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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

DISCLOSEABLE TRANSACTION

Entering into an Agreement with Zhengzhou Heizhuzhuang Urban Village Reconstruction Project

The Board is pleased to announce that, on 30 December 2015, CDB New Town, a wholly-owned subsidiary of the Company, entered into a debt financing agreement with Henan Renxin, pursuant to which CDB New Town agreed to provide debt financing in the amount of RMB180,000,000 to Henan Renxin to support the Project. The debt financing of the Project has a term of one year and an interest rate of 12%, payable quarterly by Henan Renxin, and the funding capital shall be repaid by a lump sum at the expiry of the one year term. As credit enhancement measures, Henan Rexin's controlling shareholder, Henan HGTD and its ultimate beneficial owners Mr. Zhang Kai and his spouse Qin Shiru (秦世茹), Ms. Ou Yibing and her spouse Zhang Tianshun (张天顺) provide joint and several liability guarantee and corresponding collaterals for the debt financing.

Implications under Listing Rules and Listing Manual

As one of the percentage ratios computed in accordance with Rule 14.07 of the Listing Rules exceeds 5% but does not exceed 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

So far as the Listing Manual is concerned, the Company is of the view that the Transaction is within its ordinary course of business of urbanization development and investment in the major

cities of China.

Therefore, the Transaction is subject to the reporting and announcement requirements under the Listing Rules and Listing Manual.

OVERVIEW

This announcement is made by China New Town Development Company Limited (the “**Company**” or “**China New Town**”, together with its subsidiaries, the “**Group**”) pursuant to the disclosure requirements under Chapter 14 of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and Chapter 10 of The Listing Manual of The Singapore Exchange Securities Trading Limited (“**Listing Manual**”).

The Board of the Company (the “**Board**”) is pleased to announce that, on 30 December 2015, CDB New Town (Beijing) Asset Management Company Limited (国开新城（北京）资产管理有限公司, “**CDB New Town**”), a wholly-owned subsidiary of the Company entered into a debt financing agreement (the “**Agreement**”) with Henan Renxin Properties Company Limited (河南仁信置业有限公司, “**Henan Rexin**”), pursuant to which the Company agreed to provide debt financing to Henan Renxin (the “**Transaction**”) for the Zhengzhou Heizhuzhuang Urban Village Reconstruction Project (鄭州黑朱莊城中村改造項目, the “**Project**”). The debt financing is in the amount of RMB180,000,000 and it has a term of one year and an interest rate of 12%. Henan Hongguang-Tiandi Company Limited (河南宏光天地有限公司, “**Henan HGTD**”), the controlling shareholder of Henan Renxin, and its ultimate beneficial owners Mr. Zhang Kai and his spouse Qin Shiru (秦世茹), Ms. Ou Yibing and her spouse Zhang Tianshun (张天顺), provide joint and several guarantee on the repayment of debt interest and principal, and provide corresponding collaterals. For further information, please refer to the section headed “Key Terms of the Agreement” below.

The Project has been listed in the 2013-2017 key shanty town reformation projects by the Henan Provincial Office of Housing and Construction, and has obtained support from China Development Bank, the Company’s controlling shareholder, for a shanty town loan of over RMB2.3 billion. The Project is located at the core area of eastern Zhengzhou city, adjacent to the Central Business District of Zhengdong New District. The Project has prime location and attractive re-development potential. The Project has total construction land of 302 mu (approximately 0.2 sqkm.) and total gross floor area of 1,355,050 sqm., and is a large urban complex featuring residential, commercial, office and education functions. The Project has entered mature development phase and largely completed relocation, and is expected to general stable cash flow during the investment period by the Company.

The Group will finance the relevant amount in the Transaction with its internal resources, including among other things, existing bank balances and funds generated from operations.

KEY TERMS OF THE AGREEMENT

Date 30 December 2015

Parties

(1) Investor: CDB New Town

(2) Investee: Henan Renxin

Established in Zhengzhou in PRC and principally engages in property development, Henan Renxin is the entity designated for carrying out the development of the Project. It is a joint venture by Henan Hongguan Olympic Properties Company Limited (河南宏光奥林匹克有限公司, “**Hongguang Olympic**”) and Henan State-Owned Land Resources Development and Investment Management Centre (河南國有土地資源發展及投資管理中心). Henan HGTD and Mr. Zhang Kai, a private individual, are the controlling shareholders of Hongguang Olympic.

The Company confirms that, based on the knowledge, information and belief of the Board and upon making reasonable enquiries, Henan Renxin, Henan HGTD and their respective ultimate beneficial owners are all independent third parties of the Company and its connected persons.

1. Debt amount and term

The proposed debt financing by CDB New Town to Henan Renxin is in the amount of RMB180,000,000, with a term of one year and interest rate of 12% per annum, payable quarterly by Henan Renxin. Henan Renxin shall fully repay the principal at the end of the one year term.

2. Credit enhancement measures of the debt

- 2.1 HGTD, controlling shareholders of Henan Renxin, and its ultimate beneficial owners Mr. Zhangkai and his spouse Qin Shiru (秦世茹), Ms. Ou Yibing and her spouse Zhang Tianshun (张天顺), provide joint and several liability guarantee;
- 2.2 Mr. Zhang Zuobin, a sibling of Mr. Zhang kai, Henan HGTD and its wholly subsidiaries together post second-lien charge of properties and land use rights, valued at over RMB1.2 billion, and Henan Renxin and its associates undertake that the first and second lien charges combine to no more than 70% of its value.

3. Other rights and obligations

- 3.1 All major corporate actions related to Henan Renxin require prior consent in writing by the Group, including but not limited to change in business and operation scope, shareholding change, external investments, additional financing, guarantee or loans;
- 3.2 Henan Renxin is required to periodically provide financial data and operation status reports to the Group;

- 3.3 The Group has the right to demand prepayment of the principal and interests of the debt by Henan Renxin or its joint and several liability guarantors, or to foreclose the collaterals in case it notices a substantial deterioration in Henan Renxin's financial position or a substantial fall in the fair value of the relevant collaterals.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the urban planning, investment and land development of urbanization projects in the major cities of China. Within the urbanization field, shanty town reformation and urban village reconstruction are the segments strongly advocated by national policy, and also are the core business segments of China Development Bank, the Group's controlling shareholder. Subsequent to China Development Bank Capital Corporation ("CDB Capital") completing the acquisition of the Company on 28 March 2014, the Company has dedicated to exploring businesses in shanty town reformation and urban village reconstruction as major strategic areas and has since participated in the Nanjing Yuhuatai District Two Bridges Shanty Town Reformation Project and the CDB (Beijing) – BOFCOMM New-type Urbanization Development Fund which subsequently funded a series of shanty town reformation projects in Sichuan, Hunan and Hainan. Located at a provincial capital city, the Project has been listed among the key projects of provincial shanty town reformation plan, which matches the investment strategy of the Company. Considering its development has entered into a mature phase, along with the benefits from its prime location, the Transaction represents an investment with attractive risk-reward profile.

In light of the above, the Board is of the view that the terms of the Agreement and the Transaction are fair and reasonable and in the interest of shareholders as a whole. The Company will continue to leverage off the business network of CDB and CDB Capital to originate more good investment opportunities in the field of urbanization and lay a solid foundation for profit.

IMPLICATIONS UNDER THE LISTING RULES AND LISTING MANUAL

As one of the percentage ratios computed in accordance with Rule 14.07 of the Listing Rules exceeds 5% but does not exceed 25%, the Transaction constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules. So far as the Listing Manual is concerned, the Company is of the view that the Transaction is within its ordinary course of business of urbanization development and investment in the major cities of China.

Therefore, the Transaction is subject to the reporting and announcement requirements under the Listing Rules and Listing Manual.

None of the directors or controlling shareholders has any direct or indirect interests in the Transaction or the Project.

FINANCIAL IMPACTS OF THE TRANSACTION

Pro-forma impact of the Transaction on the net tangible assets per share of the Company as at 31 December 2014

	Before the Transaction	After the Transaction
Net tangible assets (RMB000's)	3,806,287	3,806,287
Per share net tangible assets (RMB)	0.3866	0.3866

Pro-forma impact of the Transaction on earnings per share of the Company of the financial year ended 31 December 2014

	Before the Transaction	After the Transaction
Net profit attributable to shareholders (RMB 000's)	-61,404	-45,204
Earnings per share (RMB)	-0.0072	-0.0053

The impact on earnings per share of the Company above is based on the assumptions that the Transaction has taken effect on 1 January 2014 and has generated the aforementioned investment return of 12% per annum during the period, after netting being offset by the relevant income tax.

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

Singapore and Hong Kong, 30 December 2015

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. Fan Haibin (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.