltd. had signed equity transfer agreement with the transferee to transfer 100% stock rights of the five subsidiaries, with a stock price of RMB 3.387 billion.

The Group determines deferred income tax assets at tax rate by less the Company's additional depreciation with the foresaid assets assessment appreciation.

(2) Non-offset deferred income tax liabilities

Item	Ending balance		Beginning balance		
	Taxable difference	temporary	Taxable difference	temporary	
Undistributed profits of invested company	644,221,885.52	Deferred income tax liabilities	35,822,337.24	1,127,065,853.48	108,596,697.05
Total	644,221,885.52	35,822,337.24	1,127,065,853.48	108,596,697.05	

(3) Unconfirmed details of deferred income tax assets

Item	Ending balance	Beginning balance
Deductible temporary difference	520,839,909.32	20,887,975.87
Deductible losses	3,001,387,433.54	1,880,447,683.61
Withdrawing increment tax on land value	701,035,574.42	599,606,449.00
Total	4,223,262,917.28	2,500,942,108.48

(4) Unrecognized deductible losses of deferred income tax assets will be expired at the end of following years

Year	Amount at the end of the year	Amount at the beginning of the year	Remarks
2014		9,070,705.50	
2015	17,196,247.51	73,616,726.44	
2016	164,439,209.37	187,868,641.92	
2017	581,372,066.72	743,689,981.13	
2018	620,681,602.32	866,201,628.62	
2019	1,617,698,307.62		
Total	3,001,387,433.54	1,880,447,683.61	

17. Short-term loans

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

(1) Classification of short-term loans

Loan type	Ending balance	Beginning balance
Guaranteed loan ^{Note1}	650,000,000.00	1,200,000,000.00
Credit loans	3,236,900,000.00	3,050,000,000.00
Total	3,886,900,000.00	4,250,000,000.00

Note 1: China Merchants (Shenzhen) Construction Co., Ltd., a subsidiary of the Company, borrowed a total of RMB 650,000,000 from the bank, of which RMB600,000,000 is guaranteed by the Company and RMB50,000,000 by Shekou Industrial Zone.

18. Notes payable

Type of notes	Ending balance	Beginning balance
Bank acceptance bill	15,573,202.50	4,777,875.00
Commercial acceptance bill	31,770,935.50	22,489,762.07
Total	47,344,138.00	27,267,637.07

There is no overdue and unpaid payable note at the end of the year.

19. Accounts payable

(1) Accounts payable

Item	Ending balance	Beginning balance
Payment of construction	8,862,113,986.73	6,498,504,292.06
Land cost	4,886,745,741.64	4,916,328,784.79
Equity acquisition amount Note 1	455,793,894.81	135,650,000.00
Warranty fund	794,692,588.57	336,853,170.30
Others	214,130,847.65	123,496,207.35
Total	15,213,477,059.40	12,010,832,454.50
Including: more than 1 year	1,503,999,912.80	937,403,243.07

As for accounts payable, additional RMB 3,202,644,600 is seen at the end of the year, with an increase rate of 27%, and mainly coming from the increase of real estate projects.

Note 1: share acquisition payment is mainly the residual payment payable for the Company's acquisition project, including Shenyang Golden Road Project, Beacon Hill Project in Harbin, Shanghai Hyde Project, and China Merchants (Shenzhen) Runde Project.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

(2) Significant accounts payable with age of more than one year

Company name	Ending balance	Reasons for outstanding or non-carryover
Beijing Yintai Properties Commercial Co., Ltd.	191,687,015.91	Unqualified in payment
Payment for China Merchants (Shenzhen) Plaza	173,878,120.35	Unsettled for the project
Payment for Beijing Park 1872 Project (Phase II)	84,911,965.13	Unsettled for the project
Payment for Shenzhen Woods Apartment Project	75,503,636.42	Unsettled for the project
CIMC Shenfa Construction Industrial Co., Ltd,	70,650,000.00	Unqualified in payment
Shenzhen Weihui Investment Co., Ltd.	65,000,000.00	Unqualified in payment
Payment for Shenzhen Green Garden Project	44,805,911.31	Unsettled for the project
Payment for Nanjing Garden City Project	40,360,055.63	Unsettled for the project
Payment for Exhibition Area Apartment of Zhangzhou Cadaques Project	36,345,741.13	Unsettled for the project
People's Government of Yanghang Town, Baoshan District, Shanghai Municipality	32,323,238.05	Unqualified in payment
Payment for Zhuhai Garden City Project (Phase I)	29,946,100.90	Still under warranty
Payment for Shenzhen Guanyuan Project	29,284,772.49	Still under warranty
Payment for Evian Town Project in Foshan (Phase III)	25,553,031.58	Still under warranty
Payment for Foshan Evian Uptown Project (Phase I)	25,532,625.63	Unsettled for the project
Payment for Shenzhen Kingbay Project	23,606,887.48	Still under warranty
Payment for Foshan Evian Uptown Project (Phase III)	22,848,116.36	Unsettled for the project
Payment for Shanghai Sheshan Longyuan Project	22,652,958.39	Unsettled for the project
Payment for Beijing Park 1872 Project (Phase III)	20,666,819.30	Unsettled for the project
Payment for Shanghai Royal Sea Villa Project	20,338,053.01	Still under warranty
Payment for Foshan Evian Uptown Project (Phase II)	19,965,215.95	Unsettled for the project
Payment for Shenzhen Chuanwei Plaza Project	18,289,452.98	Unsettled for the project
Payment for Shenzhen Chuanhou Plaza Project	17,965,808.92	Unsettled for the project
Payment for Tianjin Magnificent House Project	17,578,947.75	Still under warranty
Payment for Zhangzhou Cadaques Project (Phase I)	16,034,121.86	Unsettled for the project
Payment for Evian Town Project in Foshan (Phase I)	16,018,200.95	Still under warranty
Payment for Zhangzhou Holiday 365 Project (Phase I)	15,963,665.89	Unsettled for the project
Payment for Nanjing Evian Valley Project	15,029,233.86	Still under warranty
Payment for Beijing Park 1872 Project (Phase I)	15,003,812.60	Unsettled for the project
Payment for Zhangzhou Meillen Mountain Villa Project	14,676,540.99	Unsettled for the project
Payment for Shanghai Magnificent Garden Project	14,669,711.76	Unsettled for the project
Payment for Shenzhen Evian County Project (Phase III)	12,508,822.09	Still under warranty
Payment for Tianjin Evian County Project	10,916,346.21	Unsettled for the project
Payment for Evian Town Project in Foshan (Phase II)	10,557,121.46	Still under warranty
Payment for Chongqing Changjiahui Project	10,530,182.16	Unsettled for the project

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Company name	Ending balance	Reasons for outstanding or non-carryover
Payment for Shenzhen Lanyuan Project	9,545,912.44	Still under warranty
Payment for Evian Town Project in Foshan (Phase IV)	9,180,978.90	Still under warranty
Payment for Scenery Bay in Suzhou	7,186,500.57	Still under warranty
Payment for Shenzhen Orchid Valley Project (Phase I)	7,053,721.78	Still under warranty
Beijing Jangho Curtain Wall Co., Ltd.	6,854,339.59	Unsettled for the project
Payment for Chengdu Dongcheng International Business Plaza Project	6,442,544.23	Still under warranty
Tianjin Songjiang Tuanbo Investment Development Co., Ltd.	6,053,515.08	Unqualified in payment
Payment for Shanghai Dream of Evian Project	5,632,830.34	Still under warranty
Warranty payment for old buildings of Zhangzhou Property	5,171,817.42	Still under warranty
Total	1,324,724,394.85	

20. Advance received

(1) Advance received

Item	Ending balance	Beginning balance
Total	35,599,290,811.40	37,517,671,641.79
Including: more than 1 year	4,411,610,430.80	3,720,581,363.29

Note: deferred revenue is mainly presale payment, and non-carried-over deferred revenue with age of more than one year is presale payment for properties that are not completed and accepted.

(2) Presale payment in deferred revenue

Project name	Ending balance	Beginning balance	Scheduled completion time	Presale proportion (%)
Beijing Park 1872	128,418,004.00	2,513,448,128.72	Completed	97.31
Beijing Park Lounge	22,606,271.00	477,153,092.00	Completed	99.37
Beijing Xicheng Garden	167,045.00	5,867,917.00	Completed	100.00
Tianjin Beacon Hill	411,402,611.75	612,503,010.00	2015	67.27
Evian County in Tianjin	263,907,134.00	4,041,470.00	2015	66.44
Tianjin Yonghuafu	443,409.00	8,167,103.00	Completed	99.31
Tianjin Yongjingwan	230,583,050.08		2016	12.61
Tianjin Diamond Hill	444,019,034.52	254,743,936.00	Completed	91.20
Beacon Hill in Harbin	389,398,545.00		2016	31.26
Harbin Notting Hill	44,781,812.94	64,133,341.74	2015	31.32
Orchid Valley in Dalian	133,735,308.00		2015	31.66
Yantai Marbella	28,669,149.00		2015	6.91

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Project name	Ending balance	Beginning balance	Scheduled completion time	Presale proportion (%)
Qingdao LAVIE	86,089,259.00	336,531,075.00	2015	51.20
Qingdao Hyde Garden	354,631,079.00	104,020,254.00	2015	73.56
Rizhao Leyden Town	219,234,939.00		2016	32.21
Head Garden in Shanghai	1,508,430,536.00	1,025,262,637.00	2015	97.77
Shanghai Royal Sea Villa	196,029,163.00	164,839,893.00	2015	72.85
Magnificent Times in Shanghai	715,461,752.00	1,104,974,625.00	2015	91.13
Shanghai Sheshan Longyuan	349,677,488.00	122,907,095.00	2015	51.34
Nanjing Fangshanli	78,625,082.11		2016	25.96
Nanjing Yonghuafu	3,335,751,999.82	1,185,606,983.56	2015	88.70
Nanjing Evian County	57,192,099.86		2016	17.67
Nanjing Evian Valley		13,697,123.80	Completed	100.00
Nanjing Purple Mountain No.1	28,724,940.69	81,034,908.03	Completed	64.86
Throne Bay in Zhenjiang	256,804,595.52	1,009,300,474.03	2015	60.11
Zhenjiang Evian Uptown	218,095,171.00		2016	34.38
Changshu Taigongwang	10,706,787.00		2015	2.32
Changzhou Garden City	307,367,922.00	130,421,353.00	2015	77.01
Suzhou Small Stone City	1,753,131,248.21	1,068,144,545.32	2015	98.29
Noble Hill in Suzhou	865,817,249.38	90,317,988.00	2015	57.33
Evian House in Suzhou	296,166,734.00		2016	29.34
Magnificent House in Suzhou	1,377,423,670.00	605,767,868.00	2015	84.50
Scenery Bay in Suzhou	59,818,068.03	1,157,626,344.00	Completed	99.83
Hangzhou Magnificent House	2,940,000.00		2016	0.00
Ningbo Park 1872	181,988,399.00		2016	42.61
Xiamen Hyde Park	1,193,238,299.00	1,507,876,002.00	2015	89.70
Xiamen Sea May Flower	1,952,288,013.57	1,684,807,638.57	2015	86.46
Xiamen Magnificent House	25,567,577.00		2016	41.39
Zhangzhou Garden City	2,024,714.20	35,159,236.20	Completed	99.43
Zhangzhou Holiday 365	282,985,711.26	225,182,206.24	Completed	99.82
Zhangzhou Cadaques	1,371,272,755.21	1,109,021,632.16	2015	80.35
Wuhan Park 1872	1,079,491,952.00	718,119,183.00	2015	71.79
Magnificent House in Wuhan	13,908,980.00	945,441,379.00	Completed	94.84
Chongqing Park Avenue	129,891,750.46		2016	45.50
Glory of the City, Chongqing	58,260,929.00	79,310,504.00	Completed	93.14
Chongqing Yiyun Jiangwan	25,266,310.00		2015	2.23
Chongqing Changjianghui	78,624,903.93	703,275,279.23	2015	71.00

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From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Project name	Ending balance	Beginning balance	Scheduled completion time	Presale proportion (%)
Garden City in Chongqing	751,598,184.30	772,714,786.31	2015	81.41
Chengdu International East City	5,000,000.00	5,000,000.00	Completed	87.28
Evian Town in Chengdu	163,324,242.00		2016	25.11
Magnificent House in Chengdu	611,167,659.65	1,450,106,403.20	2015	85.63
Garden City in Bijie	606,208,960.00	481,515,592.00	2015	64.87
Yunnan Haigongguan	565,746,889.10		2015	48.07
Scenery Bay in Nanning	69,468,321.00		2016	50.03
Foshan Park 1872	33,228,661.00		2015	6.42
Foshan Evian Mansion	60,020,372.00		2016	21.04
Evian International in Foshan	91,381,308.00		2015	17.20
Evian Mansion in Foshan	60,029,110.00		2015	16.29
Evian Uptown in Foshan	45,082,629.92	996,710,467.73	Completed	97.57
Evian Town in Foshan	38,291,024.00	363,928,689.63	Completed	98.32
Evian Riviera in Foshan	436,319,911.00	1,815,818,056.00	Completed	91.85
Evian Buena Vista in Foshan	351,179,700.00	297,758,971.00	2015	67.48
Yiyun Yongjingwan in Foshan	79,793,457.00		2016	26.92
Foshan Evian Property Center	45,000,000.00		2016	47.35
Donghuicheng in Guangzhou	2,471,609,158.92	2,409,381,921.15	2015	73.15
Guangzhou Jinshan Valley Garden	1,373,895,995.44	428,617,599.35	2015	75.85
Zhuhai Garden City	173,923,714.00	1,142,120,726.00	Completed	91.61
Shenzhen Jingshan The Ninth	957,081,135.00	3,890,394,171.00	Completed	99.30
Shenzhen Evian County		86,525,110.00	Completed	100.00
Shenzhen Green Garden	916,294.00	916,294.00	Completed	99.30
Shenzhen Jinxiu Kwun Town	41,454,328.00	350,047.00	Completed	95.12
Shenzhen Lanxi Valley	6,756,284.00	23,097,053.00	Completed	100.00
Shenzhen Pingshan Garden City	2,082,993,734.60	356,504,453.00	2015	69.47
Shenzhen Imperial Park	1,823,269,341.19		2015	16.89
Shenzhen Woods Apartment	9,306,522.00	41,930,540.00	Completed	93.15
Shenzhen Yihai City	1,728,058,899.00	3,365,465,960.00	2016	62.97
Shenzhen Kingbay	64,865,615.00	75,999,203.00	Completed	99.89
Shenzhen Guanyuan	57,514,019.17	292,375,822.00	Completed	98.47
Old projects in Shenzhen	79,440,000.00			
Others	2,980,153.88	11,650,416.24		
Total	35,457,967,075.71	37,457,586,507.21		

(3) Significant deferred revenue with age of more than one year

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Company name	Ending balance	Reasons for outstanding or non-carryover
Donghuicheng in Guangzhou	1,286,353,246.86	Not completed for occupation
Nanjing Yonghuafu	1,185,606,983.56	Not completed for occupation
Zhangzhou Cadaques	1,129,380,019.25	Not completed for occupation
Xiamen Hyde Park	346,190,796.00	Not completed for occupation
Xiamen Sea May Flower	251,795,592.57	Not completed for occupation
Changzhou Garden City	130,421,353.00	Not completed for occupation
Tianjin Beacon Hill	16,924,687.00	Not completed for occupation
Tianjin Diamond Hill	15,836,519.00	Failing to collect full payment
Chongqing Changjianghui	11,836,242.67	Not completed for occupation
Garden City in Bijie	11,509,681.00	Not completed for occupation
Total	4,385,855,120.91	

21. Payroll payable

(1) Classification of employee remuneration payable

Item	Beginning balance	Increase of this year	Decrease of this year	Ending balance
Short-term remuneration	384,388,615.45	1,658,598,274.54	1,647,415,006.14	395,571,883.85
Post-employment benefit-defined contribution plans	226,097.08	139,076,191.55	137,225,801.42	2,076,487.21
Dismiss welfares	1,280,000.00	2,828,221.35	3,011,249.09	1,096,972.26
Total	385,894,712.53	1,800,502,687.44	1,787,652,056.65	398,745,343.32

(2) Short-term remuneration

Item	Beginning balance	Increase of this year	Decrease of this year	Ending balance
Salaries, bonus, allowances and subsidies	353,649,099.38	1,384,634,817.46	1,377,858,265.80	360,425,651.04
Staff welfare expenses		98,439,041.08	98,439,041.08	
Social insurance premium	356,385.37	57,145,979.41	57,042,559.01	459,805.77
Including: medical insurance premiums	177,255.63	43,113,063.35	43,055,495.25	234,823.73
Supplementary medical insurance		6,417,259.70	6,417,259.70	
Industrial injuries insurance premiums	91,825.09	3,776,749.80	3,744,486.47	124,088.42
Maternity insurance premiums	87,304.65	3,838,906.56	3,825,317.59	100,893.62
Housing fund	1,275,942.10	61,831,240.44	61,485,229.80	1,621,952.74
Union expenses and employee educational expenditure	22,134,025.25	43,998,011.70	34,953,175.75	31,178,861.20
Others	6973,163.35	12,549,184.45	17,636,734.70	1,885,613.10
Total	384,388,615.45	1,658,598,274.54	1,647,415,006.14	395,571,883.85

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

(3) Defined contribution plans

Item	Beginning balance	Increase of this year	Decrease of this year	Ending balance
Basic endowment insurance premiums	502,294.03	106,651,646.26	105,859,414.49	1,294,525.80
Unemployment insurance premiums	149,519.01	6,709,350.88	6,709,047.20	149,822.69
Company annuity payment	-425,715.96	25,715,194.41	24,657,339.73	632,138.72
Total	226,097.08	139,076,191.55	137,225,801.42	2,076,487.21

22. Tax payable

Item	Ending balance	Beginning balance
Corporate income tax	2,716,968,054.61	1,103,188,885.00
Land value increment tax	132,380,068.16	82,252,894.07
Business tax	116,989,102.66	173,015,455.00
Individual income tax	9,782,656.35	16,385,954.42
Value-added tax	-8,028,492.66	1,727,875.43
Urban maintenance and construction tax	7,455,038.25	10,905,212.85
Land use tax	6,740,627.63	6,202,187.15
Others	151,406,363.62	70,747,413.18
Total	3,133,693,418.62	1,464,425,877.10

Payable tax at the end of the year increased by RMB 1.6692675 billion, with growth of 114% compared to that at the beginning of the year, which is mainly caused by increase of carryover profit and disposed assets at the end of the year of subsidiaries of the Company.

23. Interests payable

(1) Classification of interests payable

Item	Ending balance	Beginning balance
Long-term loan interest involving repayment of capital with interest paid by installment	184,805,572.64	141,592,356.43
Interests of enterprise bonds	6,834,583.27	6,809,898.56
Interest payable for short-term loan	496,613.39	3,958,803.08
Total	192,136,769.30	152,361,058.07

24. Dividends payable

Item	Ending balance	Beginning balance
Dividends on common stock	160,730,318.08	120,927,194.29
Total	160,730,318.08	120,927,194.29

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

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Note: the amount remained outstanding for more than 1 year is RMB 120 million, which is subject to suspended payment as negotiated with the partner.

25. Other payables

(1) Classification of other payment payable by nature

Fund nature	Ending balance	Beginning balance
Incomings and outgoings of cooperative companies	9,212,749,641.79	5,606,100,060.64
Incomings and outgoings of affiliated companies	893,701,823.10	2,059,548,538.01
Margin	530,709,209.31	555,633,651.06
Agency fund and suspense receipts	894,937,739.43	533,845,271.67
Others	250,407,460.76	254,209,941.15
Total	11,782,505,874.39	9,009,337,462.53
Including: more than 1 year	3,654,937,124.85	1,992,622,335.11

Other payment payable increased RMB 2,773,168,400 at the end of the year, with an increase rate of 31%, and mainly coming from the increase of advance of minority shareholders for prophase project due to the scale expansion of the Group.

(2) Other significant accounts payable with age of more than one year

Company name	Ending balance	Reasons for outstanding or non-carryover
Shenzhen China Merchants Financial Service Co., Ltd.	581,035,301.95	Advances paid in early stage of project will be gradually repaid by project payables.
Tianjin TEDA Development Co., Ltd.	520,905,285.78	Advances paid in early stage of project will be gradually repaid by project payables.
Yunnan Metropolitan Real Estate Development Co., Ltd.	499,991,710.00	Advances paid in early stage of project will be gradually repaid by project payables.
Shenzhen CMOCTPM Co., Ltd.	479,722,021.97	Project receivables to be transferred upon settlement
Guangdong New Nanda Cable Industrial Co., Ltd.	242,398,734.65	Advances paid in early stage of project will be gradually repaid by project payables.
Shanghai Langda Industrial Co., Ltd.	222,820,768.56	Advances paid in early stage of project will be gradually repaid by project payables.
Tianjin Hedong District Construction Management Committee	199,837,605.52	Carried over after signing a contract formally
Shanghai Ledu Property Co., Ltd.	177,686,803.57	Project receivables to be transferred upon settlement
Total	2,924,398,232.00	

26. Non-current liabilities due within one year

Item	Ending balance	Beginning balance
Long-term loan due within one year	5,970,100,938.48	6,331,007,932.13
Credit loan	2,955,112,375.02	2,087,591,745.57
Guarantee loans	2,703,260,000.00	3,931,709,451.27
Mortgage loans	311,728,563.46	300,800,000.00
Entrusted loan		10,906,735.29
Total	5,970,100,938.48	6,331,007,932.13

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See 28 - long-term loan in Note 6 for description of long-term loan which is due within one year.

27. Other current liabilities

(1) Classification of other current liabilities

Item	Ending balance	Beginning balance
Withdrawing increment tax on land value	3,720,770,853.26	3,560,491,070.18
Government subsidies	8,596,820.00	6,210,020.00
Total	3,729,367,673.26	3,566,701,090.18

(2) Items of government subsidies

Items of government subsidies	Beginning balance	Amounts of new subsidies in this year	Amount of non-operating income in this year	Other movements	Ending balance	Related to assets/income
Special support fund for hotel project	4,710,020.00		4,710,020.00	4,710,020.00	4,710,020.00	Related to assets
Special fund for cultural undertakings development	1,500,000.00		1,500,000.00			Related to income
Subsidy for green building design label standardized technology research				3,380,000.00	3,380,000.00	Related to assets
Car awarded by Chenghua District Government				506,800.00	506,800.00	Related to assets
Total	6,210,020.00		6,210,020.00	8,596,820.00	8,596,820.00	

Note: other changes are the governmental subsidies carried over from deferred income and the profit statement within a year.

28. Long-term loans

(1) Classification of long-term loans

Loan type	Ending balance	Beginning balance
Mortgage loan ^{Note 1}	655,000,000.00	277,128,563.46
Guaranteed loan ^{Note 2}	15,927,176,000.02	10,803,053,770.94
Credit loans	7,347,477,200.00	5,141,455,560.02
Entrusted loan ^{Note 3}	736,862,000.00	830,280,000.00
Total	24,666,515,200.02	17,051,917,894.42

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Long-term loan increased RMB 7,614,597,300 at the end of the year, with an increase rate of 45%, and mainly coming from the increase of long-term loan according to fund demand due to the scale expansion of the Group.

Note 1: see 7 - inventory (5) in Note 6.

Note 2: see the following table for the details of guaranteed loan.

Borrower	Lending institution	Loan amount	Including: long-term loan amount due within one year	Guarantor
The Company	Huatai Asset Management Co., Ltd.	4,500,000,000.00		China Merchants Group Co., Ltd.
The Company	Banks	1,854,500,000.00	818,600,000.00	Shekou Industrial Zone
The Company	Banks	1,393,500,000.00	363,000,000.00	China Merchants (Shenzhen) Property Development Co., Ltd.
China Merchants (Shenzhen) Property Development Co., Ltd.	Banks	411,700,000.00	250,000,000.00	The Company
China Merchants (Shenzhen) Property Development Co., Ltd.	Banks	116,500,000.00	116,500,000.00	Shekou Industrial Zone
China Merchants (Shenzhen) Power Supply Co., Ltd.	Banks	183,570,000.00		The Company
Shenzhen Shekou Seaworld Hotel Management Co., Ltd.	Banks	480,000,000.00	20,000,000.00	Shekou Industrial Zone and China Merchants (Shenzhen) Investment Co., Ltd. provided guarantee according to shareholding ratio.
Shenzhen Jinyu Rongtai Investment Co., Ltd.	Banks	150,000,000.00	20,000,000.00	China Merchants (Shenzhen) Investment Co., Ltd. and Shekou Industrial Zone provided guarantee according to shareholding ratio.
Shenzhen China Merchants Business Development Co., Ltd.	Banks	240,000,000.00	40,000,000.00	China Merchants (Shenzhen) Investment Co., Ltd. and Shenzhen Sea World Industrial Development Co., Ltd. provided guarantee according to shareholding ratio.
Shenzhen Vanke Binhai Property Co., Ltd.	Banks	400,000,000.00		China Merchants (Shenzhen) Property Development Co., Ltd. and Shenzhen Vanke Real Estate Co., Ltd. provided guarantee according to shareholding ratio.
Beijing Kanglade Property Development Co., Ltd.	Banks	318,500,000.02	109,200,000.00	China Merchants (Shenzhen) Property Development Co., Ltd. and Shekou Industrial Zone provided guarantee according to shareholding ratio.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Borrower	Lending institution	Loan amount	Including: long-term loan amount due within one year	Guarantor
China Merchants (Harbin) Property Development Co., Ltd.	Banks	250,000,000.00		The Company and HEC Estate Co., Ltd. provided guarantee according to shareholding ratio, and Harbin Notting Hill land and project under construction (land certificate No.: HGY (2014) No. 10000012; planning permit of construction engineering: HFJSZ No. 1410000036) were mortgaged to the bank for the loan, which was listed in mortgage loan.
Qingdao Merchants Hyde Property Development Co., Ltd.	Banks	48,000,000.00	30,000,000.00	The Company and Shekou Industrial Zone provided guarantee according to shareholding ratio.
Wuhan Aoming Property Development Co., Ltd.	Banks	192,000,000.00	10,010,000.00	Shekou Industrial Zone
Eureka Investment Company Ltd.	Banks	6,204,666,000.00	305,950,000.00	China Merchants Group (Hong Kong) Co., Ltd.
China Merchants (Guangzhou) Property Development Co., Ltd.	Banks	292,000,000.00	10,000,000.00	China Merchants (Shenzhen) Property Development Co., Ltd. and China Merchants Land Ltd. provided guarantee according to shareholding ratio.
Foshan Kaida Town Investment Development Co., Ltd.	Banks	50,000,000.00	1,000,000.00	China Merchants (Shenzhen) Property Development Co., Ltd. provided full guarantee, and Foshan Jincheng Frozen Food Co., Ltd. and Guangdong New Nanda Cable Industrial Co., Ltd. provided guarantee according to shareholding ratio.
Foshan Shunde Evian Desheng Property Co., Ltd.	Banks	150,000,000.00	2,000,000.00	Shekou Industrial Zone
China Merchants (Foshan) Xincheng High-tech Co., Ltd.	Banks	199,500,000.00	1,000,000.00	China Merchants (Shenzhen) Property Development Co., Ltd. and Foshan New City Development and Construction Co., Ltd. provided guarantee according to shareholding ratio.
Foshan Shunde Evian Zhenyuan Property Co., Ltd.	Banks	100,000,000.00	2,000,000.00	China Merchants (Shenzhen) Property Development Co., Ltd. and Foshan Henglun Property Investment Co., Ltd. provided guarantee according to shareholding ratio.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Borrower	Lending institution	Loan amount	Including: long-term loan amount due within one year	Guarantor
Nanjing China Merchants Ruisheng Property Co., Ltd.	Banks	746,000,000.00	4,000,000.00	China Merchants Property Development Co., Ltd. (Guangzhou) and China Merchants Property Development Co., Ltd. (Shenzhen) provide the guarantee as per the proportion of 51% and 49%, respectively
China Merchants (Nanjing) Property Development Co., Ltd.	Banks	600,000,000.00	600,000,000.00	China Merchants Property Development Co., Ltd. (Guangzhou) and China Merchants Property Development Co., Ltd. (Shenzhen) provide the guarantee as per the proportion of 51% and 49%, respectively
Total		18,880,436,000.02	2,703,260,000.00	

Note 3: in accordance with the Entrusted Loan Contract signed by and between Guangzhou Evian Property Development Co., Ltd. and the bank and Shenzhen New Alliance Investment Management Co., Ltd., Shenzhen New Alliance Investment Management Co., Ltd. entrusted the bank to provide entrusted loan of RMB 736,862,000.00 to Guangzhou Evian Property Co., Ltd.

Note 4: interest rate interval for long-term RMB loan was between 10% below benchmark loan rate in the corresponding period and 15% above such benchmark loan rate, and that for long-term foreign currency loan was between Libor +1% and +4%.

29. Bonds payable

(1) Classification of bonds payable

Item	Ending balance	Beginning balance
Credit enhancement bond of China Merchants Property Development Co., Ltd.	3,018,076,924.57	3,003,382,977.23
Total	3,018,076,924.57	3,003,382,977.23

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

(2) Changes in bonds payable

Name of bonds	Face value in total	Issuing date	Bond period	Issuing amount	Beginning balance	Distribution amount in this year	Withdrawing interest at par	Amortization of premium or discount	Paid back this year	Exchange impact	Ending balance
Credit enhancement bond of China Merchants Property Development Co., Ltd.	3,048,450,000.00	2013-12-11	5	3,003,382,977.23	3,003,382,977.23		123,457,098.35	3,788,736.72	123,432,413.64	10,905,210.62	3,018,076,924.57
Total	3,048,450,000.00			3,003,382,977.23	3,003,382,977.23		123,457,098.35	3,788,736.72	123,432,413.64	10,905,210.62	3,018,076,924.57

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

30. Long-term payables

(1) Classification of long-term payment payable by nature

Fund nature	Ending balance	Beginning balance
Property maintenance fund	103,153,146.52	101,545,035.90
China Merchants Entrepreneurship (Shenzhen) Co., Ltd.	1,200,000.00	1,200,000.00
Total	104,353,146.52	102,745,035.90

31. Estimated liabilities

Item	Ending balance	Beginning balance	Cause
Pending lawsuit		10,473,360.10	Sales disputes
Total		10,473,360.10	

Estimated liabilities were incurred because some owners filed a lawsuit against Zhuhai Yuanfeng Real Estate Co., Ltd., a subsidiary of the Company, for sales disputes. The lawsuit was settled this year.

32. Deferred income

(1) Classification of deferred income

Item	Beginning balance	Increase of this year	Decrease of this year	Ending balance	Cause
Government subsidies	9,420,040.00	6,094,000.00	8,987,986.67	6,526,053.33	Received government grants
Deferred rental income	316,720.00		316,720.00		Rent collected in advance
Total	9,736,760.00	6,094,000.00	9,304,706.67	6,526,053.33	

(2) Items of government subsidies

Items of government subsidies	Beginning balance	Amounts of new subsidies in this year	Amount of non-operating income in this year	Other movements	Ending balance	Related to assets/income
Special support fund for hotel project	9,420,040.00			-4,710,020.00	4,710,020.00	Related to assets
Subsidy for green building design label standardized technology research		3,560,000.00	180,000.00	-3,380,000.00		Related to assets
Car awarded by Chenghua District Government		2,534,000.00	211,166.67	-506,800.00	1,816,033.33	Related to assets
Total	9,420,040.00	6,094,000.00	391,166.67	-8,596,820.00	6,526,053.33	

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Note: other changes are the governmental subsidies carried over as other current liabilities from the profit statement within a year.

33. Share capital

Item	Beginning balance	Increase/decrease in this year					Ending balance
		Stock issue	Dividend stock	Shares converted from accumulated reserves	Others	Subtotal	
Share capital	1,717,300,503.00			858,650,251.00		858,650,251.00	2,575,950,754.00

34. Capital reserves

Item	Beginning balance	Increase of this year	Decrease of this year	Ending balance
Note 1 to Premium on capital stock	8,272,422,487.12	921,307,988.93	859,516,009.13	8,334,214,466.92
Capital reserves transfer-in	104,411,758.00			104,411,758.00
Other capital reserves ^{Note 2}	81,991,830.58	9,139,598.86		91,131,429.44
Total	8,458,826,075.70	930,447,587.79	859,516,009.13	8,529,757,654.36

Note 1: Capital surplus - share premium was reduced due to addition of capital stock from conversion of capital reserve. Profit allocation and addition of capital stock from conversion of capital reserve plan for 2013 was reviewed and adopted at annual shareholders' meeting for 2013 on April 14, 2014. With total share of 1,717,300,503 shares as of December 31, 2013 as the base, 5 common shares were added to every 10 shares by conversion of capital reserves, totaling 858,650,251 shares were added. On May 30, 2014, the Company implemented the foresaid capital stock from conversion of capital reserve plan, and after conversion, the capital surplus - share premium was reduced RMB 858,650,251.00 in total.

Capital surplus - share premium increased this year are mainly diluted income incurred due to subsidiaries' equity changes. In which, capital reserves of RMB 35,628,318.09 were added by absorbing investment of minority shareholders; capital reserves of RMB 885,679,670.84 were added by non-wholly owned subsidiary – China Merchants Land Co., Ltd. acquiring subsidiaries under the same control.

Note 2: The increase of other capital reserves is mainly due to unexercised share-based payment. See Note 11, Share-based Payment.

35. Other comprehensive income

Item	Beginning	Amount incurred in this year	Ending balance
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Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

	balance	Accrual before income taxed this year	Less: the amount calculated in other comprehensive income in earlier period and carried over to profit and loss in current period.	Less: income tax	Attributable to parent company after tax	Attributable to minority shareholders after tax
I Other comprehensive income that couldn't be classified into profit and loss in the future						
II Other comprehensive income that would be classified into profit and loss in the future	78,901,353.52					78,901,353.52
Where: Exchange differences on foreign currency financial statements	78,901,353.52					78,901,353.52
Other total comprehensive income	78,901,353.52					78,901,353.52

36. Surplus reserves

Item	Beginning balance	Increase of this year	Decrease of this year	Ending balance
Legal surplus reserves	993,395,354.99	112,712,864.73		1,106,108,219.72
Any surplus reserves	140,120,038.00			140,120,038.00
Total	1,133,515,392.99	112,712,864.73		1,246,228,257.72

37. Undistributed profits

Item	Current year	2009
Ending balance of previous year	15,336,958,642.03	12,173,100,556.73
Add: Adjustment of undistributed profits at the beginning of the year		
Balance at the beginning of this year	15,336,958,642.03	12,173,100,556.73
Plus: Net profit owned by parent company owners in this year	4,263,636,555.36	4,190,374,825.04
Less: appropriation of legal surplus reserves Note 1	112,712,864.73	105,734,395.09
Note 2 to Profit payable	824,304,241.44	515,190,150.90
Other decreases		405,592,193.75
Ending balance of this year	18,663,578,091.22	15,336,958,642.03

Note 1: The Company withdraws statutory surplus reserve as per 10% of net profit in accordance with the Articles of Association.

Note 2: According to the program for profit distribution and capital reserve to capital stock for 2013 reviewed and adopted at the Shareholders' Meeting for 2013 held on April 14, 2014, the Company assigns RMB 4.80 (in cash and tax included) for each 10 shares, and RMB

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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824,304,241.44 is assigned for the total number of 1,717,300,503 shares as of December 31, 2013; if the total number of shares at the end of 2013 was 1,717,300,503 shares and each 10 shares can be transferred into 5 shares, the number of shares increases by 858,650,251 shares by transferring, amounting to 2,575,950,754 shares.

38. Operation incomes and operation costs

Item	Amount incurred in this year		Amount incurred in previous year	
	Income	Cost	Income	Cost
Primary businesses	43,385,058,201.09	27,189,241,648.40	32,567,813,857.52	19,045,102,287.65
Total	43,385,058,201.09	27,189,241,648.40	32,567,813,857.52	19,045,102,287.65

Operation revenue of the current year increased RMB 10,817.2443 million with a growing rate of 33% compared with that of the last year; and the operation cost of the current year increased 8,144.1394 million with a growing rate of 43% compared with that of last year, and the cost increase is mainly caused by the increase of real estate carry-over area.

(1) Classification of operation revenue by industry

Industry name	Amount of this year		Amount of previous year	
	Operating income	Operating costs	Operating incomes	Operating costs
Real estate	41,943,973,983.20	25,974,868,212.96	31,226,483,959.90	17,937,788,624.00
Public utilities	684,056,646.09	538,211,629.54	641,537,370.95	485,977,612.68
Property management	757,027,571.80	676,161,805.90	699,792,526.67	621,336,050.97
Total	43,385,058,201.09	27,189,241,648.40	32,567,813,857.52	19,045,102,287.65

(2) List of sales revenues from top 5 customers of the Company

Name of customer	Operating incomes	Proportion in total sales revenues (%)
Customer I	227,885,442.00	0.53
Customer II	124,120,990.00	0.29
Customer III	111,025,364.00	0.26
Customer IV	86,037,547.00	0.20
Customer V	65,561,188.00	0.15
Total	614,630,531.00	1.43

39. Operating taxes and surcharges

Item	Amount incurred in this year	Amount incurred in previous year
Land value increment tax	3,003,265,101.44	2,723,108,635.05
Business tax	2,158,174,609.50	1,667,213,775.21
Urban maintenance and construction tax	142,874,601.98	95,053,221.33

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Amount incurred in this year	Amount incurred in previous year
Education surtax	107,239,886.53	66,740,200.22
Others	5,991,936.65	25,459,662.41
Total	5,417,546,136.10	4,577,575,494.22

Sales tax and additional tax increased RMB 8,399,706,000 when compared to last year, with an increase rate of 18%, and mainly coming from income increase.

40. Sales expenses

Item	Amount incurred in this year	Amount incurred in previous year
Advertisement charges	471,755,931.67	451,403,638.72
Fees and commissions for sales agency	381,347,893.84	274,511,340.98
Others	34,656,820.74	44,693,102.11
Total	887,760,646.25	770,608,081.81

41. Management expenses

Item	Amount incurred in this year	Amount incurred in previous year
Labor cost	357,388,540.96	313,529,846.42
Office and administrative fees	88,576,752.53	113,360,304.61
Fees for intermediary agency	34,591,063.49	70,946,867.22
Assets amortization	21,785,067.19	11,801,409.76
Taxes and levies	37,973,571.19	30,466,147.59
Others	6,871,546.93	15,790,246.36
Total	547,186,542.29	555,894,821.96

42. Financial expenses

Item	Amount incurred in this year	Amount incurred in previous year
Interest payments	1,074,508,377.21	962,952,452.10
Less: Interest incomes	289,949,402.76	246,444,880.32
Add: exchange loss	-5,866,220.20	-134,780,427.87
Add: other expenditures	40,502,600.26	32,731,247.07
Total	819,195,354.51	614,458,390.98

Financial expenses increased RMB 204,737,000 when compared to last year, with an increase of 33%, and mainly coming from interest payments increase due to increased interest-bearing debt for business scale expansion and consolidated profit and profit reduction caused by fluctuation in exchange rate.

43. Assets impairment losses

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Item	Amount incurred in this year	Amount incurred in previous year
Bad debt losses	2,014,748.38	12,978,499.73
Inventory falling price losses	538,746,369.14	-366,745,488.15
Total	540,761,117.52	-353,766,988.42

Assets impairment loss increased RMB 894,528,100, with an increase rate of 253%, and coming from withdrawing of inventory revaluation reserve by the Group at the end of the year after testing on net realizable value of real estate project according to current market price situation and actual sale situation.

44. Investment income

Item	Amount incurred in this year	Amount incurred in previous year
Long-term equity investment income measured by equity method	330,543,040.33	299,030,107.66
Investment profit by the disposal of long-term equity investment	-3,606,376.47	257,834,701.28
Others	-1,892,362.07	628,266.08
Total	325,044,301.79	557,493,075.02

45. Non-operating income

(1) Details of non-operating income

Item	Amount incurred in this year	Amount incurred in previous year	Amount included in extraordinary items of this year
Gains on disposal of non-current assets	57,109.85	604,183.76	57,109.85
Including: gains on disposal of fixed assets	57,109.61	496,385.30	57,109.61
Government subsidies	43,659,552.98	33,800,048.66	43,659,552.98
Penalty income	14,409,491.10	13,678,690.64	14,409,491.10
Others	8,680,317.13	21,331,558.69	8,680,317.13
Total	66,806,471.06	69,414,481.75	66,806,471.06

(2) Details of government subsidies

Item	Amount incurred in this year	Amount incurred in previous year	Source and basis	Related assets to Related income
Subsidies for reconstruction of dilapidated house		22,486,300.00	Circular on Subsidies for Reconstruction of Dilapidated House of Chongqing Municipality	Related income
Special support fund for hotel project	4,710,020.00	4,710,020.00	Contract on the Subsidy of China Merchants Zhangzhou Development Zone Land Reserve Center	Related assets
Bonus for large taxpayer		2,200,000.64	Circular of Tianjin Hedong Finance Bureau on Award for Taxpayer	Related income

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Item	Amount incurred in this year	Amount incurred in previous year	Source and basis	Related assets Related income	to to
Bonus for large taxpayer	2,539,600.00	1,301,400.00	Circular of Suzhou Wuzhong Development Zone on Award for Taxpayer	Related income	to
Subsidy for heating fuel	2,534,317.31	753,765.22	Notice On Distribution of The First Heating Fuel Subsidiary For Heating Season In 2013-2014	Related income	to
Government subsidies for low-rent housing		680,000.00	Circular on Financial Allocation for Low-rent Housing 2013 (file No.: HFGTZ (2013) No. 472)	Related income	to
Financial rebate	1,020,500.00	624,797.80	HJZ [2013] No. D149	Related income	to
Bonus for large taxpayer		296,780.00	Circular of Tianjin Nankai Finance Bureau on Award for Taxpayer	Related income	to
Bonus for large taxpayer	219,549.00	273,585.00	Circular of Zhuhai Finance Bureau on Award for Taxpayer	Related income	to
Comprehensive contribution	200,000.00	130,000.00	Decision on Commendation of Excellent Companies in the Zone	Related income	to
Tax incentives and subsidies of Chengdu Chenghua People's Government	47,000.00	103,400.00	Circular of Jianshe Road Sub-district Office of Chengdu Chenghua District People's Government	Related income	to
Special fund for civil building energy conservation and development		240,000.00	Publicity on demonstrative building energy conservation projects	Related income	to
Car awarded by Chenghua District Government	211,166.67		Circular of Shuangshuonian Sub-district Office of Chengdu Chenghua District People's Government	Related assets	to
government entrust fees for Sea World Bar Block	20,000,000.00		Finance Bureau of Shenzhen Nanshan District	Related income	to
Headquarters economy finance and tax contribution award	3,000,000.00		Finance Bureau of Shenzhen Nanshan District	Related income	to
Special fund for Nanshan independent innovation industry development	2,000,000.00		Finance Bureau of Shenzhen Nanshan District	Related income	to
Special fund for economic development (center of Garden City)	168,000.00		Special fund for economic development of Shenzhen Nanshan District	Related income	to
Funds for environment improvement of Nanshan E-Cool Unique Block	49,800.00		Funds for environment improvement of Shenzhen Nanshan Unique Block	Related income	to
Special fund for cultural development	1,800,000.00		Measures on Use and Management of Shenzhen Cultural Undertakings Construction Fees and Special Funds for Promotion of Cultural Undertakings Development	Related income	to
Special fund for Development of independent innovation industry	2,000,000.00		Measures on Management of Special Fund for Shenzhen Nanshan Independent Innovation Industry Development	Related income	to
Urban supporting facilities fees for F69-1/F70-1 plot and fiscal subsidies for underground garage	2,629,600.00		Management office for urban utility charges of Chongqing Municipality	Related income	to
Government tax incentives	350,000.00		Circular on Suzhou Tax Incentives	Related income	to
Subsidy for green building design label standardized technology research	180,000.00		Treasury Payment Branch of Guangzhou Finance Bureau	Related assets	to
Total	43,659,552.98	33,800,048.66			

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46. Non-operating expense

Item	Amount incurred in this year	Amount incurred in previous year	Amount included in extraordinary items of this year
Losses on disposal of non-current assets	447,988.42	2,183,321.32	447,988.42
Including: losses from disposal of fixed assets	447,988.42	2,183,321.32	447,988.42
Donation	3,010,666.67	4,000,000.00	3,010,666.67
Fine and fine for delaying payment	17,219,026.41	4,509,217.04	17,219,026.41
Renewable energy tariff surcharge	8,868,779.63	5,312,929.45	8,868,779.63
Major water conservancy construction fund	5,144,321.92	4,828,272.49	5,144,321.92
Others	14,482,722.21	8,613,339.70	14,482,722.21
Total	49,173,505.26	29,447,080.00	49,173,505.26

47. Income taxes

(1) Income taxes

Item	Amount incurred in this year	Amount incurred in previous year
Income tax expenses in the current year	3,358,538,907.50	2,178,379,087.45
Deferred income tax	-542,345,345.73	280,486,241.72
Total	2,816,193,561.77	2,458,865,329.17

(2) Accounting profit and income tax expenses adjustment process

Item	Amount incurred in this year
Consolidated profit this year	8,326,044,023.61
Income tax expenses calculated at legal/applicable tax rate	2,081,511,005.90
Impact of various tax rates applicable to subsidiaries	11,357,331.61
Adjustment of impact on the income tax in the previous period	-3,296,572.36
Impact of non-taxable income	-82,162,669.57
Impact of the non-deductible costs, expenses and losses	38,833,586.60
Impact of deductible losses of deferred income tax assets unconfirmed in the previous use period	-57,187,419.50
Impact of the deductible temporary difference or deductible loss of the unconfirmed deferred income tax assets of this year.	404,424,576.91
Impact of deferred tax of the profits to be distributed of the subsidiary with a tax rate lower than 25%.	27,906,381.76
Tax impact of unconfirmed taxable temporary differences	-562,700.81
Others	395,370,041.23
Income taxes	2,816,193,561.77

48. Items of cash flow statements

(1) Cash received/paid related to other operating/investment/financing activities

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1) Cash received from other operating activities

Item	Amount incurred in this year	Amount incurred in previous year
Operational incomings and outgoings received	7,361,138,516.35	2,988,328,783.67
Project deposit received	399,255,108.87	591,582,340.28
Interest received	289,950,527.71	241,785,320.96
Operational advance received	384,563,180.06	725,270,863.91
Others	77,285,151.42	195,980,980.01
Total	8,512,192,484.41	4,742,948,288.83

2) Other cash paid relating to operating activities

Item	Amount incurred in this year	Amount incurred in previous year
Operational incomings and outgoings paid	5,738,294,800.97	4,157,225,688.87
Project deposit refunded	402,084,851.81	438,871,030.57
Cash paid for selling expenses	408,391,081.08	483,800,859.48
Cash paid for administrative expenses	178,612,054.36	412,218,590.88
Others	113,340,891.85	259,665,817.42
Total	6,840,723,680.07	5,751,781,987.22

3) Other cash received relating to investment activities

Item	Amount incurred in this year	Amount incurred in previous year
Negative net cash for subsidiary acquisition moved under this item	3,527,537.27	
Total	3,527,537.27	

4) Other cash payments relating to investing activities

Item	Amount incurred in this year	Amount incurred in previous year
Decreased cash because of consolidation scope change		561,222,801.84
Total		561,222,801.84

5) Other cash payments relating to financing activities

Item	Amount incurred in this year	Amount incurred in previous year
Minority shareholder capital paid for capital reduction of subsidiary	521,900,000.00	
Total	521,900,000.00	

(2) Supplementary data of consolidated cash flow statement

Item	Amount of this year	Amount of previous year
I. Net profits transferred to cash flow of operation activities:		
Net profit	5,509,850,461.84	5,496,536,916.92

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Item	Amount of this year	Amount of previous year
Add: provision for assets impairment	540,761,117.52	-353,766,988.42
Depreciations of fixed assets, oil & gas assets, and productive biological assets	375,211,908.33	92,667,471.35
Amortization of intangible assets	18,272,861.02	239,551,184.17
Amortization of long-term deferred expenses	57,090,872.24	49,742,294.60
Losses at disposal of fixed assets, intangible assets and other long-term assets ("-" indicates the profit)	390,878.57	1,686,936.02
Losses at discard of fixed assets ("-" indicates the profit)		
Profits and losses on the change of fair value ("-" indicates the profit)		
Financial expense ("-" indicates the profit)	1,074,508,377.21	962,952,452.10
Losses on investments ("-" indicates the profit)	-325,044,301.79	-557,493,075.02
Decreases of deferred income tax assets ("-" indicates increase)	-469,570,985.92	171,889,544.67
Increases of deferred income tax liabilities ("-" indicates decrease)	-72,774,359.81	108,596,697.05
Decrease of inventories ("-" indicates increase)	-22,542,129,264.48	-4,449,026,199.21
Decrease of operational receivable items ("-" indicates increase)	3,946,560,636.22	-7,443,908,125.86
Increase of operational payable items ("-" indicates decrease)	5,439,816,318.93	6,176,494,446.14
Others		
Net cash flows from operating activities	-6,447,055,480.12	495,923,554.51
2. Major investments and financing activities not related to cash expenditure and income:		
Conversion of debt into capital		
Convertible bonds expiring within one year		
Fixed assets acquired under finance leases		
3. Net changes of cash and cash equivalent:		
Balance of cash at the end of the year	22,947,760,259.27	24,235,680,921.50
Less: Balance of cash at the beginning of the year	24,235,680,921.50	18,218,506,517.70
Add: Balance of cash equivalent as at the end of the year		
Less: Balance of Cash Equivalent as at January 1, 2010		
Net increase of cash and cash equivalents	-1,287,920,662.23	6,017,174,403.80

(3) Net cash paid for acquisition of subsidiaries in the current year

Item	Amount of this year
Cash or cash equivalent paid in the current year for the business merger happened in the current year	
Less: Cash and cash equivalent held by subsidiary on purchase date	3,527,537.27
Including: Shenyang Jindaohuitong Real Estate Development Co., Ltd.	224,075.82
Ningbo Jiangwan Property Development Co., Ltd.	3,303,461.45
Add: Cash or cash equivalent paid in the current year for the business merger happened in the previous period	
Net cash paid for subsidiary acquisition	-3,527,537.27

(4) Net cash received for the disposal of subsidiaries in the current year

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Item	Amount of this year
Cash or cash equivalent received in current year for the disposal of subsidiaries in the current year	29,291,349.15
Incl: China Merchants (Zhangzhou) Honglong Property Development Co., Ltd.	29,291,349.15
Less: Cash and cash equivalent held by subsidiary at the date of losing control	
Add: Cash or cash equivalent received in the current year for the subsidiary disposal happened in the previous period	
Net cash received for the disposal of subsidiary	29,291,349.15

(5) Cash and cash equivalents

Item	Ending balance	Beginning balance
Cash	22,947,760,259.27	24,235,680,921.50
Including: the cash on hand	372,572.19	277,828.02
Bank deposit available for payment at any time	19,547,572,224.50	21,969,131,604.53
Other monetary fund available for payment at any time	3,399,815,462.58	2,266,271,488.95
Cash equivalents		
Including: debenture investment mature within three months		
Balance of cash and cash equivalents at the end of year	22,947,760,259.27	24,235,680,921.50
Including: Restricted cash and cash equivalents used by parent company and subordinated company of group		

49. Item of statement of changes in owners' equity

(1) The items listed under “Others” in the Statement of Changes in Owners' Equity of the last year are diluted earnings calculated in capital reserve caused by the decreased share of the Group in the invested entities because of the capital and share increase of invested entity calculated according to equity method.

(2) The items listed under “Others” in the Statement of Changes in Owners' Equity of this period are mainly changes in capital reserve, see (34) in Note 6 to Capital Reserve in Note 6.

50. Assets with limited ownership or right of use

Item	Ending book value	Reason for restriction
Monetary fund	35,626,183.75	Margin deposits
Inventory	4,099,699,479.28	Mortgage loans

51. Foreign currency monetary items

(1) Foreign currency monetary items

Item	Year-end foreign currency balance	Exchange rate	Year-end balance in RMB
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Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Year-end foreign currency balance	Exchange rate	Year-end balance in RMB
Monetary fund			1,521,564,152.57
Including: USD	241,370,084.59	6.1190	1,476,943,547.62
Hong Kong dollar	56,560,533.59	0.7889	44,620,604.95
Accounts receivable			107,826.85
Including: Hong Kong dollar	136,680.00	0.7889	107,826.85
Prepayment			78,709.82
Including: Hong Kong dollar	99,771.61	0.7889	78,709.82
Other receivables			66,948,855.89
Including: USD	9,331,245.80	6.1190	57,097,893.08
Hong Kong dollar	12,486,960.08	0.7889	9,850,962.81
Loan			8,748,334,300.00
Including: USD	1,429,700,000.00	6.1190	8,748,334,300.00
Accounts payable			197,504.46
Including: Hong Kong dollar	250,354.24	0.7889	197,504.46
Advances received			32,053.01
Including: Hong Kong dollar	40,630.00	0.7889	32,053.01
Interests payable			6,900,704.09
Including: USD	1,127,750.30	6.1190	6,900,704.09
Other payables			544,525,220.97
Including: USD	87,508,735.31	6.1190	535,465,951.35
Hong Kong dollar	11,483,419.47	0.7889	9,059,269.62
Bonds payable			3,018,076,924.57
Including: USD	493,230,417.48	6.1190	3,018,076,924.57

(2) Overseas operational entity

Key overseas operational entities of the Group include Eureka Investment Company Ltd. and China Merchants Land Ltd., for such companies are investment companies whose investment targets are entities with main business activities in the Chinese Mainland and using RMB as bookkeeping base currency, therefore, the Group select RMB as bookkeeping base currency.

VII Consolidation scope change

1. Corporate merger not under common control

(1) Business merger under different controls occurred in this year

Name of acquiree	Time point of stock control	Stock control cost	Equity share controlled (%)
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Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Name of acquiree	Time point of stock control	Stock control cost	Equity share controlled (%)
Shenyang Jindaohuitong Real Estate Development Co., Ltd.	December 31, 2014	128,265,000.00	51.00

Continued:

Stock controlling mode	Purchasing date	Confirmation basis on purchase day	The revenue of the acquiree from purchase day to the end of the year	Net profits of the acquiree from purchase day to the end of the year
Purchase	December 31, 2014	Acquisition of control right of the acquiree		

(2) Merger cost and goodwill

Item	Shenyang Jindaohuitong Real Estate Development Co., Ltd.
Cash	128,265,000.00
Total merger cost	128,265,000.00
Less: Definable net assets fair proportion acquired	128,265,000.00
Amount of goodwill/ merger cost which is less than the definable net assets fair proportion	

Through appraisal of 100% shareholder's equity of Shenyang Jindaohuitong Real Estate Development Co., Ltd. as of June 30, 2014 by China Tong Cheng Assets Appraisal Co., Ltd. (Appraisal Report, ZTPBZ [2014] No. 205), the shareholder's equity appraisal value determined using asset-based approach was RMB 251.5207 million, and the 100% shareholder's equity price of Shenyang Jindaohuitong Real Estate Development Co., Ltd. was RMB 251.5 million as negotiated and determined by parties involved in the transaction. On August 28, 2014, China Merchants Group issued the approval (ZCHZ (2014) No. 319) in which the appraisal result was confirmed and recorded.

(3) Definable asset and debts of acquiree on the purchase day

Item	Shenyang Jindaohuitong Real Estate Development Co., Ltd.	
	Fair value on purchase day	Book value on purchase day
Assets:		
Monetary fund	224,075.82	224,075.82
Other receivables	18,024.20	18,024.20
Inventory	513,975,335.54	445,189,615.71
Fixed assets	14,650.00	14,650.00
Liabilities:		
Accounts payable	3,454,177.00	3,454,177.00
Payroll payable	1,373,311.20	1,373,311.20
Other payables	257,904,597.36	257,904,597.36

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Shenyang Jindaohuitong Real Estate Development Co., Ltd.	
	Fair value on purchase day	Book value on purchase day
Net assets	251,500,000.00	182,714,280.17
Less: Minority interest	123,235,000.00	89,529,997.28
Net asset acquired	128,265,000.00	93,184,282.89

The increment and change of definable asset and debts as of December 31 is adjusted based on the appraisal value, and the fair value of 51% definable net asset of Shenyang Jindaohuitong Real Estate Development Co., Ltd. on the purchase day is 128.265 million.

2. Merger scope change for other reasons

1) New subsidiaries in this period

Company name	Reasons for adding into consolidation scope	Shareholding ratio (%)
China Merchants (Yantai) Property Co., Ltd.	Newly-established	100.00
China Merchants (Nanjing) Ningsheng Property Co., Ltd.	Newly-established	51.00
China Merchants (Nanjing) Xingsheng Property Co., Ltd.	Newly-established	51.00
China Merchants (Nanjing) Qisheng Property Development Co., Ltd.	Newly-established	51.00
Zhenjiang Huoju Property Co., Ltd.	Newly-established	100.00
China Merchants (Changshu) Xicheng Real Estate Co., Ltd.	Newly-established	100.00
Wuhan Merchants Property Gutian Property Co., Ltd.	Newly-established	100.00
Xi'an Maoan Property Development Co., Ltd.	Newly-established	100.00
Xiamen Merchants Magnificent House Property Co., Ltd.	Newly-established	100.00
Shenzhen Keda (Phase II) Property Management Co., Ltd.	Newly-established	100.00
Shenzhen Cyber Tower (Phase II) Property Management Co., Ltd.	Newly-established	100.00
Shenzhen Keda Property Management Co., Ltd.	Newly-established	100.00
Shenzhen City Garden Property Management Co., Ltd.	Newly-established	100.00
Shenzhen Shekou Xinshidai Property Management Limited	Newly-established	100.00
Guangzhou Evian Property Development Co., Ltd.	Newly-established	100.00
Foshan Evian Xiaode Property Development Co., Ltd.	Newly-established	100.00
Zhuhai Evian Property Development Co., Ltd.	Newly-established	100.00
China Merchants (Shenzhen) Investment Management Co., Ltd.	Newly-established	100.00
Kunming Zhaojin Property Co., Ltd.	Newly-established	100.00
Kunming Merchants Metropolitan Property Co., Ltd.	Newly-established	100.00
Ningbo Jiangwan Property Development Co., Ltd.	See (9) in Note 6	100.00
Torch Investment Co., Ltd.	Newly-established	70.00
Mainwise Investments Limited	Newly-established	100.00

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Company name	Reasons for adding into consolidation scope	Shareholding ratio (%)
Guanghong Investment Co., Ltd	Newly-established	100.00
Long Wealth Development Limited	Newly-established	100.00
Weirong Holding Limited	Newly-established	100.00
Best Season Holdings Limited	Newly-established	100.00
Biyuan Co., Ltd	Newly-established	100.00
Multion Investments Limited	Newly-established	100.00
Jialian Enterprise Co., Ltd.	Newly-established	100.00
Gaowan Investments Limited	Newly-established	100.00
Chengfu Holding Limited	Newly-established	100.00

2) One subsidiary is reduced from the consolidation scope in current period, because China Merchants (Zhangzhou) Honglong Real Estate Co., Ltd. was subjected to liquidation, therefore, the company will be not included in the consolidated statements after liquidation.

VIII Rights and interests in other parties

1. Rights and interests in subsidiary

(1) Organization of enterprise group

Name of subsidiary	Main businesses	Registered address	Business nature	Shareholding ratio (%)	
				Directly	Indirectly
Subsidiaries obtained by combination under common control					
Eureka Investment Company Ltd.	Hong Kong	Hong Kong	Investment	100	
China Merchants (Zhangzhou) Property Development Co., Ltd.	Zhangzhou	Zhangzhou	Real estate	51	
China Merchants (Zhangzhou) Property Management Co., Ltd.	Zhangzhou	Zhangzhou	Property management	100	
China Merchants (Shenzhen) Property Development Co., Ltd.	Shenzhen	Shenzhen	Real estate	100	
Shekou Xinghua Industrial Co., Ltd.	Shenzhen	Shenzhen	Real estate		65.07
China Merchants (Shenzhen) Power Supply Co., Ltd.	Shenzhen	Shenzhen	Power supply	95	5
China Merchants(Shenzhen) Energy Measurement & Verification Co., Ltd	Shenzhen	Shenzhen	Measurement & Verification		100
China Merchants Property Management Co., Ltd.	Shenzhen	Shenzhen	Property management	90	10
China Merchants (Shenzhen) Property Management Co., Ltd.	Shenzhen	Shenzhen	Property management		100
Shekou Zhaofa Property Co., Ltd.	Shenzhen	Shenzhen	Property management		100
China Merchants (Shenzhen) Qile Property Management Co., Ltd.	Shenzhen	Shenzhen	Property management		60
Subsidiaries obtained by consolidation not under the same control					
China Merchants Land Ltd.	Cayman islands	Cayman islands	Investment		74.35
Huaxian Co., Ltd.	Hong Kong	Hong Kong	Investment		100

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Name of subsidiary	Main businesses	Registered address	Business nature	Shareholding ratio (%)	
				Directly	Indirectly
Chuangjinli Co., Ltd.	Hong Kong	Hong Kong	Investment		100
Tianjin Guojun Investment Co., Ltd.	Tianjin	Tianjin	Real estate	100	
Tianjin CM Taida Investment Co., Ltd.	Tianjin	Tianjin	Real estate		60
Tianjin Zhaojiang Investment Co., Ltd.	Tianjin	Tianjin	Real estate		77
China Merchants (Harbin) Jiatian Property Development Co., Ltd. ^{Note 1}	Harbin	Harbin	Real estate	50	
Harbin Yinkai Real Estate Development Co., Ltd.	Harbin	Harbin	Real estate		85
Qingdao Zhongrunde Auto Trade Co., Ltd.	Qingdao	Qingdao	Real estate	51	
China Merchants (Shanghai) Fengrui Property Co., Ltd.	Shanghai	Shanghai	Real estate		100
Shanghai Fengyang Real Estate Development Co., Ltd.	Shanghai	Shanghai	Real estate		60
Yunnan Merchants City Real Estate Co., Ltd.	Kunming	Kunming	Real estate		60
Foshan Kaida Town Investment Development Co., Ltd.	Foshan	Foshan	Real estate		51
Shenzhen Haitao Hotel Co., Ltd.	Shenzhen	Shenzhen	Hotel service		100
Shenzhen Vanke Binhai Property Co., Ltd. ^{Note 1}	Shenzhen	Shenzhen	Real estate		50
Shenzhen Meiyue Real Estate Consulting Co., Ltd.	Shenzhen	Shenzhen	Real estate		100
China Merchants (Shenzhen) Runde Property Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		51
Shenyang Jindaohuitong Real Estate Development Co., Ltd.	Shenyang	Shenyang	Real estate	51	
Guanhua Port Trade (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	Trade		100
Subsidiaries acquired through other ways					
Trinity Limited	British Virgin Islands	British Virgin Islands	Investment		100
Juyang Co., Ltd.	British Virgin Islands	British Virgin Islands	Investment		100
Huihao Co., Ltd.	British Virgin Islands	British Virgin Islands	Investment		100
Huiyu Co., Ltd.	British Virgin Islands	British Virgin Islands	Investment		100
Zengtian Holding Co., Ltd.	British Virgin Islands	British Virgin Islands	Investment		100
Yinrong Co., Ltd. ^{Note 1}	British Virgin Islands	British Virgin Islands	Investment		50
Huiju Holding Co., Ltd.	British Virgin Islands	British Virgin Islands	Investment		100
Jingji Co., Ltd.	British Virgin Islands	British Virgin Islands	Investment		100
Chaocheng International Co., Ltd.	British Virgin Islands	British Virgin Islands	Investment		100
Guangyu Holding Co., Ltd.	British Virgin Islands	British Virgin Islands	Investment		100

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From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Name of subsidiary	Main businesses	Registered address	Business nature	Shareholding ratio (%)	
				Directly	Indirectly
Weirong Holding Limited	British Virgin Islands	British Virgin Islands	Investment		100
Best Season Holdings Limited	British Virgin Islands	British Virgin Islands	Investment		100
Biyuan Co., Ltd	British Virgin Islands	British Virgin Islands	Investment		100
Yingze Development Co., Ltd.	Hong Kong	Hong Kong	Investment		100
Leyi Holding Co., Ltd.	Hong Kong	Hong Kong	Investment		100
Yungao Co., Ltd.	Hong Kong	Hong Kong	Investment		100
Jumbo Pacific Holding Limited	Hong Kong	Hong Kong	Investment		100
Union Bloom Limited	Hong Kong	Hong Kong	Investment		51
VastJoinLimited	Hong Kong	Hong Kong	Investment		51
China Merchants Property Management (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Property management		100
Koll Merchants Limited	Hong Kong	Hong Kong	Property management		100
CMK Property Management Company Limited	Hong Kong	Hong Kong	Property management		100
Oasis King Development Limited	Hong Kong	Hong Kong	Investment		100
Union Winner Development Limited	Hong Kong	Hong Kong	Investment		100
Suntec Development Limited	Hong Kong	Hong Kong	Investment		100
Century World Investment Limited	Hong Kong	Hong Kong	Investment		100
Jihong International Co., Ltd.	Hong Kong	Hong Kong	Investment		100
Keen Right International Limited	Hong Kong	Hong Kong	Investment		100
Maosheng Co., Ltd.	Hong Kong	Hong Kong	Investment		100
Yuyue Co., Ltd.	Hong Kong	Hong Kong	Investment		100
Huipeng Real Estate Development Co., Ltd. ^{Note 1}	Hong Kong	Hong Kong	Real estate		50
Sino Action Investments Limited	Hong Kong	Hong Kong	Investment		100
Happy City Investments Limited	Hong Kong	Hong Kong	Investment		100
Huitai Investment Co., Ltd.	Hong Kong	Hong Kong	Investment		100
Billion Turbo Investments Limited	Hong Kong	Hong Kong	Investment		100
Sino Ease Development Limited	Hong Kong	Hong Kong	Investment		100
Cosmos Harvest Development Limited	Hong Kong	Hong Kong	Investment		100
Torch Investment Co., Ltd.	Hong Kong	Hong Kong	Investment		70
Mainwise Investments Limited	Hong Kong	Hong Kong	Investment		100
Guanghong Investment Co., Ltd	Hong Kong	Hong Kong	Investment		100
Long Wealth Development Limited	Hong Kong	Hong Kong	Investment		100
Multion Investments Limited	Hong Kong	Hong Kong	Investment		100

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Name of subsidiary	Main businesses	Registered address	Business nature	Shareholding ratio (%)	
				Directly	Indirectly
Chengfu Holding Co., Ltd.	Hong Kong	Hong Kong	Investment		100
Jialian Enterprise Co., Ltd.	British Virgin Islands	British Virgin Islands	Investment		100
Gaowan Investments Limited	British Virgin Islands	British Virgin Islands	Investment		100
China Merchants (Beijing) Property Development Co., Ltd.	Beijing	Beijing	Real estate	90	10
China Merchants (Beijing) Property Management Co., Ltd.	Beijing	Beijing	Property management		80
China Merchants Jiaming (Beijing) Property Development Co., Ltd. <small>Note 1</small>	Beijing	Beijing	Real estate		50
Beijing Kanglade Property Development Co., Ltd.	Beijing	Beijing	Real estate		60
Beijing Merchants Jiaming Property Development Co., Ltd.	Beijing	Beijing	Real estate		70
Tianjin Zhaosheng Real Estate Co., Ltd.	Tianjin	Tianjin	Real estate	60	40
China Merchants (Tianjin) Property Development Co., Ltd.	Tianjin	Tianjin	Real estate		75
Tianjin Gangwei Real Estate Development Co., Ltd.	Tianjin	Tianjin	Real estate		100
Tianjin Kingbay Real Estate Development Co., Ltd.	Tianjin	Tianjin	Real estate		100
Dalian Zhaoyu Property Co., Ltd.,	Dalian	Dalian	Real estate		51
Qingdao Zhongrunde Property Co., Ltd.	Qingdao	Qingdao	Real estate		100
Qingdao Merchants Hyde Property Development Co., Ltd.	Qingdao	Qingdao	Real estate		100
China Merchants (Rizhao) Property Development Co., Ltd.	Rizhao	Rizhao	Real estate	100	
China Merchants (Yantai) Property Development Co., Ltd.	Yantai	Yantai	Real estate	100	
China Merchants (Yantai) Property Co., Ltd.	Yantai	Yantai	Real estate		100
Hangzhou Zhujia Real Estate Development Co., Ltd. <small>Note 1</small>	Hangzhou	Hangzhou	Real estate		50
China Merchants (Hangzhou) Property Development Co., Ltd.	Hangzhou	Hangzhou	Real estate	100	
China Merchants (Nanjing) Property Management Co., Ltd.	Nanjing	Nanjing	Property management		100
China Merchants (Nanjing) Property Development Co., Ltd.	Nanjing	Nanjing	Real estate		100
Nanjing China Merchants Ruisheng Property Co., Ltd.	Nanjing	Nanjing	Real estate		100
China Merchants (Nanjing) Ningsheng Property Co., Ltd.	Nanjing	Nanjing	Real estate		51
China Merchants (Nanjing) Xingsheng Property Co., Ltd.	Nanjing	Nanjing	Real estate		51
China Merchants (Nanjing) Qisheng Property Development Co., Ltd.	Nanjing	Nanjing	Real estate		51
China Merchants (Shanghai) Property Co., Ltd.	Shanghai	Shanghai	Real estate	10	90
China Merchants (Shanghai) Property Management Co., Ltd.	Shanghai	Shanghai	Property		100
China Merchants (Shanghai) Minsheng Property Co., Ltd.	Shanghai	Shanghai	Real estate		100
China Merchants (Shanghai) Fengsheng Property Co., Ltd.	Shanghai	Shanghai	Real estate		100
China Merchants (Shanghai) Property Development Co., Ltd.	Shanghai	Shanghai	Real estate	10	90

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Name of subsidiary	Main businesses	Registered address	Business nature	Shareholding ratio (%)	
				Directly	Indirectly
Shanghai Jingyuan Property Development Co., Ltd.	Shanghai	Shanghai	Real estate		55
China Merchants (Shanghai) Hongfa Property Co., Ltd.	Shanghai	Shanghai	Real estate		100
China Merchants (Suzhou) Property Development Co., Ltd.	Suzhou	Suzhou	Real estate	90	10
China Merchants (Suzhou) Nanshan Property Co., Ltd.	Suzhou	Suzhou	Real estate	60	
China Merchants (Suzhou) Magnificent House Development Co., Ltd.	Suzhou	Suzhou	Real estate		100
Suzhou Shuanghu Real Estate Co., Ltd. ^{Note 1}	Suzhou	Suzhou	Real estate		50
China Merchants (Suzhou) Yishan Jun Property Development Co., Ltd.	Suzhou	Suzhou	Real estate		100
Zhenjiang Nanshan Creative Industrial Park Development Co., Ltd.	Zhenjiang	Zhenjiang	Real estate	60	
Zhenjiang Yingsheng Real Estate Development Co., Ltd.	Zhenjiang	Zhenjiang	Real estate	1	99
Zhenjiang Huoju Property Co., Ltd.	Zhenjiang	Zhenjiang	Real estate		100
China Merchants (Changzhou) Property Development Co., Ltd.	Changzhou	Changzhou	Real estate	100	
China Merchants (Changshu) Xicheng Real Estate Co., Ltd.	Changshu	Changshu	Real estate		60
China Merchants (Wuhan) Property Development Co., Ltd.	Wuhan	Wuhan	Real estate	100	
China Merchants (Wuhan) Property Management Co., Ltd.	Wuhan	Wuhan	Property management		100
Wuhan Xinde Real Estate Development Co., Ltd.	Wuhan	Wuhan	Real estate		100
Wuhan Aoming Property Development Co., Ltd.	Wuhan	Wuhan	Real estate		100
Wuhan Mingjie Real Estate Development Co., Ltd.	Wuhan	Wuhan	Real estate		100
Wuhan Merchants Property Gutian Property Co., Ltd	Wuhan	Wuhan	Real estate		100
Xi'an Maoan Property Development Co., Ltd.	Xi'an	Xi'an	Real estate		100
China Merchants (Chengdu) Beihu Land Limited.	Chengdu	Chengdu	Real estate	100	
China Merchants (Chengdu) Property Development Co., Ltd.	Chengdu	Chengdu	Real estate	100	
China Merchants (Chengdu) Beicheng Property Development Co., Ltd.	Chengdu	Chengdu	Real estate		100
China Merchants (Chengdu) Longcheng Property Development Co., Ltd.	Chengdu	Chengdu	Real estate		100
China Merchants (Bijie, Guizhou) Property Development Co., Ltd.	Bijie	Bijie	Real estate	100	
China Merchants (Bijie, Guizhou) Investment Co., Ltd.	Bijie	Bijie	Real estate		100
China Merchants (Bijie) Property Management Co., Ltd.	Bijie	Bijie	Property management		100
China Merchants (Chongqing) Property Development Co., Ltd.	Chongqing	Chongqing	Real estate	90	10
China Merchants (Chongqing) Huayuancheng Property Development Co., Ltd.	Chongqing	Chongqing	Real estate	100	
China Merchants (Chongqing) Land Development Limited	Chongqing	Chongqing	Real estate		100
China Merchants (Chongqing) Pvian Property Development Co., Ltd.	Chongqing	Chongqing	Real estate		100
China Merchants (Chongqing) Yizhi Real Estate Co., Ltd.	Chongqing	Chongqing	Real estate		100
Fujian Zhongliansheng Real Estate Co., Ltd. ^{Note 1}	Xiamen	Xiamen	Real estate	50	

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Name of subsidiary	Main businesses	Registered address	Business nature	Shareholding ratio (%)	
				Directly	Indirectly
China Merchants Property (Xiamen) Co., Ltd.	Xiamen	Xiamen	Real estate	100	
Xiamen Merchants Magnificent House Property Co., Ltd.	Xiamen	Xiamen	Real estate		100
China Merchants (Foshan) Xincheng High-tech Co., Ltd.	Foshan	Foshan	Real estate		60
Foshan Xincheng Real Estate Co., Ltd. ^{Note 1}	Foshan	Foshan	Real estate		50
Foshan Xinjie Property Development Co., Ltd.	Foshan	Foshan	Real estate		100
Foshan Evian Property Co., Ltd. ^{Note 1}	Foshan	Foshan	Real estate		50
China Merchants (Foshan) Jiulongcang Property Development Co., Ltd. ^{Note 1}	Foshan	Foshan	Real estate		50
Foshan Shunde Evian Desheng Property Co., Ltd.	Foshan	Foshan	Real estate		100
Foshan Shunde Evian Zhenyuan Property Co., Ltd.	Foshan	Foshan	Real estate		55
Foshan Evian Shangyuan Property Development Co., Ltd.	Foshan	Foshan	Real estate		100
Foshan Pvian Xiaode Property Development Co., Ltd.	Foshan	Foshan	Real estate		100
Guangzhou Wanshang Real Estate Development Co., Ltd.	Guangzhou	Guangzhou	Real estate		34
China Merchants (Guangzhou) Property Development Co., Ltd.	Guangzhou	Guangzhou	Real estate		100
Guangzhou Evian Property Development Co., Ltd.	Guangzhou	Guangzhou	Real estate		100
China Merchants (Zhuhai) Property Development Co., Ltd.	Zhuhai	Zhuhai	Real estate		100
Zhuhai Yuanfeng Real Estate Co., Ltd.	Zhuhai	Zhuhai	Real estate		51
Zhuhai Evian Property Development Co., Ltd.	Zhuhai	Zhuhai	Real estate		100
China Merchants (Nanning) Haotian Property Development Co., Ltd.	Nanning	Nanning	Real estate	70	
China Merchants (Hainan) Yuanyang Development Co., Ltd.	Qionghai	Qionghai	Real estate	60	
China Merchants (Sanya) Property Development Co., Ltd.	Sanya	Sanya	Real estate		100
China Merchants (Shenzhen) Investment Co., Ltd.	Shenzhen	Shenzhen	Real estate	100	
China Merchants (Shenzhen) Xin'an Property Co., Ltd.	Shenzhen	Shenzhen	Real estate	60	40
China Merchants (Shenzhen) Pingshan Property Development Co., Ltd.	Shenzhen	Shenzhen	Real estate	70	
Shenzhen Maillen Hotel Management Co., Ltd	Shenzhen	Shenzhen	Investment		100
China Merchants (Shenzhen) Property Consultant Co., Ltd.	Shenzhen	Shenzhen	Real Estate Agent	20	80
Shenzhen Taige Apartment Management Co., Ltd.	Shenzhen	Shenzhen	Hotel service		100
China Merchants (Shenzhen) Anye Investment Development Co., Ltd.	Shenzhen	Shenzhen	Investment		51
China Merchants (Shenzhen) Construction Co., Ltd.	Shenzhen	Shenzhen	Real estate		100
Shenzhen China Merchants Business Development Co., Ltd.	Shenzhen	Shenzhen	Real estate		51
Shenzhen Shekou Seaworld Hotel Management Co., Ltd.	Shenzhen	Shenzhen	Hotel management		51
Shenzhen Jinyu Rongtai Investment Development Co., Ltd. ^{Note 1}	Shenzhen	Shenzhen	Real estate		50
China Merchants (Shenzhen) Shekou Construction Co., Ltd.	Shenzhen	Shenzhen	Real estate		51
Ningbo Jiangwan Property Development Co., Ltd.	Ningbo	Ningbo	Real estate	100	

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Name of subsidiary	Main businesses	Registered address	Business nature	Shareholding ratio (%)	
				Directly	Indirectly
Kunming Zhaojin Property Co., Ltd.	Kunming	Kunming	Real estate		100
Kunming Merchants Metropolitan Property Co., Ltd.	Kunming	Kunming	Real estate		100
Shenzhen Xingzhao Property Management Co., Ltd.	Shenzhen	Shenzhen	Property management		100
Shenzhen Keda (Phase II) Property Management Co., Ltd.	Shenzhen	Shenzhen	Commercial Property Operation Management		100
Shenzhen Cyber Tower (Phase II) Property Management Co., Ltd.	Shenzhen	Shenzhen	Commercial Property Operation Management		100
Shenzhen Keda Property Management Co., Ltd.	Shenzhen	Shenzhen	Commercial Property Operation Management		100
Shenzhen City Garden Property Management Co., Ltd.	Shenzhen	Shenzhen	Commercial Property Operation Management		100
Shenzhen Shekou Xinshidai Property Management Limited	Shenzhen	Shenzhen	Commercial Property Operation Management		100
China Merchants (Shenzhen) Investment Management Co., Ltd.	Shenzhen	Shenzhen	Commercial Property Operation Management		100

Note 1: 50% of the shares of the company are directly or indirectly held by the Company. With the majority voting right in the board of such companies, the Company has control over their financial and operating decisions, therefore, they are covered in consolidation scope of consolidated financial statement.

(2) Key no-wholly owned subsidiaries

Name of subsidiary	Shareholding ratio of minority shareholders	Profit and loss belonging to minority shareholder of the current year	Dividend declared to be distributed to minority shareholder of the current year	Year-end balance of minority equity
China Merchants Land Ltd.	25.65	451,086,853.38	490,728,828.53	7,486,568,028.85
China Merchants & Jiaming (Beijing) Property Development Co., Ltd	50	126,202,095.40		1,209,899,015.73
China Merchants (Zhangzhou) Property Development Co., Ltd.	49	51,532,477.64	26,855,860.98	349,707,726.22
Tianjin CM Taida Investment Co., Ltd.	40	65,645,503.50		153,672,137.10
China Merchants (Suzhou) Nanshan Property Co., Ltd.	40	93,468,397.62	93,468,397.62	106,543,429.10
Shenzhen Vanke Binhai Property Co., Ltd.	50	362,303,023.25	293,849,855.81	546,454,809.41
China Merchants (Shenzhen) Pingshan Property Development Co., Ltd.	30	-8,367,091.68		2,977,434.60

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Name of subsidiary	Shareholding ratio of minority shareholders	Profit and loss belonging to minority shareholder of the current year	Dividend declared to be distributed to minority shareholder of the current year	Year-end balance of minority equity
Shanghai Jingyuan Property Development Co., Ltd.	45	-32,607,691.29		104,111,053.38
Shanghai Fengyang Real Estate Development Co., Ltd.	40	24,153,979.13	108,000,000.00	224,363,745.90
Harbin Yinkai Real Estate Development Co., Ltd.	15	-17,116,579.77		23,311,798.98
Guangzhou Wanshang Real Estate Development Co., Ltd.	66	135,145,223.48		187,925,331.77
Fujian Zhongliansheng Real Estate Co., Ltd.	50	152,888,551.42	50,000,000.00	200,552,150.94
Suzhou Shuanghu Real Estate Co., Ltd.	50	39,798,831.75	55,000,000.00	288,553,755.08

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

(3) Main financial information of key non-wholly owned subsidiaries

Name of subsidiary	Ending balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Merchants Land Ltd.	33,539,447,928.83	338,228,600.36	33,877,676,529.19	15,536,340,838.55	7,658,056,192.24	23,194,397,030.79
China Merchants & Jiaming (Beijing) Property Development Co., Ltd.	2,838,946,822.74	357,184.90	2,839,304,007.64	419,505,976.18		419,505,976.18
China Merchants (Zhangzhou) Property Development Co., Ltd.	3,759,214,583.30	329,725,990.00	4,088,940,573.30	3,369,398,182.21	4,710,020.00	3,374,108,202.21
Tianjin CM Taida Investment Co., Ltd.	2,609,455,120.69	393,501.28	2,609,848,621.97	2,173,868,279.21	51,800,000.00	2,225,668,279.21
China Merchants (Suzhou) Nanshan Property Co., Ltd.	2,694,670,376.64	166,533,923.57	2,861,204,300.21	2,594,845,727.47		2,594,845,727.47
Shenzhen Vanke Binhai Property Co., Ltd.	4,537,073,720.52	187,694.31	4,537,261,414.83	2,945,306,361.43	524,800,000.00	3,470,106,361.43
China Merchants (Shenzhen) Pingshan Property Development Co., Ltd.	2,439,434,828.29	132,370.60	2,439,567,198.89	2,198,042,846.40		2,198,042,846.40
Shanghai Jingyuan Property Development Co., Ltd.	2,584,444,398.15	11,329,997.73	2,595,774,395.88	1,806,771,622.07		1,806,771,622.07
Shanghai Fengyang Real Estate Development Co., Ltd.	3,023,256,132.44	39,834.76	3,023,295,967.20	2,744,873,802.01		2,744,873,802.01
Harbin Yinkai Real Estate Development Co., Ltd.	2,566,332,861.61	1,217,817.84	2,567,550,679.45	2,162,224,835.66		2,162,224,835.66
Guangzhou Wanshang Real Estate Development Co., Ltd.	3,369,559,717.49	2,744,538.24	3,372,304,255.73	3,266,526,884.51	200,000,000.00	3,466,526,884.51
Fujian Zhongliansheng Real Estate Co., Ltd.	2,654,504,450.53	69,860.39	2,654,574,310.92	2,644,649,528.92		2,644,649,528.92
Suzhou Shuanghu Real Estate Co., Ltd.	2,800,676,300.42	30,232,429.23	2,830,908,729.65	2,053,801,219.50		2,053,801,219.50

Continued 1:

Name of subsidiary	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Merchants Land Ltd.	28,704,838,191.17	416,462,064.16	29,121,300,255.33	12,927,216,440.02	4,806,772,411.51	17,733,988,851.54

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Name of subsidiary	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Merchants & Jiaming (Beijing) Property Development Co., Ltd	4,146,425,253.22	507,662.13	4,146,932,915.35	1,679,539,074.69	300,000,000.00	1,979,539,074.69
China Merchants (Zhangzhou) Property Development Co., Ltd.	2,577,790,613.56	9,420,040.00	2,587,210,653.56	2,287,473,873.39	9,420,040.00	2,296,893,913.39
Tianjin CM Taida Investment Co., Ltd.	2,418,681,689.95	106,582.82	2,418,788,272.77	2,101,593,125.30	97,128,563.46	2,198,721,688.76
China Merchants (Suzhou) Nanshan Property Co., Ltd.	1,993,839,054.74	163,207,728.86	2,157,046,783.60	1,255,753,671.45		1,255,753,671.45
Shenzhen Vanke Binhai Property Co., Ltd.	4,671,136,940.32	5,985,259.96	4,677,122,200.28	3,533,680,067.94	190,131,275.02	3,723,811,342.96
China Merchants (Shenzhen) Pingshan Property Development Co., Ltd.	2,412,884,686.64	249,261.14	2,413,133,947.78	2,109,314,515.17		2,109,314,515.17
Shanghai Jingyuan Property Development Co., Ltd.	1,611,384,304.09	187,096.55	1,611,571,400.64	1,219,691,281.99		1,219,691,281.99
Shanghai Fengyang Real Estate Development Co., Ltd.	4,006,439,814.17	5,007,014.41	4,011,446,828.58	2,618,485,073.13	1,308,000,000.00	3,926,485,073.13
Harbin Yinkai Real Estate Development Co., Ltd.	1,967,046,314.97	1,495,088.59	1,968,541,403.56	1,773,214,204.53		1,773,214,204.53
Guangzhou Wanshang Real Estate Development Co., Ltd.	2,473,199,503.03	4,200.00	2,473,203,703.03	2,469,315,800.00		2,469,315,800.00
Fujian Zhongliansheng Real Estate Co., Ltd.	1,971,910,694.55	50,296.36	1,971,960,990.91	1,970,934,203.30		1,970,934,203.30
Suzhou Shuanghu Real Estate Co., Ltd.	3,083,423,709.33	30,438,640.52	3,113,862,349.85	1,255,753,671.45		1,255,753,671.45

Continued 2:

Name of subsidiary	Amount incurred in this year				Amount incurred in previous year			
	Operating incomes	Net profit	Total consolidated income	Cash flows from operating activities	Operating incomes	Net profit	Total consolidated income	Cash flows from operating activities
China Merchants Land Ltd.	7,450,421,657.14	715,180,059.32	715,180,059.32	-5,339,949,118.45	7,015,840,769.02	1,437,564,605.32	2,034,886,787.43	-500,462,609.76
China Merchants & Jiaming (Beijing) Property Development Co., Ltd	615,966,884.00	252,404,190.80	252,404,190.80	-493,753,234.46	3,718,891,901.00	962,832,133.21	962,832,133.21	-347,217,541.05
China Merchants (Zhangzhou) Property Development Co., Ltd.	526,587,717.91	105,168,321.92	105,168,321.92	146,871,385.01	581,855,971.97	59,679,691.08	59,679,691.08	181,291,364.12

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Name of subsidiary	Amount incurred in this year				Amount incurred in previous year			
	Operating incomes	Net profit	Total consolidated income	Cash flows from operating activities	Operating incomes	Net profit	Total consolidated income	Cash flows from operating activities
Tianjin CM Taida Investment Co., Ltd.	1,063,219,042.00	164,113,758.75	164,113,758.75	262,757,498.78		-72,962,041.08	-72,962,041.08	49,869,311.63
China Merchants (Suzhou) Nanshan Property Co., Ltd.	1,246,779,489.00	233,670,994.06	233,670,994.06	98,940,024.92	2,024,486,670.00	424,326,454.06	424,326,454.06	211,063,454.81
Shenzhen Vanke Binhai Property Co., Ltd.	3,712,902,466.00	737,559,035.93	737,559,035.93	-467,106,709.43		-31,392,077.19	-31,392,077.19	-341,216,951.23
China Merchants (Shenzhen) Pingshan Property Development Co., Ltd.	127,193,199.00	-62,295,080.12	-62,295,080.12	92,339,267.57	77,473,793.00	-25,020,107.40	-25,020,107.40	104,838,040.54
Shanghai Jingyuan Property Development Co., Ltd.	660,013,167.00	60,384,947.82	60,384,947.82	429,440,809.15	63,950,833.00	13,658,812.92	13,658,812.92	109,556,519.91
Shanghai Fengyang Real Estate Development Co., Ltd.	1,057,276,200.00	193,460,409.74	193,460,409.74	1,224,454,607.25		-10,160,845.23	-10,160,845.23	-963,923,201.55
Harbin Yinkai Real Estate Development Co., Ltd.	1,219,680,579.00	309,998,644.76	309,998,644.76	339,191,814.56	1,036,783,339.00	243,945,846.24	243,945,846.24	353,213,525.98
Guangzhou Wanshang Real Estate Development Co., Ltd.		-114,110,531.81	-114,110,531.81	200,908,406.51		-109,663.41	-109,663.41	1,050,038.37
Fujian Zhongliansheng Real Estate Co., Ltd.		-27,890,305.61	-27,890,305.61	549,446,007.16	1,440,000.00	-12,973,212.39	-12,973,212.39	-50,741,956.81
Suzhou Shuanghu Real Estate Co., Ltd.	1,507,728,465.00	72,798,831.75	72,798,831.75	1,000,700,299.24	175,828,334.00	256,205,244.08	256,205,244.08	-203,377,162.96

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

2. Change of owner's equity share in subsidiaries and subsidiaries still under control

(1) Change of owner's equity share in subsidiaries

The Company held 51% equity of China Merchants (Nanning) Haotian Property Development Co., Ltd. In March 2014, the Company transferred 19% equity of China Merchants (Nanning) Haotian Property Development Co., Ltd it held to Guangxi Haotian Property Co., Ltd under the equity transfer agreement they signed. After such equity transfer, the Company held 70% equity capital in China Merchants (Nanning) Haotian Property Development Co., Ltd. without any change of control right over such company.

2) The Company originally held 100% equity of China Merchants (Shenzhen) Pingshan Property Development Co., Ltd. In March 2014, the Company and TCL Real Estate Co., Ltd entered into a capital increase agreement. After the capital increase, the actual investment of the Company is RMB 14 million, and the Company held 70% equity of China Merchants (Shenzhen) Pingshan Property Development Co., Ltd., and the control right over it remains unchanged.

3) The Company originally held 100% equity of Hangzhou Zhujia Real Estate Development Co., Ltd. In July 2014, the Company signed a capital increase agreement with Suzhou Yaolong Investment Management Co., Ltd. After the capital increase, the actual investment of the Company is RMB 100 million, and the Company held 50% equity of Hangzhou Zhujia Real Estate Development Co., Ltd., and the control right over of the Company it remains unchanged.

4) The Company originally held 100% of the equity of China Merchants (Changshu) Xicheng Real Estate Co., Ltd. In October of 2014, the Company and Shanghai Wuniujieying Investment Center (limited joint venture) signed Capital Increase and Share Expansion Agreement. After the capital increase, the actual investment of the Company is RMB 168 million, and the Company held 60% of the equity of China Merchants (Changshu) Xicheng Real Estate Co., Ltd., and the control right over it remains unchanged.

(2) Impact of the change of owner's equity share in subsidiaries on equity

Item	China Merchants (Nanning) Haotian Property Development Co., Ltd.	China Merchants (Shenzhen) Pingshan Property Development Co., Ltd.	Hangzhou Zhujia Real Estate Development Co., Ltd.	China Merchants (Changshu) Xicheng Real Estate Co., Ltd.
Cash	3,800,000.00			

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	China Merchants (Nanning) Property Development Co., Ltd.	China Merchants (Shenzhen) Property Development Co., Ltd.	Hangzhou Zhujia Real Estate Development Co., Ltd.	China Merchants (Changshu) Xicheng Real Estate Co., Ltd.
Fair value of non-cash assets				
Total of purchase cost/ disposal consideration	3,800,000.00			
Less: Subsidiaries' share of net assets calculated based on share of equity received / disposed.	2,934,241.87	25,443,773.72	7,868,244.12	2,316,300.26
Shortfalls	865,758.13	-25,443,773.72	-7,868,244.12	-2,316,300.26
Including: Adjusted capital surplus	865,758.13	-25,443,773.72	-7,868,244.12	-2,316,300.26

3. Equity in joint ventures or associated enterprises

(1) Key joint ventures / associated enterprises

Names of joint ventures or associated enterprises	Main businesses	Registered address	Business Nature	Shareholding ratio (%)		Accounting treatment methods of joint ventures or associated enterprises
				Directly	Indirectly	
Beijing Guangying Residential Property Development Limited	Beijing	Beijing	Real estate		34.00	Equity method
Shenzhen CMOCTPM Co., Ltd.	Shenzhen	Shenzhen	Real estate		50.00	Equity method
Shanghai New South Mountain Real Estate Development Co., Ltd.	Shanghai	Shanghai	Real estate		20.00	Equity method

(2) Main financial information on key joint ventures

Item	Ending balance/ Amount incurred in this year		
	Beijing Guangying Residential Property Development Limited	Shenzhen CMOCTPM Co., Ltd.	Shanghai New South Mountain Real Estate Development Co., Ltd.
Current assets:	4,475,122,752.97	1,958,555,507.72	1,387,923,209.05
Including: cash and cash equivalents	971,023,679.17	355,994,281.28	189,563,283.43
Non-current assets	769,654.20	336,830,699.55	430,046.42
Total assets	4,475,892,407.17	2,295,386,207.27	1,388,353,255.47
Current liabilities:	4,283,676,784.96	1,344,918,256.65	629,498,106.79
Non-current liabilities	398,285,000.00		191,000,000.00
Total liabilities	4,681,961,784.96	1,344,918,256.65	820,498,106.79
Net assets	-206,069,377.79	950,467,950.62	567,855,148.68
Including: net assets owned by parent company owners	-206,069,377.79	950,467,950.62	567,855,148.68
Share of net assets belonging to the owner of parent company as calculated as per shareholding proportion	-70,063,588.45	475,233,975.31	113,571,029.74
Adjusting events		100,995,441.89	
Book value of equity investment on joint ventures		576,229,417.22	113,571,029.74

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Ending balance/ Amount incurred in this year			
	Beijing Residential Development Limited	Guangying Property Development Limited	Shenzhen CMOCTPM Co., Ltd.	Shanghai New South Mountain Real Estate Development Co., Ltd.
Fair value of equity investment in joint ventures under public offering				
Operating incomes	207,500.00		2,815,849,817.76	1,546,444,350.00
Financial expenses	-3,824,312.76		-7,323,852.58	-1,165,204.63
Income taxes			265,146,536.29	98,659,434.46
Net profit	-57,404,819.18		481,761,090.10	295,978,303.38
Including: net profit owned by parent company owners	-57,404,819.18		481,761,090.10	295,978,303.38
Other comprehensive income				
Total consolidated income	-57,404,819.18		481,761,090.10	295,978,303.38
Dividend from joint ventures received in the current year			320,548,073.60	

Continued

Item	Beginning balance / Amount incurred in previous year			
	Beijing Residential Development Limited	Guangying Property Development Limited	Shenzhen CMOCTPM Co., Ltd.	Shanghai New South Mountain Real Estate Development Co., Ltd.
Current assets:	2,964,680,729.51		2,924,485,277.06	1,633,819,037.97
Including: cash and cash equivalents	308,047,731.98		93,616,344.20	168,865,101.42
Non-current assets	264,283.93		504,804,402.93	6,277,171.74
Total assets	2,964,945,013.44		3,429,289,679.99	1,640,096,209.71
Current liabilities:	625,324,572.05		2,633,165,191.03	1,358,450,566.94
Non-current liabilities	2,488,285,000.00			
Total liabilities	3,113,609,572.05		2,633,165,191.03	1,358,450,566.94
Net assets	-148,664,558.61		796,124,488.96	281,645,642.77
Including: net assets owned by parent company owners	-148,664,558.61		796,124,488.96	281,645,642.77
Share of net assets belonging to the owner of parent company as calculated as per shareholding proportion	-50,545,949.93		398,062,244.48	56,329,128.55
Adjusting events			257,834,701.28	
Book value of equity investment on associated enterprises			655,896,945.76	56,329,128.55
Fair value of equity investment in associated enterprises under public offering				
Operating incomes	9,000.00		2,244,688,271.37	
Financial expenses	175,877,723.38		-13,434,343.10	17,069.48
Income taxes			214,096,452.31	-5,374,735.88
Net profit	-200,936,470.21		477,727,389.53	-32,838,239.08
Including: net profit owned by parent company owners	-200,936,470.21		477,727,389.53	-32,838,239.08
Other comprehensive income				

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Beginning balance / Amount incurred in previous year			
	Beijing Residential Development Limited	Guangying Property Development Limited	Shenzhen CMOCTPM Co., Ltd.	Shanghai New South Mountain Real Estate Development Co., Ltd.
Total consolidated income	-200,936,470.21		477,727,389.53	-32,838,239.08
Dividend from associated enterprises received in the current year				

Adjustment is made because there is a difference between definable net assets and their book value when the joint venture is acquired and such difference is continued to be measured as per their fair value.

(3) Financial information summary on less important joint ventures and associated enterprises

Item	Ending balance/ Amount incurred in this year	Beginning balance / Amount incurred in previous year
Joint ventures:		
Total investment book value	29,818,400.96	46,156,217.53
Totals of the following items calculated as per respective shareholding proportion		
- Net profit	-9,833,443.39	-2,772,917.87
- Other consolidated income		
- Total consolidated income	-9,833,443.39	-2,772,917.87
Affiliated enterprises:		
Total investment book value	1,186,117,053.76	894,811,922.72
Totals of the following items calculated as per respective shareholding proportion		
- Net profit	37,690,053.66	104,408,107.26
- Other consolidated income		
- Total consolidated income	37,690,053.66	104,408,107.26

(4) No significant restriction of the joint venture or associated enterprise's capacity of transferring funds to the Company.

(5) Excess deficit in joint ventures or associated enterprises

Names of joint ventures or associated enterprises	Accumulated unconfirmed loss of the previous year	Unconfirmed loss of the current year (or shared net profits of the current year)	Accumulated unconfirmed loss at the end of this year
Beijing Guangying Residential Property Development Limited	50,545,949.93	19,517,638.52	70,063,588.45
Shenzhen Yihaicheng Property Management Co., Ltd		4,705,243.55	4,705,243.55
Foshan Merchants Longyuan Real Estate Co., Ltd.	10,477,931.55	-53,328.33	10,424,603.22
Huizhou Taitong Real Estate Investment Co., Ltd	9,433,416.68	43,452.86	9,476,869.53

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

(6) There is no relevant unconfirmed commitment for joint venture investment.

(7) Contingent liabilities related to joint venture or associated enterprise investment

The Company undertakes joint and several guarantees for the amount borrowed by China Merchants Guangming Science Park based on the proportion of shares it holds in China Merchants Guangming Science Park, i.e. providing guarantee for RMB 109,153,992.50 for two years upon the expiration of life of loan under the loan contract. This imposed no significant impact on the Group's financial position for this year and period after the balance sheet date.

IX. Risks related to financial instruments

The Company shall disclose various risks arising from financial instruments like credit risk, liquidity risk and market risk including risk exposure and its cause, risk management objective, policy procedure and risk measurement methods and the changes of such information in the current period, as well as quantitative information of risk exposure at the end of the period and other data facilitating investors' risk exposure assessments.

The main financial instruments of the Group include borrowing, receivables, payables, trading financial asset and trading financial liability, for the details of such instruments see Note 6 Item Notes to Consolidated Financial Statement. Risks related to these financial instruments, and risk management policies adopted by the Group to lower these risks are described as follows. The Group's management manages and monitors these risk exposures so as to ensure that above risk is controlled in limited scope.

1. Targets and policies of risk management

The objective of risk management of the Group is to properly balance the risk and gains to minimize the adverse impact of risks to the business performance of the Group and maximize the interests of shareholders and other equity investors. Base on this risk management target, the fundamental strategy of the Group's risk management is to identify and analyze various risks in the industry, establish appropriate risk tolerance baseline, manage risks, and to supervise all risks promptly and reliably so as to control risk in limited scope.

(1) Market risk

1) Foreign exchange risk

The foreign exchange risk of the Group is mainly related to US Dollar, and Hong Kong Dollar, and the main businesses of the Group are denominated in RMB, excluding the purchase

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

and sales by the following subsidiaries of the Group which are measured in US Dollar. As of December 31, 2014, the balance of assets and liabilities of the Group, except for those listed in the following table which are denominated in US Dollar and Hong Kong Dollar, are denominated in RMB. The foreign exchange risk arising from such balance of assets and liabilities denominated in US Dollar may have an impact on the business performance of the Group.

Item	December 31, 2014	December 31, 2013
Monetary fund - USD	241,370,084.59	620,901,559.62
Monetary fund - HKD	56,560,533.59	528,895,024.50
Accounts receivable - HKD	136,680.00	
Prepayment - HKD	99,771.61	10,958.00
Other receivables - USD	9,331,245.80	88,257,999.81
Other receivables - HKD	12,486,960.08	
Loans - HKD		850,000,000.00
Loans - USD	1,429,700,000.00	1,237,450,000.00
Accounts payable - HKD	250,354.24	
Advances received - HKD	40,630.00	
Interests payable - HKD		2,415,293.55
Interests payable - USD	1,127,750.30	1,960,865.48
Other payables - USD	87,508,735.31	23,496,795.19
Other payables - HKD	11,483,419.47	8,100,183.56
Bonds payable - USD	493,230,417.48	492,713,633.98

The Group pays close attention to the impact of exchange rate variation on the Group.

2) Interest rate risk

The Group's interest rate risk comes from bank loans, bonds payable and other interest-bearing debts. Financial liabilities at floating interest rate make the Group faced with cash flow interest rate risk; and financial liabilities at fixed interest rate make the Group confronted with fair value interest rate risk. The Group determined the relative proportion of fixed and floating interest rate contracts on the basis of prevailing market conditions. As of December 31, 2014, the Group's interest-bearing debts mainly were floating interest rate loan contract priced in RMB and USD amounting to RMB 20,526,894,200 (as of December 31, 2013: RMB 15,721,425,900), fixed interest rate loan contract priced in RMB amounting to RMB 13,996,622,000 (as of December 31, 2013: RMB 9,963,500,000) and bonds payable priced in USD amounting to RMB 3,018,076,900 (as of December 31, 2013: RMB 3,003,383,000).

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

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The Group's risk of changes in fair value of financial instruments resulted from changes in interest rate is mainly related to bank loans at fixed interest rate. The Group aims to keep the floating interest rate of fixed interest rate loans.

The Group's risk of changes in cash flow of financial instruments resulted from changes in interest rate is mainly related to bank loans at floating interest rate. Policy of the Group is to keep the floating interest rate of the loan to eliminate the fair value risk of interest rate change.

3) Price risk

Since the Group markets real estate goods at market prices, it may be affected by such price fluctuations.

(2) Risks of credit

On December 31, 2014, credit risk exposure which might cause financial loss to the Group is mainly generated by the Group's financial asset loss caused by the other contract party's failure to perform its obligation and financial guarantee provided by the Group, including specifically:

Book value of financial asset confirmed in the consolidated balance sheet; for financial instruments measured with fair value, its book value reflects its risk exposure, but not the maximum risk exposure, which would change in line with the future fair value.

In order to lower credit risk, the Group establishes a department to be in charge of determining credit level, authorizing credit, and taking other necessary monitoring procedures to ensure recovery of stale creditor's right. In addition, the Group reviews the recovery of each account receivable on each balance sheet date so as to ensure sufficient provision for bad debt is accrued to account that can recollect. Therefore, the Group management holds the opinion that credit risk tolerated by the Group has been decreased substantially.

Working fund of the Group is deposits in the bank with high credit level, which means low credit risk for working fund.

Necessary policies are adopted by the Group to ensure the sound credit record of all sales customers. The Group has no major credit concentration risk except for receivables from top five accounts.

Receivables from top five accounts amount to RMB 42,760,889.31.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

(3) Liquidity risk

The liquidity risk is that the Group may be unable to fulfill its financial obligations at maturity. The Group manages the liquidity risk by ensuring sufficient liquidity to fulfill its obligations at maturity to avoid unacceptable losses or damages to corporate reputation. The Group periodically analyzes debt structure and maturity to ensure sufficient funds. The Group management monitors the use of bank loan and ensure of compliance of loan agreement. Meanwhile, the Group maintains certain credit line and lowers liquidity risk through financing consultations with financial institutions.

The Group's main source of funds is bank loans. As of December 31, 2014, the Group's unused bank loans were RMB 26,208,956,400 (as of December 31, 2013: RMB 23,377,559,400), including used short-term bank loans of RMB 965 million (as of December 31, 2013: N/A).

The analysis of the Group's financial assets and liabilities as per the maturity of remaining undiscounted contractual obligations is as follows:

Amount as of December 31, 2014:

Item	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Financial assets					
Monetary fund	229833864302				229833864302
Notes receivable	43000000				43000000
Accounts receivable	683119430				683119430
Other Receivables	89418079439				89418079439
Financial liabilities					
Short-term loans	3886000000				3886000000
Notes payable	4734413800				4734413800
Accounts payable	1521347705940				1521347705940
Other payables	1178256887439				1178256887439
Dividends payable	16073031808				16073031808
Interests payable	19213676930				19213676930
Payroll payable	39874534332				39874534332
Non-current liabilities due within one year	597010098848				597010098848
Long-term loans		1092118520000	11,15433000002	25910000000	2466651520002
Bonds payable			301807692457		301807692457
Long-term payables		10435314652			10435314652

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

2. Sensitivity analysis

The Group analyzed, with sensitivity analysis techniques, the potential impact of possible reasonable changes in risk variables on current profits and losses or owner's equity. Since risk variables rarely change independently and the correlation between variables may significantly affect the amount ultimately impacted by changes in certain risk variable, the following details are based on the assumption that each variable changes independently.

(1) Sensitivity analysis of foreign exchange risk

Assumption: All hedges of net investment in an overseas operation and cash flow hedges are highly effective.

Based on the above assumption and in case that other variables remain unchanged, the after-tax impact of possible reasonable changes in exchange rate on current losses & profits and equity is as follows:

Item	Exchangeratevariation	2014		2013	
		Influence on net profit	Influence on owners' equity	Influence on net profit	Influence on owners' equity
All foreign currencies	RMB depreciation by 5%	-536,468,358.10	-536,468,358.10	-332,044,694.32	-332,044,694.32
All foreign currencies	RMB appreciation by 5%	536,468,358.10	536,468,358.10	332,044,694.32	332,044,694.32

(2) Sensitivity analysis of interest rate risk

The analysis is based on following assumptions:

Market interest rate change will influence the interest income or expense of interest rate variable financial instruments;

For fixed-rate financial instruments measured with fair value, changes in market interest rate only affect the interest income or expense of such instruments;

Fair value variation of derivative financial instruments and other financial assets and liabilities is calculated with the market interest rate on the balance sheet date applying the discounted cash flow method.

Based on the above assumption and in case that other variables remain unchanged, the after-tax impact of possible reasonable changes in interest rate on current losses & profits and equity is as follows:

Item	Interest rate	2014	2013
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Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

	variation	Influence on net profit	Influence on owners' equity	Influence on net profit	Influence on owners' equity
Loans at floating interest rate	Increased by 1%	-8,142,921.03	-8,142,921.03	-5,149,307.64	-5,149,307.64
Loans at floating interest rate	Decreased by 1%	8,142,921.03	8,142,921.03	5,149,307.64	5,149,307.64

X Related parties and related transaction

(I) Relation of affiliated parties

1. Controlling shareholder and ultimate controller

(1) Controlling shareholder and ultimate controller

Name	Registered address	Business nature	Registered capital	Percent of stocks of the Company (%)	The percent of voting share of the Company (%)
Shekou Industrial Zone	Shenzhen	Establishment and management of various enterprises, etc.	2,236,000,000.00	40.38	40.38
China Merchants Group Co., Ltd.	Beijing	Establishment and management of various enterprises, etc.	12,150,000,000.00	40.38	40.38

(2) Registered capital and its changes of controlling shareholder

Controlling shareholder	Beginning balance	Increase of this year	Decrease of this year	Ending balance
Shekou Industrial Zone	2,236,000,000.00			2,236,000,000.00

(3) Shares or equity held by controlling shareholder and relevant changes

Controlling shareholder	Holding shares		Shareholding ratio (%)	
	Ending balance	Beginning balance	Ratio at the end of the year	Ratio at the beginning of the year
Shekou Industrial Zone	1,040,128,975.00	693,419,317.00	40.38	40.38

Shekou Industrial Zone holds the Company's 1,040,128,975 shares directly and 296,564,159 shares indirectly, amounting to 1,336,693,134 shares of the Company and accounting for 51.89% of the Company's total shares.

2. Subsidiary

See 1 - Organization of the Group (1) in Note 8 for subsidiaries.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

3. Joint ventures and associated enterprises

See 3 - Major associated enterprises or joint ventures (1) in Note 8 for the Company's major joint ventures or associated enterprises. Details on other joint ventures or associated enterprises with balance from related party transactions with the Company this year or earlier are as follows:

Names of joint ventures or associated enterprises	Relationship with the Company
Tianjin Xinghai Real Estate Development Co., Ltd.	Affiliated enterprises
Huizhou Taitong Real Estate Investment Co., Ltd.	Affiliated enterprises
Shanghai New South Mountain Real Estate Development Co., Ltd.	Affiliated enterprises
Shanghai Ledu Property Co., Ltd.	Affiliated enterprises
Guangzhou Panyu Innovation Science Park Co., Ltd.	Affiliated enterprises
Shenzhen CMOCTPM Co., Ltd.	Affiliated enterprises
Holly Profit Limited	Affiliated enterprises
Jones Tech Limited	Affiliated enterprises
Tianjin Munanqiushi Industrial Co., Ltd.	Affiliated enterprises
Shenzhen Dehan Investment Development Co., Ltd.	Joint ventures
Shanghai FTZ Pushen Property Co., Ltd.	Joint ventures
Foshan Merchants Longyuan Real Estate Co., Ltd.	Joint ventures
Beijing Guangying Residential Property Development Limited	Joint ventures

4. Other affiliated parties

Names of other related parties	Relationship with the Company
International Merchants Holdings (China) Investment Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants (Shenzhen) Tai Shan Bay Property Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
China Ocean Shipping Agency Shenzhen	Other enterprises under the control of common controlling shareholder and ultimate controller
Shenzhen China Merchants Financial Service Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants Zhangzhou Development Zone Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
BlueCove International Limited	Other enterprises under the control of common controlling shareholder and ultimate controller
Powerwise International Limited	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants Group (Hongkong) Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants (Shanghai) Investment Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants Bank Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants Entrepreneurship (Shenzhen) Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants Holdings (International) Information Technology Co., Ltd. (CMHIT)	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants Plaza (Shanghai) Property Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
Shenzhen Shekou Industrial Zone Staff Residential Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants Ocean Shipping Agency Shenzhen	Other enterprises under the control of common controlling shareholder and ultimate controller

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Names of other related parties	Relationship with the Company
China Merchants Group Industrial Park (Qingdao) Development Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants Securities Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
International Merchants Holdings (China) Investment Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
Shekou Container Terminals Limited	Other enterprises under the control of common controlling shareholder and ultimate controller
Shenzhen Saikaidō Municipal Engineering Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
Dafeng International Limited Liability Company	Other enterprises under the control of common controlling shareholder and ultimate controller
Ganzhou Yuankang Investment Partnership	Other enterprises under the control of common controlling shareholder and ultimate controller
China Merchants Kunlun Equity Investment Management Co., Ltd.	Other enterprises under the control of common controlling shareholder and ultimate controller
The Director, General Manager and Deputy General Manager and other key management of the Company	Other affiliated and interested parties

(II) Related transactions

1. Related transaction regarding trade of goods and labor services

(1) Purchasing products/obtaining labor services

Related party	Details of transaction between affiliated parties	Amount incurred in this year	Amount incurred in previous year
Shekou Industrial Zone	Land acquisition costs	4,953,939,868.49	
China Merchants Bank Co., Ltd.	Interest on borrowings	110,682,562.18	52,410,380.09
China Merchants Bank Co., Ltd.	Banking service charges	8,406,734.38	3,445,839.33
Shenzhen China Merchants Financial Service Co., Ltd.	Funds occupation	28,625,075.66	28,541,355.00
China Merchants Securities Co., Ltd.	Brokerage fee	2,000,000.00	0
Total		5,103,654,240.71	84,397,574.42

(2) Sales of goods / provision of services

Related party	Details of transaction between affiliated parties	Amount incurred in this year	Amount incurred in previous year
China Merchants Bank Co., Ltd.	Interest incomes	47,000,010.11	51,664,625.02
China Merchants (Shanghai) Investment Co., Ltd.	Agent construction management fee income	5,088,000.00	5,088,000.00
China Merchants (Shenzhen) Tai Shan Bay Property Co., Ltd.	Engineering contract	4,450,625.86	4,648,368.50
China Ocean Shipping Agency Shenzhen	Engineering contract	4,298,571.31	13,886,609.87
Shenzhen CMOCTPM Co., Ltd.	Project income	4,039,657.15	35,375,827.33
Other enterprises under the control of common controlling shareholder and ultimate controller	Power supply service	22,641,444.50	22,117,428.80
Other enterprises under the control of common controlling shareholder and ultimate controller	Property management fee	17,137,756.05	9,848,194.53
Total		112,440,161.88	143,138,613.98

2. Associated rental condition

(1) Rental condition

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Name of Lessor	Name of Lessee	Type of leasing assets	Confirmed rental income for this year	Confirmed rental income for last year
China Merchants (Shenzhen) Investment Co., Ltd.	China Merchants Group Co., Ltd.	Plant	2,200,182.5	
	Shekou Industrial Zone	Office building/villa	14,303,654.41	13,007,580.52
	International Merchants Holdings (China) Investment Co., Ltd.	Office building	6,254,634.77	5,647,504.53
	China Merchants Group (Hong Kong) Co., Ltd.	Office building	3,678,541.00	525,300.00
	China Merchants Holdings (International) Information Technology Co., Ltd. (CMHIT)	Plant/office building	2,089,428.00	2,054,016.00
	Shenzhen Shekou Industrial Zone Staff Residential Co., Ltd.	Office building	1,497,822.00	656,210.00
	China Merchants Entrepreneurship (Shenzhen) Co., Ltd.	Office building	1,104,929.65	292,932.00
	Shenzhen Saikaidō Municipal Engineering Co., Ltd.	Office building	909,884.00	
	Shekou Container Terminals Limited	Office building	572,420.00	
	China Merchants Ocean Shipping Agency Shenzhen	Office building	522,330.00	526,054.00
	Total of other small amounts	Office building	2,699,548.00	845,346.96

(2) Lease condition

Name of Lessor	Name of Lessee	Type of leasing assets	Rental fees recognized in 2011	Confirmed rental income for last year
Shekou Industrial Zone	China Merchants (Shenzhen) Investment Co., Ltd.	Office building	21,308,845.36	26,636,058.09
	China Merchants (Shenzhen) Investment Co., Ltd.	Land rights use	6,382,860.20	6,641,317.41
	China Merchants (Shenzhen) Power Supply Co., Ltd.	Land rights use	2,363,143.32	2,363,143.30
	China Merchants (Shenzhen) Property Development Co., Ltd.	Plant	5,327,211.70	
China Merchants Plaza (Shanghai) Property Co., Ltd.	China Merchants (Shanghai) Minsheng Property Co., Ltd.	Office building		269,473.20
	Shanghai Fengyang Real Estate Development Co., Ltd.	Office building	849,244.80	833,517.60
	Shanghai Jingyuan Property Development Co., Ltd.	Office building	570,864.00	560,826.00
	China Merchants (Shanghai) Hongfa Property Co., Ltd.	Office building	792,872.40	508,118.40
Shenzhen Shekou Industrial Zone Staff Residential Co., Ltd.	China Merchants (Shenzhen) Property Management Co., Ltd.	Dormitory	5,027,621.20	3,921,704.00
	China Merchants (Shenzhen) Property Management Co., Ltd.	Land rights use	395,781.40	395,781.40
	China Merchants (Shenzhen) Property Development Co., Ltd.	Land rights use	684,480.00	684,480.00

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3. Status of Associated Guarantee

Name of warrantee	Name of guarantee	Amount of guarantee	Beginning date	Due date	Has the guarantee been fulfilled?
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	305,950,000.00	2013-12-16	2015-06-28	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	122,380,000.00	2013-10-31	2016-10-31	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	305,950,000.00	2013-09-30	2016-09-30	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	611,900,000.00	2013-12-18	2016-12-18	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	611,900,000.00	2014-09-26	2017-06-30	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	611,900,000.00	2014-07-18	2017-07-18	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	305,950,000.00	2013-03-05	2016-03-01	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	611,900,000.00	2013-04-29	2016-04-25	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	305,950,000.00	2014-09-25	2017-10-14	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	1,187,086,000.00	2013-12-23	2016-12-23	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	122,380,000.00	2013-03-26	2015-06-15	No
China Merchants Group (Hongkong) Co., Ltd.	Eureka Investment Company Ltd.	1,101,420,000.00	2013-04-11	2015-06-15	No
China Merchants Group Co., Ltd.	The Company	2,000,000,000.00	2010-04-20	2019-04-19	No
China Merchants Group Co., Ltd.	The Company	2,500,000,000.00	2014-09-26	2023-09-26	No
Shekou Industrial Zone	The Company	196,000,000.00	2012-12-19	2017-12-19	No
Shekou Industrial Zone	The Company	106,000,000.00	2012-12-24	2017-12-24	No
Shekou Industrial Zone	The Company	77,500,000.00	2013-01-29	2018-01-29	No
Shekou Industrial Zone	The Company	48,000,000.00	2013-07-31	2018-07-31	No
Shekou Industrial Zone	The Company	99,000,000.00	2014-06-25	2019-06-25	No
Shekou Industrial Zone	The Company	199,000,000.00	2014-06-25	2019-06-25	No
Shekou Industrial Zone	The Company	500,000,000.00	2013-03-29	2017-03-29	No
Shekou Industrial Zone	The Company	299,000,000.00	2014-03-28	2019-03-28	No
Shekou Industrial Zone	The Company	200,000,000.00	2014-12-25	2019-12-25	No
Shekou Industrial Zone	The Company	130,000,000.00	2014-12-29	2019-12-29	No
Shekou Industrial Zone	China Merchants (Shenzhen) Property Development Co., Ltd.	116,500,000.00	2013-01-29	2017-01-29	No
Shekou Industrial Zone	Wuhan Aoming Property Development Co., Ltd.	11,000,000.00	2013-11-19	2018-11-19	No
Shekou Industrial Zone	Wuhan Aoming Property Development Co., Ltd.	13,000,000.00	2013-12-06	2018-11-19	No
Shekou Industrial Zone	Wuhan Aoming Property Development Co., Ltd.	21,000,000.00	2014-01-13	2018-11-19	No
Shekou Industrial Zone	Wuhan Aoming Property Development Co., Ltd.	27,000,000.00	2014-03-11	2018-11-19	No
Shekou Industrial Zone	Wuhan Aoming Property Development Co., Ltd.	20,000,000.00	2014-04-16	2018-11-19	No
Shekou Industrial Zone	Wuhan Aoming Property Development Co., Ltd.	100,000,000.00	2014-08-29	2017-08-28	No
Shekou Industrial Zone	Foshan Shunde Evian Desheng Property Co., Ltd.	150,000,000.00	2014-07-16	2018-07-08	No

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Name of warrantee	Name of guarantee	Amount of guarantee	Beginning date	Due date	Has the guarantee been fulfilled?
Shekou Industrial Zone	China Merchants (Shenzhen) Construction Co., Ltd.	50,000,000.00	2014-08-29	2017-08-28	No
Shekou Industrial Zone	Beijing Kanglade Property Development Co., Ltd.	127,400,000.00	2012-05-15	2019-05-15	No
Shekou Industrial Zone	Shenzhen Shekou Seaworld Hotel Management Co., Ltd.	235,200,000.00	2013-10-22	2020-10-20	No
Shekou Industrial Zone	Qingdao Merchants Hyde Property Development Co., Ltd.	235,200,000.00	2014-04-29	2019-04-28	No
Shekou Industrial Zone	Shenzhen Jinyurongtai Investment Development Co., Ltd.	75,000,000.00	2014-06-27	2021-06-27	No
The Company	China Merchants Guangming Science Park	109,153,992.50	2012-03-30	2020-05-18	No

4. Inter-bank lending of affiliated parties

Names of related parties	Borrowing/lending	Lending amount	Beginning date	Due date	Remarks
Beijing Guangying Residential Property Development Limited	Lending	161,090,143.61	2014.09	2015.09	Current account
Foshan Merchants Longyuan Real Estate Co., Ltd.	Lending	673,692,974.37	2011.01	2015.12	Current account
Shenzhen Dehan Investment Development Co., Ltd.	Lending	105,481,042.96	2014.12	2015.12	Current account
Shanghai FTZ Pushen Property Co., Ltd.	Lending	26,139,294.31	2014.03	2015.03	Current account

5. Important related transactions with joint investments

(1) During the report period, the Company established Station Fortune Ltd and Chief Master Ltd by joint investment with Shekou Industrial Zone; and the Company and Shekou Industrial Zone hold 49% and 51% equity respectively.

Station Fortune Ltd established a wholly-owned subsidiary, China Merchants Industrial Park (Qingdao) Entrepreneurship Co., Ltd. (hereinafter referred to as “Qingdao Entrepreneurship”), which has a registered capital of USD 149 million. The Company and Shekou Industrial Zone invest and hold the shares in Qingdao Entrepreneurship as per the proportion of shares they hold in Station Fortune Ltd. The Company has invested USD 73,010,000 into Qingdao Entrepreneurship.

Chief Master Ltd established a wholly-owned company, China Merchants Qingdao Lanwan Wanggu Investment Co., Ltd. (hereinafter referred to as “Qingdao Lanwan”), which has a registered capital of USD 75 million. The Company and Shekou Industrial Zone invest and hold the shares in Qingdao Lanwan as per the proportion of shares they hold in Chief Master Ltd. The Company has invested USD 36,750,000 into Qingdao Lanwan.

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(2) As reviewed and approved at the 14th Extraordinary Meeting of the Seventh Board of Directors for 2014, the Company acquired Shenyang Jindao Huitong Real Estate Development Co., Ltd. by joint investment with Ganzhou Yuankang Investment Partnership. The Company has invested RMB 178.5 million into Shenyang Jindao Huitong Real Estate Development Co., Ltd. and holds 51% equity in it.

(3) As reviewed and approved at the 18th Extraordinary Meeting of the Seventh Board of Directors for 2014, the Company's subsidiaries, China Merchants (Chengdu) Beihu Land Limited (hereinafter referred to as "China Merchants Beihu") and China Merchants (Shenzhen) Investment Co., Ltd., together with China Merchants Kunlun Equity Investment Management Co., Ltd. (hereinafter referred to as "China Merchants Kunlun"), jointly acquire 100% equity of and all shareholder's creditor's rights in Chengdu China MCC5 Media Investment Real Estate Co., Ltd. and are jointly engaged in the development and operation of Chengdu Big Cube. Wherein China Merchants (Beihu) Property Co., Ltd., China Merchants Property Development (CMPD) and China Merchants (Kunlun) Property Co., Ltd. purchased 31%, 20% and 49% respectively of the total equity of the purchased company. The acquisition price is RMB 1.8 billion. As of December 31, 2014, the acquisition was not yet completed.

(4) As reviewed and approved at the 18th Extraordinary Meeting of the Seventh Board of Directors for 2014, the Company, Shekou Industrial Zone and China Merchants (Shenzhen) Investment Co., Ltd. jointly invest and establish a company (hereinafter referred to as the "Joint Venture", the final name of which shall be subject to the approval of Company Registration Authority). The Joint Venture has a registered capital of RMB 10 million, among which, RMB 4 million is contributed by the Company, with a shareholding proportion of 40%; RMB 3 million by Shekou Industrial Zone, with a shareholding proportion of 30%, and RMB 3 million by China Merchants (Shenzhen) Investment Co., Ltd., with a shareholding proportion of 30%. As of December 31, 2014, the Joint Venture has not been completely established.

6. Remuneration for key management personnel

Item name	Amount incurred in this year	Amount incurred in previous year
Total remuneration	39,321,335.00	34,891,995.64

(III) Current balance of related parties

1. Receivables

Item name	Related party	Ending balance		Amount at the beginning of the year	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	China Merchants (Shanghai) Investment Co., Ltd.	25440000		50880000	

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Item name	Related party	Ending balance		Amount at the beginning of the year	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	Powerwise International Limited			89,026,933.80	
Other receivables	Blue Cove International Limited			44,812,215.00	
Other receivables	Beijing Guangying Residential Property Development Limited	161,090,143.61		912,300,960.74	
Other receivables	Foshan Merchants Longyuan Real Estate Co., Ltd.	673,692,974.37		673,449,850.06	
Other receivables	Ningbo Jiangwan Property Development Co., Ltd.			1,350,815,887.80	
Other receivables	Shanghai New South Mountain Real Estate Development Co., Ltd.			149,343,672.94	
Other receivables	Jones Tech Limited			62,432,109.67	
Other receivables	Holly Profit Limited			92,530,643.25	
Other receivables	Shenzhen Dehan Investment Development Co., Ltd.	105,481,042.96			
Other receivables	Shanghai FTZ Pushen Property Co., Ltd.	26,139,294.31			
Other receivables	Huizhou Taitong Real Estate Investment Co., Ltd.	11,270,000.00	11,270,000.00	11,270,000.00	11,270,000.00
Other receivables	China Merchants Entrepreneurship (Shenzhen) Co., Ltd.	1,000,000.00			
Receivables	Total of other small amounts	519,508.09			

2. Payables

Item name	Related party	Ending balance	Beginning balance
Accounts payable	Shekou Industrial Zone	2,553,939,868.49	
Other payables	Shekou Industrial Zone	163,260.40	79,488,890.25
Other payables	Shanghai Ledu Property Co., Ltd.	246,012,803.57	
Other payables	Shanghai New South Mountain Real Estate Development Co., Ltd.	44,878,417.38	31,600,000.00
Other payables	Shenzhen CMOCTPM Co., Ltd.	479,722,021.97	674,733,289.97
Other payables	Tianjin Xinghai Real Estate Development Co., Ltd.	106,081,398.67	106,081,398.67
Other payables	Shenzhen China Merchants Financial Service Co., Ltd.	811,061,941.40	714,581,431.09
Other payables	China Merchants Zhangzhou Development Zone Co., Ltd.	380,000,000.00	200,000,000.00
Other payables	Dafeng International Limited Liability Company	209,947,096.50	
Other payables	Tianjin Munanqushi Industrial Co., Ltd.	17,000,000.00	
Other payables	International Merchants Holdings (China) Investment Co., Ltd.	1,431,110.40	274,482.56
Long-term payables	China Merchants Entrepreneurship (Shenzhen) Co., Ltd.	1,200,000.00	1,200,000.00
Other payables	China Merchants Group (Hongkong) Co., Ltd.	925,395.28	
Other payables	China Merchants Group Co., Ltd.	517,690.00	
Other payables	Total of other small amounts	614,711.51	2,039,826.59

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

3. Deposits and borrowings of related party

Affiliated parties (items)	Amount at the end of the year	Amount at the beginning of the year
Other enterprises under the control of common controlling shareholder and ultimate controller		
Including: China Merchants Bank Co., Ltd. (deposits)	6,116,282,679.72	7,154,357,534.12
China Merchants Bank Co., Ltd. (borrowings)	3,017,628,563.46	1,439,428,563.46
Total	9,133,911,243.18	8,593,786,097.58

XI. Share payment

1. Overview of share payment

Item	Condition
Total amounts of all equity instruments granted by the Company in this year	23,228,300.00
Total amounts of all equity instruments executed by the Company in the year	
Total amounts of all invalid equity instruments of the Company in the year	
Range of execution price and remained contract term of the outstanding stock option issued by the Company at the end of the year	Exercise price: RMB 11.24, remaining contract term: 80 months
Range of execution price and remained contract term of other equity instruments of the Company at the end of the year	

2. Share-based payment settled by equity

Item	Condition
Methods for determining fair value of an equity instrument at the grant date	Black-Scholes model was applied to estimate the cost of the stock options granted.
Basis for determining the number of vested equity instruments	The Proposal on the Adjustment of Incentive Objects and Number to be Granted as per the First Granting Plan for Stock Options was reviewed and adopted at the 11th Extraordinary Meeting of the Seventh Board of Directors for 2014 and the 22th Meeting of the Seventh Board of Supervisors, and the Proposal on Review of the Company's First Granting Plan for Stock Options (Revised Draft) and Its Abstract on the 1st extraordinary shareholders' meeting for 2014.
Reasons for significant variance between the estimations for this year and last year	None
Payment of the cumulative amount included into capital reserves with equity-settled shares	9,113,603.33
Total expenses of recognized share-based payment settled by equity in the year	9,113,603.33

XII. Contingencies

1. Provision of guarantee or existence of liabilities

1) The Group provides the bank with an amount of RMB 5,724,511,479.44 as commercial housing mortgage loan guarantee (as of December 31, 2013: RMB 789,375,735.34). This imposed no significant effect on the Group's financial position for this year and period after the balance sheet date.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

(2) The Company undertakes a joint and several guarantees for the amount borrowed by China Merchants Guangming Science Park based on the proportion of shares it holds in China Merchants Guangming Science Park, i.e. providing guarantee for RMB 109,153,992.50 for two years upon the expiration of life of loan under the loan contract. This imposed no significant impact on the Group's financial position for this year and period after the balance sheet date.

2. Except for the above contingencies, the Group had no other major contingencies as of December 31, 2014.

XIII. Commitments

1. Significant commitment

1) Lease contracts signed and being performed or to be performed and their financial impact

The amounts to be borne during the following periods for the irrevocable operating lease and finance lease signed by the Group as of December 31, 2014 (T) are as follows:

Period	ing leases
Year T+1	51,821,101.62
Year T+2	45,795,233.43
Year T+3	45,490,068.58
Period after Year T+3	305,528,652.38
Total	448,635,056.01

2) Other major financial commitments

Capital commitment	Ending balance	Beginning balance
Commitments signed but not confirmed in the financial statement		
- Commitments for acquisition or construction of long-term assets		4,852,900,000.00
- Commitments for real estate development projects	19,015,645,000.79	7,871,048,399.39
Total	19,015,645,000.79	12,723,948,399.39

2. Except for the above commitments, the Group had no other major commitments as of December 31, 2014.

十四、 Events after the balance sheet date

1. Medium term notes issued

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Issuance of debt financing instruments no more than RMB 5 billion was reviewed and approved at the 2nd extraordinary shareholders' meeting for 2014 held on October 24, 2014. On December 15, 2014, the Company received the *Notice of Registration Acceptance* (Z.S.X.Z. [2014] No. MTN458) issued by National Association of Financial Market Institutional Investors (NAFMII), agreeing to accept the registration of medium-term notes with a registered amount of RMB 5 billion. The registration limit shall be effective within 2 years from the date of issuance of the *Notice of Registration Acceptance* by NAFMII.

On February 4, 2015, the Company successfully issued the Phase I Medium-Term Notes in 2015 and the results of issuance were as follows:

Elements of issuance	
Name	Phase I Medium-Term Notes in 2015 by China Merchants Property Development Co., Ltd.
Abbreviation	15 CMPD MTN001
Code	101573001
Term	5-year term, attached with the issuer nominal interest rate adjustment option and investor put-back option at the end of the third year
Value date	February 05, 2015
Repayment date	February 5, 2020, and if that day is a statutory holiday or rest day, interest shall be paid on the following working day, but no interest shall be accrued during that period. If the investors exercise the put-back option, then the repayment date of put back medium-term notes shall be February 05, 2018. If that day is a statutory holiday or rest day, interest shall be paid on the following working day, but no interest shall be accrued during that period
Planned total issuance amount	RMB 1 billion
Actual total issuance amount	RMB 1 billion
Issue price	RMB 100/ RMB one hundred in nominal value
Coupon Rate	4.55% (1-year term SHIBOR - 24bp from issuance date)
Bookrunner	CITIC Securities Co., Ltd.
Lead underwriter	CITIC Securities Co., Ltd.
Joint lead underwriter	China Merchants Bank Co., Ltd.

2. Profit distribution

In accordance with the profit distribution plan 2014 adopted in the board meeting held on March 6, 2015, the Company took the total capital stock of 2,575,950,754 shares as of December 31, 2014 as the base number, and distributed RMB 3.20 (tax included) of cash dividend for every 10 shares, the total amount of which reaches RMB 824,304,241.28. This profit distribution plan has not been approved in the general meeting of stockholders.

Item	Content
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Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Proposed distributed profits or dividends	824,304,241.48
Profits or dividends that are approved to be issued after deliberation	

3. Except for the above events disclosed after balance sheet date, the Group had no other events after balance sheet date.

十五、 Other Important Events

1. Issuance of convertible bonds

The Proposal for the Distribution Plan of Public Issuance of A-share Convertible Bonds and other relevant proposal were reviewed and adopted in the Fifteenth Meeting of the Seventh Board of Directors on October 28, 2014, and the A-share convertible bonds were proposed to be publicly issued, with total raised funds no more than RMB 8 billion.

In November 2014, the Company received the circular of actual controller, China Merchants Group, stating that the Group had received the Reply to Related Issues on Issuance of A-share Convertible Corporation Bonds by China Merchants Property Development Co., Ltd. (GZCQ [2014] No. 1090) issued by the SASAC on November 24, 2014 and the SASAC approved the overall plan on the issuance of at most RMB 8 billion A-share convertible corporation bonds by the Company.

On December 2, 2014, proposals on the Scheme for Publicly Issue A-share Convertible Corporation Bonds by the Company were reviewed and adopted at the 2nd EGM for 2014 of the Company.

On December 25, 2014, the Company received the Acceptance Notice of Administrative Licensing Application from the China Securities Regulatory Commission (No. 141796). CSRC, in accordance with the law, has reviewed the administrative licensing application materials of Approval for Issuing Convertible Bonds submitted by the Company, considered that the application materials is complete and conform to the legal form and decided to accept the administrative licensing application.

2. Segment Information

(1) Basis for determining reportable divisions and accounting policies

A. Real estate, including companies engaged in real estate development and construction, real estate investment, commercial property operation management, real estate intermediary business and hotel business. See 1 – equity in subsidiaries (1) in Note 8.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

B. Utilities, i.e. China Merchants (Shenzhen) Power Supply Co., Ltd.

C. Property management, including China Merchants Property Management Co., Ltd. engaged in property management business. See 1 – equity in subsidiaries (1) in Note 8.

D. Unassigned division, including companies engaged in other business.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

(2) Financial information of reportable divisions for this year

Item	Unassigned division	Property management	Utilities	Real estate	Set-off	Total
Operating incomes		1,056,148,057.06	694,579,335.59	41,943,973,983.20	-309,643,174.76	43,385,058,201.09
Including: external transaction revenue		757,027,571.80	684,056,646.09	41,943,973,983.20		43,385,058,201.09
Transaction income of branch company		299,120,485.26	10,522,689.50		-309,643,174.76	
Operating expenses	135,157,867.10	1,024,217,819.02	544,933,160.31	34,007,025,773.40	-309,643,174.76	35,401,691,445.07
Operating profit (loss)	1,126,805,925.71	34,186,005.06	149,646,175.28	10,540,770,076.14	-3,542,997,124.38	8,308,411,057.81
Total assets	49,088,799,904.48	719,794,451.65	3,674,171,606.80	176,748,297,059.62	-78,538,697,903.97	151,692,365,118.58
Total liabilities	31,617,761,843.70	576,816,777.20	2,226,457,641.78	129,907,275,664.62	-56,382,725,921.37	107,945,586,005.93
Supplementary information						
Depreciation and amortization	91,460.00	5,043,465.98	15,785,868.76	429,783,491.95		450,704,286.69
Capital expenditure	486,705.57	4,877,152.87	14,085,024.25	79,213,693.16		98,662,575.85
Non-cash expenses other than depreciation and amortization						

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

十六、 Notes to Main Items of Financial Statements of Parent Company

1. Other receivables

(1) Classification of other receivables

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of individual account with significant amount and accrued for provision of bad account					
Other receivables of individual account with insignificant amount and accrued for provision of bad account					
Other accounts receivable withdrawn provision for bad debts based on credit risk feature combination					
Portfolio 1	29,205,557,475.48	100			29,205,557,475.48
Portfolio 2					
Subtotal of portfolio	29,205,557,475.48	100			29,205,557,475.48
Total	29,205,557,475.48	100			29,205,557,475.48

Continued:

Type	Amount at the beginning of the year				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of individual account with significant amount and accrued for provision for bad debts					
Other receivables of individual account with insignificant amount and accrued for provision for bad debts					
Other accounts receivable withdrawn provision for bad debts based on credit risk feature combination					
Portfolio 1	28,619,556,967.65	100.00			28,619,556,967.65
Portfolio 2					
Subtotal of portfolio	28,619,556,967.65	100.00			28,619,556,967.65
Total	28,619,556,967.65	100.00			28,619,556,967.65

(2) Classification of other receivables by nature

Fund nature	Book balance at the end of the year	Book balance at the beginning of the year
Current accounts of subsidiaries	28,684,829,085.12	24,791,236,345.17

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Current account of associated enterprise	135,416,900.00	912,320,960.73
Earnest money for cooperation	378,610,249.09	1,712,500,000.00
Cash deposit and pledge	514,500.00	1,195,914,500.00
Imprest	1,299,469.09	1,912,700.76
Others	4,887,272.18	5,672,460.99
Total	29,205,557,475.48	28,619,556,967.65

(3) Other accounts receivable in top five based on year-end balance collected from arrear party:

Company name	Fund nature	Ending balance	Aging	Proportion in total year-end balance of other receivables (%)	Year-end balance of provision for bad debts
Harbin Yinkai Real Estate Development Co., Ltd.	Current accounts of subsidiaries	2,241,506,503.60	Within year 1	7.67	
Ningbo Jiangwan Property Development Co., Ltd.	Current accounts of subsidiaries	1,758,144,001.34	Within year 1	6.02	
China Merchants Real Estate (Suzhou) Co., Ltd.	Current accounts of subsidiaries	1,908,377,008.92	Within year 1	6.53	
China Merchants (Shenzhen) Investment Co., Ltd.	Current accounts of subsidiaries	1,850,021,965.34	Within year 1	6.33	
Wuhan Merchants Property Gutian Property Co., Ltd	Current accounts of subsidiaries	1,633,458,500.00	Within year 1	5.59	
Total		9,391,507,979.20		32.14	

2. Long-term equity investments

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

(1) Classification of long-term equity investment

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment to subsidiaries	8,764,183,019.62		8,764,183,019.62	9,034,158,112.93		9,034,158,112.93
Investment into associated enterprises and joint ventures	162,076,268.45		162,076,268.45	192,881,702.26		192,881,702.26
Total	8,926,259,288.07		8,926,259,288.07	9,227,039,815.19		9,227,039,815.19

(2) Investment to subsidiaries

Invested company	Beginning balance	Increase of this year	Decrease of this year	Ending balance	Provision for impairment of this year	Depreciation reserves at the end of year
China Merchants (Shenzhen) Property Development Co., Ltd.	3,551,473,965.31	5,755,129.58		3,557,229,094.89		
China Merchants (Shenzhen) Power Supply Co., Ltd.	119,791,232.79			119,791,232.79		
China Merchants (Shenzhen) Property Co., Ltd.	36,460,596.83			36,460,596.83		
China Merchants (Shenzhen) Xin'an Property Co., Ltd.	20,822,211.48			20,822,211.48		
Eureka Investment Company Ltd.	1,301,324,500.00	435,542.44		1,301,760,042.44		
China Merchants (Beijing) Property Development Co., Ltd.	27,000,000.00	388,566.33		27,388,566.33		
China Merchants Real Estate (Suzhou) Co., Ltd.	27,000,000.00	180,750.69		27,180,750.69		
China Merchants (Chongqing) Property Development Co., Ltd.	27,000,000.00			27,000,000.00		
China Merchants (Nanjing) Property Development Co., Ltd.	14,700,000.00	160,839.52		14,860,839.52		
Tianjin Zhaosheng Real Estate Co., Ltd.	18,000,000.00	93,952.22		18,093,952.22		
China Merchants (Suzhou) Nanshan Property Co.,	120,000,000.00			120,000,000.00		

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Invested company	Beginning balance	Increase of this year	Decrease of this year	Ending balance	Provision for impairment of this year	Depreciation reserves at the end of year
Ltd.						
China Merchants (Zhangzhou) Property Development Co., Ltd.	229,500,000.00	46,976.11		229,546,976.11		
China Merchants (Chongqing) Huayuancheng Property Development Co., Ltd.	30,000,000.00			30,000,000.00		
China Merchants (Chengdu) Beihu Land Limited.	50,000,000.00			50,000,000.00		
China Merchants (Chengdu) Property Development Co., Ltd.	10,000,000.00	113,863.41		10,113,863.41		
China Merchants Property Development (Xiamen) Co., Ltd.	50,000,000.00	113,863.41		50,113,863.41		
Fujian Zhongliansheng Real Estate Co., Ltd.	25,000,000.00			25,000,000.00		
China Merchants (Wuhan) Property Development Co., Ltd.	30,000,000.00	113,863.41		30,113,863.41		
Zhenjiang Yingsheng Real Estate Development Co., Ltd.	7,586,275.00			7,586,275.00		
Qingdao Zhongrunde Auto Trade Co., Ltd.	183,731,836.00			183,731,836.00		
China Merchants (Bijie, Guizhou) Property Development Co., Ltd.	30,000,000.00	66,887.30		30,066,887.30		
China Merchants (Shenzhen) Investment Co., Ltd.	1,883,367,495.52	442,696.16		1,883,810,191.68		
China Merchants (Harbin) Jiatian Property Development Co., Ltd.	80,250,000.00			80,250,000.00		
China Merchants (Changzhou) Property Development Co., Ltd.	30,000,000.00			30,000,000.00		
China Merchants (Hainan) Yuanyang Development Co., Ltd.	240,000,000.00			240,000,000.00		
Zhenjiang Nanshan Creative Industrial Park Development Co., Ltd.	30,000,000.00			30,000,000.00		
China Merchants (Shenzhen) Pingshan Property Development Co., Ltd.	14,000,000.00			14,000,000.00		
Tianjin Guojun Investment Co., Ltd.	300,550,000.00			300,550,000.00		

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Invested company	Beginning balance	Increase of this year	Decrease of this year	Ending balance	Provision for impairment of this year	Depreciation reserves at the end of year
China Merchants (Nanning) Haotian Property Development Co., Ltd.	10,200,000.00	3,800,000.00		14,000,000.00		
China Merchants (Hangzhou) Property Development Co., Ltd.	500,000,000.00	46,976.11	470,000,000.00	30,046,976.11		
China Merchants (Rizhao) Property Development Co., Ltd.	30,000,000.00			30,000,000.00		
China Merchants (Shenzhen) Property Consultant Co., Ltd.	400,000.00			400,000.00		
China Merchants (Shanghai) Property Development Co., Ltd.	3,000,000.00			3,000,000.00		
China Merchants (Shanghai) Property Co., Ltd.	3,000,000.00			3,000,000.00		
China Merchants (Yantai) Property Co., Ltd.		30,000,000.00		30,000,000.00		
Shenyang Jindao Huitong Real Estate Co., Ltd.		128,265,000.00		128,265,000.00		
Ningbo Jiangwan Property Development Co., Ltd.,		30,000,000.00		30,000,000.00		
Total	9,034,158,112.93	200,024,906.69	470,000,000.00	8,764,183,019.62		

(3) Investment into associated enterprises and joint ventures

Invested company	Beginning balance	Change amount of this year							Ending balance	Depreciation reserves at the end of year
		Additional investments	Negative investment	Profit and loss on investments confirmed with equity method	Other comprehensive income adjustment	Other equity change	Profit or cash dividend declared to be distributed	Withdrawing depreciation on reserves		
I. Joint ventures										
II. Affiliated enterprises										
China Merchants Guangming Science Park	163,856,555.45			-1,780,287.00						162,076,268.45

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Invested company	Beginning balance	Change amount of this year								Ending balance	Depreciation reserves at the end of year
		Additional investments	Negative investment	Profit and loss on investments confirmed with equity method	Other comprehensive income adjustment	Other equity change	Profit or cash dividend declared to be distributed	Withdrawing depreciation on reserves	Others		
Ningbo Jiangwan Property Development Co., Ltd.	29,025,146.81									-29,025,146.81	
Total	192,881,702.26			-1,780,287.00						-29,025,146.81	162,076,268.45

Notes to Financial Statements of China Merchants Property Development Co., Ltd.
From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

3. Operating incomes and operating costs

Item	Amount incurred in this year		Amount incurred in previous year	
	Income	Cost	Income	Cost
Primary businesses	5,670,000.00	4,878,611.86	24,520,000.00	2,540,090.96
Total	5,670,000.00	4,878,611.86	24,520,000.00	2,540,090.96

4. Investment income

Item	Amount incurred in this year	Amount incurred in previous year
Long-term equity investment income measured by cost method	1,258,567,146.64	1,460,921,420.84
Long-term equity investment income measured by equity method	-805,433.81	-5,590,772.71
Gains on consignment loan	4,202,079.98	
Total	1,261,963,792.81	1,455,330,648.13

Approval of financial statement

On March 6, 2015, the Financial Statements are disclosed to the public with the approval of the BOD.

Notes to Financial Statements of China Merchants Property Development Co., Ltd.
From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Additional information on financial statements

1. Statement of Non-recurring Profit and Loss This Year

In accordance with the Explanatory Announcement for Information Disclosure by Issuers of Public Securities No. 1 — Extraordinary Items (2008) of CSRC, the Group's extraordinary items for 2014 are as follows:

Item	Amount of this year	Amount of previous year	Note
Losses and profits on disposal of non-current assets	-3,997,255.04	256,255,563.72	Note 1
Return reduction and exemption of taxes which surpass approval, or without official approval, or occasional taxes			
Government subsidy recognized in current losses and gains	43,659,552.98	33,800,048.66	
Funds occupation fees collected from non-financial enterprises and included in current profit or loss			
Profit generated when the investment cost for acquisition subsidiary, joint ventures and affiliates is smaller than the deserved fair value of identifiable net asset of the invested company.		11,630,003.67	
Losses and gains on exchange of non-monetary assets			
profit or loss of asset whose investment or management is entrusted to others			
Accrued provision of impairment of each asset due to force majeure such as natural disasters			
Losses and gains on debt restructuring transactions			
Corporate restructuring costs			
Profit or loss of surplus between fair value and unfair transaction			
Current net profit or loss from the beginning of the year to consolidation date of subsidiary generated by enterprise consolidation under common control			
Profits and losses arising from contingencies which are not related to company's normal business			
Except effective hedging business relating to normal operating business of the company, profit or loss caused by change in the fair value of held-for-trading financial asset and financial liabilities, and investment profit for disposal of trading financial asset, trading financial liabilities and available-for-sales financial assets.			
Impairment recovery of account receivable receiving individual impairment test			
Profit or loss acquired by outward entrusted loan			
profit or loss caused by change in fair value of investment property subsequently measured with fair value mode.			
Influence on the current profit or loss by one-off adjustment on the current profit or loss required by tax and accounting laws and regulations.			
Trustee fee of trusted operation			
Other non-operating revenue and expenditure except the foregoing items	-25,635,708.61	-3,883,513.02	
Other profit or loss items recognized by CSRC	-156,839,259.39		Note 2
Subtotal	-142,812,670.06	297,802,103.03	
Affected amount of income taxes	-10,134,034.67	-7,253,985.40	
Affected amount of minority interest income (after-tax)	-143,168.25	-11,574,272.10	

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	Amount of this year	Amount of previous year	Note
Total	-153,089,872.98	278,973,845.53	

Note 1: The return on equity of RMB 3,606,376.47 that was obtained by the liquidation of the subsidiary, China Merchants (Zhangzhou) Honglong Real Estate Co., Ltd. in this period, is included in the profits and losses from disposal of non-liquid assets. See 2 – Scope changes of consolidation from other reasons in Note 7.

Note 2: “Other items in accordance with extraordinary items” are modifications of current investment income as per the actual carry-over area for 2014 of China Merchants OCT Investment Co., Ltd. Since China Merchants OCT Investment Co., Ltd. was changed from a subsidiary to an associated company on April 1, 2013 due to loss of control power, residual equity was re-measured as per fair value. The balance between the fair value and original book value of residual equity was mainly resulted from the appreciation of its inventory. Therefore, the Company modifies the investment income as per the actual carry-over area of China Merchants OCT Investment Co., Ltd. for current period.

2. Return on equity and earnings per share

According to the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.9 – Calculation and Disclosure of Return on Net Assets (Amended in 2010) issued by CSRC, the weighted profit margin on net assets and basic earnings per share as well as diluted earnings per share of the Group for 2014 are as follows:

Profits during reporting period	Weighted mean Rate of return of net assets (%)	Earning per share (EPS)	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to the parent company shareholders	14.68	1.6552	1.6552
Net profits attributable to the parent company shareholders after deducting extraordinary profits and losses	15.20	1.7146	1.7146

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

3. Relevant additional information on changes of accounting policies

The Company modified relevant accounting policies and retrospectively restated comparative financial statement as per the Eight Accounting Standards such as the Accounting Standards for Enterprises No. 2 - Long-term Equity Investment issued by the Ministry of Finance in 2014. The consolidated balance sheet on January 1, 2013, December 31, 2013 and December 31, 2014 is as follows:

Item	January 01, 2013	December 31, 2013	December 31, 2014	Item	January 01, 2013	December 31, 2013	December 31, 2014
Current assets:				Current liabilities:			
Monetary funds	18,239,272,247.93	24,240,458,796.50	22,983,386,443.02	Short-term loans	2,105,000,000.00	4,250,000,000.00	3,886,900,000.00
Financial assets measured at fair value with changes included in current profits and losses				Financial liabilities which are measured by fair value and their changes are recorded in current profit or loss			
Notes receivable	5,748,800.00	4,000,000.00	4,390,000.00	Notes payable	47,610,662.59	27,267,637.07	47,344,138.00
Accounts receivable	162,099,162.73	76,864,814.81	68,311,944.30	Accounts payable	11,796,898,896.95	12,010,832,454.50	15,213,477,059.40
Prepayments	8,287,184.01	2,815,967,507.79	3,619,194,870.49	Advance received	28,463,966,430.34	37,517,671,641.79	35,599,290,811.40
Interest receivable	269,583.30	100,000.00		Payroll payable	334,040,494.12	385,894,712.53	398,745,343.32
Dividends receivable			64,195,980.00	Tax payable	1,951,582,353.18	1,464,425,877.10	3,133,693,418.62
Other receivables	8,183,491,572.92	13,683,883,876.17	8,941,860,794.39	Interests payable	119,767,822.92	152,361,058.07	192,136,769.30
Inventory	73,637,940,073.11	78,476,507,470.78	101,018,636,735.26	Dividends payable	290,165,059.98	120,927,194.29	160,730,318.08
Divided into assets held for sale				Other payables	8,502,352,593.09	9,009,337,462.53	11,782,505,874.39
Non-current assets due within one year	16,756,858.87	4,175,229.58		Divided into liabilities held for sale			
Other current assets	2,818,269,943.98	3,550,197,939.60	3,550,695,892.97	Non-current liabilities due within one year	7,380,992,296.97	6,331,007,932.13	5,970,100,938.48
				Other current liabilities	4,256,735,641.00	3,566,701,090.18	3,729,367,673.26
Total current assets	103,072,135,426.85	122,852,155,635.23	140,250,672,660.43	Total current liabilities	65,249,112,251.14	74,836,427,060.19	80,114,292,344.25

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	January 01, 2013	December 31, 2013	December 31, 2014	Item	January 01, 2013	December 31, 2013	December 31, 2014
Non-current assets:				Non-current liabilities:			
Available-for-sale financial assets				Long-term loans	14,378,013,872.78	17,051,917,894.42	24,666,515,200.02
Held-to-maturity investment				Bonds payable		3,003,382,977.23	3,018,076,924.57
Long-term accounts receivable	49,721,270.00			Including: preferred shares			
Long-term equity investments	1,083,249,770.92	1,653,194,214.56	1,905,735,901.68	Perpetual capital securities			
Investment property	3,117,335,984.24	5,661,844,333.88	5,447,243,949.46	Long-term payables	100,207,107.75	102,745,035.90	104,353,146.52
Fixed assets	435,194,977.76	2,038,420,991.55	1,845,537,869.92	Estimated liabilities	14,017,011.26	10,473,360.10	
Construction in progress	88,458,273.58	104,895,578.36	84,973,050.61	Deferred income	16,613,440.00	9,736,760.00	6,526,053.33
Engineering material				Deferred income tax liabilities		108,596,697.05	35,822,337.24
Intangible assets		542,448,651.42	511,546,467.17	Other non-current liabilities			
Development expenditures				Total non-current liabilities	14,508,851,431.79	20,286,852,724.70	27,831,293,661.68
Goodwill	159,560,861.23	159,560,861.23	159,560,861.23	Total liabilities	79,757,963,682.93	95,123,279,784.89	107,945,586,005.93
Long-term deferred expenses	249,438,693.12	257,668,842.73	247,265,491.47	Owners' equity:			
Deferred income tax assets	942,147,425.36	770,257,880.69	1,239,828,866.61	Share capital	1,717,300,503.00	1,717,300,503.00	2,575,950,754.00
Other non-current assets				Capital reserve	8,386,926,298.12	8,458,826,075.70	8,529,757,654.36
Total non-current assets	6,125,107,256.21	11,188,291,354.42	11,441,692,458.15	Less: treasury stocks			
				Other comprehensive income	88,407,178.38	78,901,353.52	78,901,353.52
				Surplus reserves	1,027,780,997.90	1,133,515,392.99	1,246,228,257.72
				Undistributed profits	12,173,100,556.73	15,336,958,642.03	18,663,578,091.22
				Total equity attributable to parent company owners	23,393,515,534.13	26,725,501,967.24	31,094,416,110.82
				Minority shareholders' equity	6,045,763,466.00	12,191,665,237.52	12,652,363,001.83
				Total owners' equity	29,439,279,000.13	38,917,167,204.76	43,746,779,112.65

Notes to Financial Statements of China Merchants Property Development Co., Ltd.

From January 01, 2014 to December 31, 2014

(Unless otherwise indicated, the unit of amount in the Financial Statements is RMB)

Item	January 01, 2013	December 31, 2013	December 31, 2014	Item	January 01, 2013	December 31, 2013	December 31, 2014
Total assets	109,197,242,683.06	134,040,446,989.65	151,692,365,118.58	Total liabilities and owners' equity	109,197,242,683.06	134,040,446,989.65	151,692,365,118.58

Section Eleven Contents of Reference Files

(I) Financial statement with signatures and seals of the legal representative, the accounting supervisor and the principal of the accounting firm.

(II) Original audit report with seal of accounting firm and signature & seal of certified public accountant.

(III) All original of company's files and original announcements which have been disclosed in 2014 in the newspapers designated by Securities Regulatory Commission.

(IV) English version of 2014 Annual Report

China Merchants Property Development Co., Ltd.

March 10, 2015