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China New Town Development Company Limited

中國新城鎮發展有限公司

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

(Hong Kong Stock Code : 1278)

(Singapore Stock Code : D4N.si)

VOLUNTARY ANNOUNCEMENT

ENTERING INTO AN AGREEMENT IN RELATION TO THE DISPOSAL OF 30% SHARE CAPITAL OF CHANGCHUN NEW TOWN

The Board of Directors (the “**Board**”) of China New Town Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that China New Town Development (Changchun) Company Limited (“**CNTD Changchun**”), a wholly-owned subsidiary of the Company, and Changchun Kaida Development Company Limited (“**Changchun Kaida**”), a subsidiary of the Administrative Committee of Changchun Automotive Economic-Technology Development Zone (the “**Automotive Development Zone Committee**”), has on 14 November 2015 entered into a share transfer agreement (the “**Agreement**”), pursuant to which CNTD Changchun agreed to sell 30% of the share capital of Changchun New Town Automotive Industry Development Company Limited (“**Changchun New Town**”) to Changchun Kaida at a consideration of RMB66.28 million (the “**Transaction**”). Immediately upon completion of the Transaction, the shareholding interest of the Company in Changchun New Town shall fall from 80% to 50% whereas the shareholding interest of Changchun Kaida in Changchun New Town shall increase from its current 20% to 50%. Subsequent to completion of the Transaction, the board of Changchun New Town shall be reorganized and shall comprise three directors, among which one director is to be appointed by the Company and two directors are to be appointed by Changchun Kaida. Furthermore, the chairman and the financial controller are to be appointed by the Company and the general manager and the corporate legal representative are to be appointed by Changchun Kaida.

Upon completion of the Transaction, notwithstanding that the Company shall still hold 50% of share capital of Changchun New Town, it shall cease to control its board. Accordingly, Changchun New Town will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Company's financial statements. Pursuant to the Agreement, the first instalment of RMB20,000,000, equivalently 30% of the consideration, has been paid on the date of the Agreement and the remaining 70% of the consideration shall be paid on or before 31 December 2015 by Changchun Kaida.

In December 2009, the Group entered into an agreement (the “**2009 Agreement**”) with the Automotive Development Zone Committee regarding the termination of land development business of the Group in Changchun. Pursuant to the 2009 Agreement, the Automotive Development Zone Committee agreed to fully repay the Group all accrued historical investments together with related financial costs and miscellaneous expenditure within a year from the date of the 2009 Agreement. As at 31 December 2011, the balance of receivables of approximately RMB199 million was still outstanding. Since it has aged for more than two years, the Group decided to take a prudent approach and made a full provision against the outstanding balance while continuing to pursue repayments from the Automotive Development Zone Committee. As at the end of 30 September 2015, the net asset value of Changchun New Town on the financial statements of the Group was approximately RMB 21.51 million and the corresponding net asset value of 30% of its share capital was RMB6.45 million. With the consideration of the Transaction at RMB66.28 million, after being offset by the relevant taxes, the Group expects to record a net gain on disposal of approximately RMB53.84 million upon completion of the Transaction.

Changchun New Town is currently a non wholly-owned subsidiary of the Company. Based on the total assets, profits and revenue of Changchun New Town, it is taken as an insignificant subsidiary of the Company, therefore Changchun Kaida is not regarded as a connected person of the Company pursuant to Rule 14A.09 of the Listing Rules and the Agreement and the Transaction contemplated thereunder do not constitute a connected transaction of the Company. The Transaction is a non-discloseable transaction under the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), as the relative figures under the bases set out in Rule 1006 of the Listing Manual are less than 5%. However, on a voluntary basis, the Board wishes to announce this positive progress to the shareholders.

None of the Directors or controlling shareholders of the Company (other than in their capacity as Director or shareholders of the Company) has any interest, direct or indirect, in the Transaction.

The Company has been striving to accelerate the development of existing projects as well as actively explore new investment segments and opportunities. It has also been consistently seeking to enhance the performance of the Company by leveraging the close relationship established between China Development Bank and local governments across China over very long-term business. The share transfer of Changchun New Town fully reflects the strong relationship between China Development Bank Capital, the controlling shareholder of the Company, and the government, as well as its strong support to the Company. This is crucial for the Company in vitalizing the portfolio of existing projects and retrieving valuable financial resources, so as to redirect funds and management efforts to our core strategies and businesses.

The Company will maintain close relationship with governments, continue to improve performance of its existing projects, accelerate cash extraction and explore more profitable opportunities in order to enhance shareholders' value.

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

Hong Kong and Singapore, 16 November 2015

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