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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

ISSUE OF CNY1,300,000,000 5.5 PER CENT. SENIOR GUARANTEED NOTES DUE 2018

Reference is made to the announcement of the Company on 22 April 2015.

The Company is pleased to announce that on 28 April 2015, the Company and the Issuer entered into a Subscription Agreement with CDBC, the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers in connection with the issue of the Notes.

The Notes are offered to professional investors by the Issuer, China New Town Finance I Limited, a wholly owned subsidiary of the Company. The Notes will be guaranteed by the Company and will be supported by a Keepwell Deed and a Deed of Equity Interest Purchase Undertaking.

The net proceeds (after deducting underwriting commissions and certain other expenses) are estimated to be approximately CNY1,293,260,000. The net proceeds are intended to be used for general corporate purposes.

Application has been made to the SEHK for listing of, and permission to deal in, the Notes by way of debt issue to professional investors only. A confirmation of eligibility for listing of the Notes has been received from the SEHK. Listing of the Notes on the SEHK is not to be taken as an indication of the merits of the Notes, the Company or its subsidiaries.

The Issuer is offering the Notes only outside of the United States in reliance on Regulation S under the Securities Act. The Notes have not been and will not be registered under the Securities Act. None of the Notes will be offered to the public in Hong Kong or in Singapore or to any connected person of the Company.

As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

Reference is made to the announcement of the Company on 22 April 2015. Unless otherwise defined hereto, capitalised terms herein shall have the same meanings as ascribed to them in the Company's announcement dated 22 April 2015.

The Company is pleased to announce that on 28 April 2015, the Company and the Issuer entered into the Subscription Agreement with CDBC, the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers in connection with the issue of the Notes.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarised as follows:

Date : 28 April 2015

Parties : 1. The Issuer;
2. The Company;
3. CDBC; and
4. The Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers.

In connection with the issue of the Notes, BOCI Asia Limited, CITIC Securities Corporate Finance (HK) Limited and Guotai Junan Securities (Hong Kong) Limited will act as the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers and Agricultural Bank of China (comprising of ABCI Capital Limited and Agricultural Bank of China Limited Hong Kong Branch), Haitong International Securities Company Limited and Bank of Communications Co., Ltd. Hong Kong Branch will act as the Joint Bookrunners and Joint Lead Managers. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers is a third party independent of the Company and is not a connected person of the Company.

Subscription : Subject to the fulfillment of the conditions set out below in the section headed "*Conditions precedent*", the Joint Lead Managers have severally agreed to subscribe and pay for, or to procure subscriptions and payment for, the aggregate principal amount of CNY1,300,000,000 of the Notes.

The Notes are offered to professional investors by the Issuer, a wholly owned subsidiary of the Company. The Notes will be guaranteed by the Company and will be supported by the Keepwell Deed and Deed of Equity Interest Purchase Undertaking.

The Issuer is offering and selling the Notes only outside of the United States in reliance on Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong or to any connected person of the Company.

Conditions precedent : The completion of the purchase of the Notes by the Joint Lead Managers is conditional upon, among other things, the following:

1. each of the respective representations and warranties of the Issuer, the Company and CDBC of the Subscription Agreement being true and correct at, and as if made on the Closing Date;
2. the Issuer, the Company and CDBC having performed all of their obligations under the Subscription Agreement to be performed on or before the Closing Date; and
3. up to and including the Closing Date, there shall not have occurred, in the opinion of the Joint Global Coordinators, any material adverse change on the condition (financial or otherwise), prospects, results of operations, profitability, shareholder's equity, business, properties or general affairs of the Issuer, the Company, the Group, or as the case may be, CDBC or the CDBC Group or which could adversely affect the ability of the Issuer, the Company or CDBC to perform their respective obligations under the relevant documents in relation to the Notes Issue.

Termination : The Joint Lead Managers may terminate the Subscription Agreement at any time prior to payment of the net proceeds of the Note issue on Closing Date by notice to the Issuer, the Guarantor and CDBC in any of the following circumstances:

1. any representation or warranty by the Issuer, the Company or CDBC (as applicable) in the Subscription Agreement is or proves to be untrue or incorrect on the date of the Subscription Agreement;
2. if, the Issuer, the Company or CDBC fails to perform any of its obligations under the Subscription Agreement;
3. if any of the conditions specified in the Subscription Agreement has not been satisfied or waived by the Joint Lead Managers on the Closing Date;
4. if there shall have been in the opinion of the Joint Global Coordinators, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international financial, political or economic conditions or currency exchange rates or exchange controls such as would in their view be likely to prejudice materially the success of the offering or distribution of the Notes or dealings in the Notes in the secondary market;
5. if, in the opinion of the Joint Global Coordinators, there shall have occurred a general moratorium on, or disruption in, commercial banking activities, securities settlement or clearance services in the United Kingdom, the United States, New York, Hong Kong or the PRC or by any United Kingdom, United States, New York State, Hong Kong or PRC authorities which would be likely to prejudice materially the success of the offering or distribution of the Notes or dealings in the Notes in the secondary market;

6. if, in the opinion of the Joint Global Coordinators, there shall have occurred any of the following events: (a) suspension or material limitation of trading of securities generally, on the New York Stock Exchange, the London Stock Exchange, the SEHK, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or on any other major exchange or over-the-counter market or; (b) a material disruption has occurred in the commercial banking or securities settlement or clearance services in the United States, the European Union as a whole, Hong Kong or the PRC;
7. if, any of the Issuer, the Company or CDBC withdraws the final Offering Circular or does not proceed with the Notes Issue; or
8. if, in the opinion of the Joint Global Coordinators, there shall have occurred any event or series of events (including, but not limited to, the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would likely prejudice materially the success of the offering or distribution of the Notes.

PRINCIPAL TERMS OF THE NOTES

The principal terms of the Notes are summarised as follows:

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| Notes offered | : | Subject to the fulfillment of the conditions set out above in the section headed “ <i>Conditions precedent</i> ”, the Issuer will issue the Notes, in the aggregate principal amount of of CNY1,300,000,000 which will mature on 6 May 2018, and the Joint Lead Managers have severally agreed to subscribe and pay for, or to procure subscriptions and payment for, the principal amount of the Notes at a subscription price of 100 per cent. of the principal amount of the Notes. |
| Interest | : | The Notes will bear interest from 6 November 2015 at the rate of 5.5 per cent. per annum. Interest on the Notes is payable semi-annually in arrears on 6 May and 6 November in each year provided that if such date would otherwise fall on a day which is not a business day, it shall be postponed to the next day which is a business day unless it would thereby fall into the next calender month in which event it shall be brought forward to the immediately preceding business day. |
| Ranking of the Notes | : | Subject to the terms and conditions of the Notes, the Notes will constitute direct, general unsubordinated and unconditional obligations of the Issuer which will at all times rank <i>pari passu</i> without any preference or priority among themselves and at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. |

Guarantee	:	The Notes will be unconditionally and irrevocably guaranteed by the Company as to the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. The obligations of the Company under the Guarantee shall constitute direct, general and unconditional obligations of the Company which will at all times rank at least pari passu with all other present and future unsecured obligations of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Form and denomination	:	The Notes will be issued in registered form in denomination of CNY1,000,000 each and integral multiples of CNY10,000 in excess thereof.
Redemption for tax reasons	:	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with the terms and conditions (which notice shall be irrevocable) of the Notes at their principal amount, together with interest accrued to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that (A) the Issuer or the Company has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands, the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 28 April 2015, and (B) such obligation cannot be avoided by the Issuer or the Company taking reasonable measures available to it.
Redemption for Change of Control	:	At any time following the occurrence of a Change of Control, each Noteholder will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes at 101 per cent. of their principal amount, together with accrued interest to such settlement date.
Negative pledge	:	So long as any Notes remain outstanding (as defined in the Trust Deed), the Company shall not, and the Company shall procure that none of its subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (A) at the same time or prior thereto securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (B) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

Events of default : The events of default under the Notes include, among other things:

1. failure by the Issuer to pay any amount of principal in respect of the Notes on the due date or failure by the Issuer to pay any amount of interest in respect of the Notes within seven days of the due date for payment thereof;
2. the Issuer, the Company or CDBC defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Trust Deed, the Keepwell Deed and the Deed of Equity Interest Purchase Undertaking and such default is (i) incapable of remedy or (ii) being a default which is capable of remedy but remains unremedied for 60 days or such longer period as the Trustee may agree;
3. payment default in respect of, certain indebtedness of the Issuer, the Company or any of their subsidiaries that individually or in the aggregate exceeds CNY300,000,000;
4. insolvency of the Issuer, the Company, CDBC, or any of the Company's subsidiaries or CDBC's material subsidiaries; and
5. it becomes unlawful for the Issuer, the Company or CDBC to perform or comply with any of their respective obligations under or in respect of, amongst others, the Notes, the Trust Deed, the Keepwell Deed or the Deed of Equity Interest Purchase Undertaking.

THE KEEPWELL DEED

The Notes will be supported by a Keepwell Deed to be executed by the Company, the Issuer, CDBC and the Trustee on or about 6 May 2015.

Under the Keepwell Deed, CDBC will undertake with the Issuer, the Company and the Trustee that it shall, at all times during the term of the Keepwell Deed:

1. not cease to be the single largest shareholder of the Company;
2. Control the Company;
3. ensure that the Company shall own and hold all the issued share capital of the Issuer;
4. procure that the title, rights and interests in the shares of the Issuer and the Company that are held by CDBC are not pledged, charged or in any way encumbered; and
5. maintain the Group as the primary overseas subsidiary of CDBC engaged in urban development projects.

In addition, CDBC will undertake to procure:

1. each of the Issuer and the Company to have a consolidated net worth of at least US\$1.00 and CNY500,000,000, respectively, at all times;

2. each of the Issuer and the Company to have sufficient liquidity to make timely payment of any amounts payable by it under or in respect of the Notes and the Guarantee in accordance with, amongst other things, the terms of the Notes and the terms of the Trust Deed and/or the Agency Agreement and that the Issuer have sufficient funds to meet its obligations with respect to any and all fees, expenses and similar obligations of the Issuer, including but not limited to fees and expenses with respect to the corporate formation and administration of the Issuer; and
3. each of the Issuer and the Company to remain solvent and a going concern at all times under the laws of its respective jurisdiction of incorporation or applicable accounting standards.

CDBC has also undertaken to the Trustee that as soon as it receives a written notice from the Trustee following the occurrence of, among other things, illiquidity or an Event of Default and subject to obtaining all relevant Regulatory Approvals, to grant a cross-border standby facility and procure remittance of an amount specified in the relevant notice as a loan to the Issuer and/or the Company; and provide liquidity support to the Issuer and/or the Company.

The Keepwell Deed is not a guarantee by CDBC of the payment of any obligation, indebtedness or liability, of any kind or character whatsoever, of the Issuer or the Company under the laws of any jurisdiction.

THE DEED OF EQUITY INTEREST PURCHASE UNDERTAKING

The Notes will also be supported by the Deed of Equity Interest Purchase Undertaking to be executed by CDBC and the Trustee on or about 6 May 2015.

Under the Deed of Equity Interest Purchase Undertaking, CDBC will undertake to the Trustee that upon receipt of a written notice from the Trustee following the occurrence of an Event of Default and subject to obtaining all Regulatory Approvals, purchase or procure an onshore subsidiary to purchase the equity interest held directly by the Issuer, the Company or any one or more subsidiary of the Company incorporated outside the PRC as designated by CDBC. The purchase price for any proposed acquisition is subject to be determined at the relevant time of entering into a specific purchase agreement, in accordance with any applicable PRC laws and regulations then effective and any other applicable terms relating to the purchase, provided that such purchase price should be sufficient to enable the Issuer and the Company to, among others, discharge in full their respective obligations under the Notes, an amount equal to CNY35,750,000, being the interest payable in respect of one interest period of the Notes, and certain other fees payable under amongst others, the Notes, the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and/or the Deed of Equity Interest Purchase Undertaking as at the date of such notice plus provisions for fees and expenses which may be incurred after the date of the notice, as notified by the Trustee in the notice.

The Deed of Equity Interest Purchase Undertaking is not a guarantee by CDBC of the payment of any obligation, indebtedness or liability, of any kind or character whatsoever, of the Issuer or the Company under the laws of any jurisdiction. The Company is not a party to the Deed of Equity Interest Purchase Undertaking. If and when CDBC is required to perform its obligations under the Deed of Equity Interest Purchase Undertaking, the Company will comply with the relevant requirements under the HK Listing Rules and Singapore Listing Rules, if applicable.

USE OF PROCEEDS

The net proceeds (after deducting underwriting commissions and certain other expenses) are estimated to be approximately CNY1,293,260,000. The net proceeds are intended to be used for general corporate purposes.

INFORMATION ABOUT THE COMPANY

The Group engages in primary land development. It has a distinctive business model that, through joint venture partnership with local government entities, it turns bare land into valuable land resources and receives a significant portion of land sale proceeds from the relevant PRC land authorities once the land plots are sold to third party property developers through public auction, tender or listing. The Group also has priority right to participate in all new urbanisation projects sponsored by CDBC and may select from the projects recommended by CDBC based on the Group's strategic plan.

LISTING

Application has been made to the SEHK for listing of, and permission to deal in, the Notes by way of debt issue to professional investors only. A confirmation of eligibility for listing of the Notes has been received from the SEHK. Listing of the Notes on the SEHK is not to be taken as an indication of the merits of the Notes, the Company or its subsidiaries.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Agency Agreement”	the Agency Agreement to be entered into by the Company, the Issuer, The Bank of New York Mellon, London Branch in its capacity as principal paying agent and The Bank of New York Mellon (Luxembourg) S.A. in its capacity as registrar and transfer agent
“Approval Authorities”	means any supranational, national, state, municipal, provincial or local government (including any subdivision, court, administrative agency or commission or other authority thereof) or any quasi governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi governmental authority whose licences, authorisations, registrations or other approvals are necessary for undertaking the transactions contemplated by the Trust Deed, the Keepwell Deed, the Deed of Equity Interest Purchase Undertaking and the Notes
“CDB”	China Development Bank Corporation, a state-owned strategic financial institution incorporated by the State Council of the People's Republic of China

“CDBC”	China Development Bank Capital Corporation Limited, a wholly-owned subsidiary of China Development Bank Corporation, a state-owned strategic financial institution incorporated by the State Council of the People’s Republic of China. CDBC is the holding company of China Development Bank International Holdings Limited, a controlling shareholder of the Company
“CDBC Group”	CDBC, together with its material subsidiaries, being CDB Asset Management Co., Ltd., CDB Innovation Capital Co., Ltd. and China Development Bank International Holdings Limited
“Closing Date”	the completion date of the Subscription Agreement, which is expected to be on or about 6 May 2015
“CNY”	Renminbi, the lawful currency of the PRC
“Company”	China New Town Development Company Limited, a company incorporated in the BVI with limited liability, the shares of which are listed on the SGX-ST and the SEHK
“connected person”	has the meaning ascribed to it under the HK Listing Rules
“Change of Control”	(a) CDBC ceases to be the single largest shareholder of the Company; (b) CDBC ceases to have Control of the Company; (c) CDB or the government of the PRC, any person or persons under the control of CDB or the government of the PRC cease to directly or indirectly Control CDBC; or (d) CDBC consolidates with, merges into or sells or transfers all or substantially all of its assets to any person or persons, acting together, unless (i) the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over CDBC or the successor entity or (ii) such person(s) are Controlled by government of the PRC
“Control”	(a) the ownership, acquisition or control of not less than 40 per cent. of the voting rights of the issued share capital of the Issuer or the Company, as the case may be, whether obtained directly or indirectly; or (b) the right to appoint and/or remove not less than 40 per cent. of the members of the Issuer’s or the Company’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Deed of Equity Interest Purchase Undertaking”	the deed of equity interest purchase undertaking to be executed by CDBC and the Trustee on or around 6 May 2015

“Director(s)”	the director(s) of the Company
“Guarantee”	the guarantee to be given by the Company in connection with the issue of the Notes
“Group”	the Company and its subsidiaries
“HK Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	China New Town Finance I Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
“Joint Bookrunners and Joint Lead Managers”	BOCI Asia Limited, CITIC Securities Corporate Finance (HK) Limited, Guotai Junan Securities (Hong Kong) Limited, Agricultural Bank of China (comprising of ABCI Capital Limited and Agricultural Bank of China Limited Hong Kong Branch), Haitong International Securities Company Limited and Bank of Communications Co., Ltd. Hong Kong Branch
“Joint Global Coordinators”	BOCI Asia Limited, CITIC Securities Corporate Finance (HK) Limited and Guotai Junan Securities (Hong Kong) Limited
“Keepwell Deed”	the keepwell and liquidity support deed to be executed by the Issuer, the Company, CDBC and the Trustee on or about 6 May 2015
“Noteholders”	holders of the Notes
“Notes”	the CNY1,300,000,000 5.5 per cent. senior guaranteed notes due 2018 to be issued by the Issuer and guaranteed by the Company
“Notes Issue”	the issue of the Notes
“PRC”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Regulatory Approvals”	means all necessary regulatory or governmental approvals, consents, licences, orders, permits, registrations, filings, clearances and any other authorisations from the relevant Approval Authorities (including, without limitation, approvals, consents or authorisations required under the HK Listing Rules or Singapore Listing Rules)

“Relevant Indebtedness”	any present or future indebtedness incurred outside the PRC which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other securities which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market)
“Securities Act”	the United States Securities Act of 1933, as amended
“Security Interest”	any mortgage, charge, pledge, lien or other security interest
“SEHK”	The Stock Exchange of Hong Kong Limited
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Singapore Listing Rules”	The listing rules of the SGX-ST set out in the Listing Manual of the SGX-ST
“Subscription Agreement”	the subscription agreement dated 28 April 2015 among the Issuer, the Company, CDBC, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers in relation to the subscription of the Notes
“Trust Deed”	the trust deed to be entered into by the Company, the Issuer, CDBC and the Trustee on or about 6 May 2015
“Trustee”	The Bank of New York Mellon, London Branch

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

Singapore and Hong Kong, 29 April 2015

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Shi Jian (Vice Chairman), Mr. Liu Heqiang, Ms. Yang Meiyu and Mr. Ren Xiaowei, four non-executive Directors, namely Mr. Fan Haibin (Chairman), Mr. Zuo Kun (Vice Chairman), Mr. Li Yao Min (Vice Chairman) and Mr. Zhang Yan and four independent non-executive Directors, namely Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.