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PROFIT WARNING

This announcement is made by China Merchants Land Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Cap.571, Laws of Hong Kong).

Based on the unaudited consolidated management accounts of the Group, which have not been reviewed by the Company’s auditors, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a significant decline in profit for the six months ended 30 June 2014 as compared to the corresponding period in 2013, which was restated with the effect of asset injection into the Company as set out in a circular of the Company dated 10 October 2013. Such expected decline in profit was primarily due to:

- (i) significant decline in gross profit for the six months ended 30 June 2014 due to the revenue derived from high profit-margin projects, which were completed and delivered during such period, representing a much smaller proportion of the Group’s revenue as compared with the corresponding period in 2013;
- (ii) an increase in finance costs for the six months ended 30 June 2014 as compared to the six months ended 30 June 2013 as a result of the Company’s issuance of five-year term credit enhanced bonds in December 2013 in an aggregate principal amount of US\$500,000,000 bearing coupon rate of 4.021% per annum; and
- (iii) a decrease in exchange gain for the six months ended 30 June 2014 caused by the combined effect of the following two factors (a) a drop in the balance of loan from equity holders denominated in United States dollars (“**USD**”), and (b) a general depreciation of Renminbi against USD in the six months ended 30 June 2014 as compared to a general appreciation of Renminbi against USD in the six months ended 30 June 2013.

As the Company is still in the course of preparing its results for the six months ended 30 June 2014, the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the unaudited consolidated management accounts of the Group, which have not been reviewed by the Company's auditors or the Company's audit committee. Detailed interim results of the Group for the six months ended 30 June 2014 will be published in due course pursuant to the requirements of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
China Merchants Land Limited
Mr. He Jianya
Chairman

Hong Kong, 11 July 2014

As at the date of this announcement, the Board comprises Dr. So Shu Fai, Mr. Xian Yaoqiang, Mr. Liu Zhuogen and Mr. Yu Zhiliang as Executive Directors; Mr. He Jianya, Ms. Wu Zhenqin and Ms. Liu Ning as Non-executive Directors and Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping, Dr. Shi Xinping and Mr. He Qi as Independent Non-executive Directors.