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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.sj

VOLUNTARY ANNOUNCEMENT

Update on Urbanization Fixed Income Investment Portfolio

The Board of Directors (the “**Board**”) of China New Town Development Company Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) is pleased to announce that, as at 31 December 2016, the Group has a portfolio of RMB2.06 billion fixed income investments in aggregate, securing a total contractually guaranteed annual return before tax on investment of approximately RMB260 million, representing an average annualized pre-tax return on investment of about 12.6%. Compared with the aggregate investment amount as at the end of the third quarter of 2016, disclosed in the circular dated 21 December 2016, the Group invested in a new urbanization project in the Changzhou New-Tech Economic Development Zone (常州經濟開發區) with total investment amount of RMB300 million, while successfully exited the Zhengzhou Heizhuzhuang Urban Village Reconstruction Project (鄭州黑朱莊城中村改造項目), receiving the entire principal investment of RMB180 million and the related investment guarantee income.

The Group will continue to implement its established strategy and accelerate the fixed-income investment in the nation’s core economic zones such as the Yangtze

River Delta and Beijing-Tianjin-Hebei region etc., and will actively look for business opportunities in the urbanization consumption sectors such as tourism, education and healthcare.

Since the investment business from this year has been included in the Company's main scope of business, the related investment income has been recognized as an integral part of the Company's core revenue. In the future, the Company shall quarterly update shareholders of the developments in the urbanization fixed-income investment business in the form of voluntary announcements.

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

Hong Kong and Singapore, 3 January 2017

As at the date of this announcement, the executive directors of the Company are Mr. Liu Heqiang (Chief Executive Officer), Ms. Yang Meiyu, Mr. Ren Xiaowei and Mr. Shi Janson Bing; 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.