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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

INSIDE INFORMATION

CDB Guarantee on the SGLD Loan and Share Charge Agreement between Substantial Shareholders

This announcement is made in accordance with Rule 703 of the Singapore Listing Manual, Rule 13.09(2)(a) of the HK Listing Rules and Section XIVA of the SFO.

Reference is made to the announcements of the Company dated 10 October 2013, 30 December 2013 and 31 March 2015 and the circular of the Company dated 11 December 2013 in connection with, amongst others, the Disposal Master Agreement (the "**Circular**"). Unless otherwise defined, terms used in this announcement shall have the same meanings as those that were ascribed to them in the Circular.

CDBC Guarantee

The Board of Directors (the "**Board**") of China New Town Development Company Limited (the "**Company**") is pleased to announce that CDBC has provided an unconditional guarantee (the "**CDBC Guarantee**") to support a new loan facility of RMB180 million granted by Industrial and Commercial Bank of China Limited, Shanghai Baoshan Sub-Branch to Luodian Co (the "**SGLD Loan**"), a subsidiary of the Company.

Proceeds from the SGLD Loan will be applied by Luodian Co for various purposes on

the Disposal Assets that are held by Luodian Co and are yet to be transferred to SREI, including re-financing certain third party loans owed by the Disposal Assets.

Share Charge Agreement

The Company has been advised by CDBIH and SREI that on 3 August 2015, CDBIH has entered into a charge over shares with SREI (the "**Share Charge Agreement**"). Pursuant to the Share Charge Agreement, SREI has agreed to charge all the Shares held by it, together with all property rights in such Shares, in favor of CDBIH (the "**Share Charge**") to secure, amongst others, the following liabilities (the "**Secured Liabilities**"):

1. all obligations and liabilities now or hereafter due, owing or incurred by SREI to CDBIH, CNTD, Luodian Co and CDBC in connection with the Disposal Master Agreement and the Share Charge Agreement;
2. any cost, loss or liability incurred by CDBIH or CDBC under or in connection with the CDBC Guarantee, including as a result of any claim being made by the counterparties under the CDBC Guarantee (a "**CDBC Guarantee Liability**"); and
3. all such amounts as are necessary to ensure that Luodian Co satisfies payment and/or repayment in full of all amounts of principal, interest and any other amount due and payable by Luodian Co on any principal repayment date, interest repayment date and any other date under the SGLD Loan (a "**SGLD Loan Liability**").

CDBIH shall be entitled to enforce the Share Charge in, amongst others, the following events ("**Enforcement Events**"):

1. SREI fails to pay to Luodian Co such amounts as is necessary to ensure that Luodian Co satisfies payment and/or repayment in full of all amounts of principal, interest and any other amount due and payable by Luodian Co on any principal repayment date, interest repayment date and any other date under the SGLD Loan;
2. any default (however described) occurs under or in relation to any financial indebtedness in connection with a Disposal Asset which may result in any risk of loss or claims being made in respect of the assets of the Remaining Group;
3. if by 28 March 2016, the Disposal Master Agreement has not been fully performed or SREI has in any way breached the terms of the Disposal Master Agreement;
4. an insolvency event occurs in respect of SREI, or any litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been started or threatened against SREI;
5. SREI in any way breaches the terms of the Share Charge Agreement, and fails to remedy such breach to the satisfaction of CDBIH within seven days of receiving notice from the CDBIH requesting SREI to remedy such breach.

Pursuant to the Share Charge Agreement, the Share Charge will be enforceable by CDBIH on the occurrence of any Enforcement Event. Proceeds from the enforcement shall be applied in the following manner:

1. in satisfaction of all costs, charges and expenses and payments (including payments made in accordance with paragraphs (a), (b) and (c) of section 54 of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong)) made or incurred by CDBIH or the receiver and of remuneration to the receiver in such order as CDBIH shall in its absolute discretion decide;
2. all monies, costs and expenses incurred by CDBIH in connection with the negotiation, preparation and execution of the Share Charge Agreement, until CDBIH or CNTD confirm that such liabilities have been fully satisfied;
3. all monies, costs and expenses due and payable as a result of a CDBC Guarantee Liability, until CDBIH confirms that such liabilities have been fully satisfied;
4. all monies, costs and expenses due and payable as a result of a SGLD Loan Liability, until CDBIH or CNTD confirm that such liabilities have been fully satisfied;
5. all monies, costs and expenses due and payable in connection with the Disposal Master Agreement, until CDBIH or CNTD confirm that such liabilities have been fully satisfied;
6. other Secured Liabilities; and
7. the surplus, if any, to be paid to SREI or other person or persons entitled to it.

The Share Charge shall be released on the earlier of the following dates:

1. the date on which CDBIH has determined that all of the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full; and
2. 28 March 2016, unless on that date an Enforcement Event has occurred and is continuing.

Effect on the Disposal Master Agreement

Notwithstanding that under the Share Charge Agreement, CDBIH and SREI have agreed that proceeds from the enforcement of the Share Charge (if any), may be applied to discharge outstanding liabilities of SREI under the Disposal Master Agreement, the Share Charge Agreement will not affect any rights or obligations the parties may have under Disposal Master Agreement.

Implications under the HK Listing Rules and Singapore Listing Manual

As at the date of this announcement, CDBIH is legally and beneficially interested in 5,347,921,071 Shares, or 54.3% of the share capital of the Company, and is a substantial and controlling shareholder of the Company. As CDBIH is a wholly owned subsidiary of CDBC, CDBC is an associate of CDBIH.

As at the date of this announcement, SREI is legally and beneficially interested in 1,468,356,862 Shares, or 14.9% of the share capital of the Company, and is a substantial shareholder of the Company.

Each of CDBIH, CDBC and SREI is therefore a connected person of the Company under the HK Listing Rules.

As the CDBC Guarantee is provided by a connected person of the Company on better commercial terms without any security over the assets of the Group, it is fully exempted under Rule 14A.90 of the HK Listing Rules from shareholders' approval, annual review and all disclosure requirements.

In addition, as the Company, although benefiting from the arrangement between CDBIH and SREI under the Share Charge Agreement, is not a party to the Share Charge Agreement, the Share Charge Agreement therefore does not constitute a "connected transaction" (as defined in Chapter 14A of the HK Listing Rules) between the Company and its connected persons. However, the Company would like to make this voluntary announcement to update the shareholders and potential investors of the Company on the recent development of the Disposal Master Agreement.

In respect of the CDBC Guarantee and the Share Charge Agreement, the Group will not make any payment or fees, whether in cash or in kind, or assume any obligations in favour of CDBC or SREI respectively, in consideration for the grant by the respective parties of the CDBC Guarantee and the Share Charge Agreement. Under the Listing Manual of the SGX-ST, no value is accordingly ascribed to these transactions for purposes of Chapter 9 of the Listing Manual.

Further announcement in relation to the Share Charge Agreement, including, the occurrence of any Enforcement Events, will be made by the Company as and when required under the Listing Rules.

The Board would like to take this opportunity to express appreciation to CDBC on its continuous support to the Company.

The Board would like to remind the shareholders and potential investors to be cautious and to seek for professional advice of uncertainty in dealing shares of the Company.

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

Hong Kong and Singapore, 3 August 2015

As at the date of this announcement, the executive directors of the Company are Mr. Shi Jian (Vice Chairman), Mr. Liu Heqiang (Chief Executive Officer), Ms. Yang Meiyu and Mr. Ren Xiaowei; the non-executive directors of the Company are Mr. Fan Haibin (Chairman), Mr. Zuo Kun (Vice Chairman), Mr. Li Yao Min (Vice Chairman) and Mr. Zhang Yan; 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.