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China New Town Development Company Limited

中國新城鎮發展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)

Hong Kong Stock Code: 1278

Singapore Stock Code: D4N.si

VOLUNTARY ANNOUNCEMENT

Funding the Qinhuangdao Project through the CDB New Town New-type Urbanization Development Fund

Reference is made to the announcement of China New Town Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 2 March 2016, and the circular (the “**Circular**”) dated 14 April 2016, on its entry into a partnership agreement in respect of the setting up of an investment partnership. Capitalized terms in this announcement shall, unless otherwise specified, have the same meaning defined in the Circular.

The Board of Directors (the “**Board**”) is pleased to announce that the Investment Partnership, CDB New Town New-type Urbanization Development Fund, will invest RMB 150,000,000 on the project of Shanty Town Reformation in Qinhuangdao Economic & Technological Development Zone (秦皇島經濟技術開發區棚戶區改造項目, the “**Qinhuangdao Project**”). Sheng Qi IFM, a wholly-owned subsidiary of the Company and with the capacity as the general partner of the Investment Partnership, has issued a drawdown notice to all Partners. All Partners have, according to the drawdown notice, completed their capital contributions, and the Investment Partnership

has completed the capital contribution to the Qinhuangdao Project on 5 August 2016. As the Junior-Tranche Limited Partner and the General Partner respectively, CDB New Town (Beijing) AM and Sheng Qi IFM, the Company's wholly-owned subsidiaries, contributed a total amount of RMB 31,500,000 to the investment in the Qinhuangdao Project.

Qinhuangdao Project

Qinhuangdao Economic & Technological Development Zone (秦皇島經濟技術開發區, “QETDZ”) is one of the first batches of national-level economic & technological development zones approved for establishment by the State Council in 1984. Qinhuangdao Project covers the relocation, resettlement and supporting facilities development in the Liufang Region (劉馬坊片區) and Gujiazi Region (孤家子片區) of QETDZ. The gross floor area of resettlement house is 623.6 thousand square meters and the total investment amount is approximately RMB 2,700,000,000. Currently, the Qinhuangdao Project has obtained approximately RMB 2.1 billion shanty town reformation loan from CDB.

Qinhuangdao Zhongmin Investment Company Limited (秦皇島中民投資有限公司, “**Zhongmin Company**”) is the development entity for the Qinhuangdao Project. The Investment Partnership will purchase 30% of the total issued share capital of Zhongmin Company with total consideration of RMB 150,000,000, with such amount to generate a guaranteed 10% annual investment return to be paid semi-annually with a 3-year investment period. At the expiration of investment period, Qinhuangdao Taisheng Construction Development Company Limited (秦皇島泰盛建設發展有限公司, “**Taisheng CD**”), a wholly-owned subsidiary of the QETDZ Administrative Committee, will repurchase the 30% equity stake from the Investment Partnership, at a consideration of the initial investment RMB 150,000,000 plus accrued investment returns not yet paid to the Investment Partnership, if any. In respect of the shanty town reformation in the two regions of QETDZ, Zhongmin Company has entered into a service agreement with the government in which the government has committed to include the shanty town reformation service fee into its annual fiscal budget and mid-to-long-term fiscal budget planning. In addition, Taisheng CD undertakes to pay the shortfall in the agreed equity return of RMB 150,000,000 to the Investment Partnership, if any, and the QETDZ Administrative Committee undertakes to provide liquidity support to Taisheng CD on its equity repurchase obligation.

Qinhuangdao Project is the first shanty town reformation project invested by the Group as an investment manager of the Investment Partnership. It is expected that the Group will realize over a 30% annual investment return due to the contribution of the Junior-Tranche Limited Partnership and the project's management fees payable to the Group. Considering the relatively sound credit structure, the investment represents an attractive risk-reward profile for the Group.

The Qinhuangdao Project continues to show the good investment-and-loan synergy between the Group and CDB in the shanty town reformation field. Moreover, the Company, as an operation and management platform of new-type urbanization, has

taken a steady leap to a new generation of service output and enrichment of revenue profiles through this fund management function. It is expected that the Company will continue to follow CDB's shanty town reformation business footprints throughout the country, and improve the Group's return of investment by quickly implementing the Investment Partnership's investment on various new-type urbanization development projects.

By Order of the Board
China New Town Development Company
Limited
Liu Heqiang
Chief Executive Officer

Hong Kong and Singapore, 5 August 2016

As at the date of this announcement, the executive directors of the Company are Mr. Liu Heqiang (Chief Executive Officer), Ms. Yang Meiyu and Mr. Ren Xiaowei; the non-executive directors of the Company are Mr. Wei Wei (Chairman), Mr. Zuo Kun (Vice Chairman), Mr. Li Yao Min (Vice Chairman) and Mr. Xie Zhen; and the independent non-executive directors of the Company are Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.