

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained, or opinions expressed in this announcement.



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

VOLUNTARY ANNOUNCEMENT

Series of Investment Projects funded by CDB (Beijing) New-Type Urbanization Development Fund

Reference is made to the announcement (the “**Announcement**”) of China New Town Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on entering into limited partnership agreement in respect of the setting up of an investment partnership on 16 June 2015. Capitalized terms in this announcement shall, unless otherwise specified, have the same meaning defined in the Announcement.

The Board of Directors (the “**Board**”) is pleased to announce that in accordance with the funding notice from the General Partner, among the total RMB 1,700,000,000 invested by the Partnership in the Jin County New Town Project (薊縣新城項目, the “**Jin County New Town Project**”), the second phase of Sanya Shanty-town Reformation Project (三亞棚戶區改造項目 (二期), the “**Sanya Shanty-town Reformation Project**”), the Taizhou Huaxin Infrastructure Project (泰州華信基礎設施項目, the “**Taizhou Huaxin Project**”), and Huasheng Hankou City Square Affordable Housing Project (華生漢口城市廣場四期經濟適用房項目, the “**Huasheng Affordable Housing Project**”), the Company’s wholly-owned subsidiary CDB New Town shall contribute a total of RMB25.5 million as the Junior-Tranche Limited Partner of the Partnership. And by the date of this announcement, the Group has accumulated through the partnership invested RMB65.95 million; these investments are expected to annually generate stable profit for the Company.

The Jin County New Town Project

The scope of the Jin County New Town Project in Tianjin includes relocation, clearing, construction and re-farming and virescence, resettlement housing construction for farmers and commercial property operations management in Jin County New Town and the Yu Bridge and Reservoir Zone. Tianjin Jin County New Town Development and Investment Co.,Ltd.(天津薊州新城建設投資有限公司, “**Jinzhou Municipal**”) shall be the main project company to implement the reformation, which is in turn a joint venture set up by Tianjin Guangcheng Investment Group Co., Ltd. (天津廣成投資集團有限公司, the “**Guangcheng Group**”) and HNA Asset Management (Group) Co. Ltd. (海航資產管理（集團）有限公司, the “**HNA Asset Management Group**”). The Partnership will invest a total of RMB500 million in Jinzhou Municipal as registered capital of the project.

The Second Phase of Sanya Shanty-Town Reformation Project

Sanya United Investment Company (三亞聯合投資有限公司), as the wholly-owned subsidiary of Sanya Municipal Investment and Development Co., Ltd. (三亞城市投資建設有限公司), shall be the main project company to implement the reformation project. To support the regional shanty-town reformation, the Partnership will invest in the registered capital of Sanya United Investment Company to help finance the project. And the aggregate investment scope of the the Sanya project is RMB3,100 million, which includes the completed first phase investment in the amount of RMB300 million, and the current phase in the amount of RMB400 million.

The Taizhou Huaxin Infrastructure Project

Taizhou Huaxin Project is the infrastructure construction project located in Taizhou Pharmaceutical High Technology Industrial Development Zone, and Taizhou Huaxin Pharmaceutical Investment Co. Ltd. (“**Taizhou Huaxin**”) shall be the main project company to implement the construction. To support the project, the Partnership will provide debt financing amounting to RMB500 million to Taizhou Huaxin.

The Huasheng Affordable Housing Project

Hubei Huasheng Real Estate Development Co., Ltd, (“**Huasheng Company**”) shall be the main project company to implement the construction and development. The scale of Huasheng Affordable Housing Project is 5 million square meters, with a total investment of about RMB13.2 billion, in four phases of development and construction. To finance the fourth phase of the project’s development, the Partnership will provide total debt financing of RMB1 billion, in two stages, to Huasheng Company.

The details of the Projects are as follows:

City	Project Company	Type	Investment amount	Investment period	Guaranteed annualised investment return	Exit mechanism(s)	Credit enhancement measures
Tianjin	Tianjin Jin County New Town Development Investment Co.,Ltd	Equity	RMB500 million	5 years	11.0%	The investment will be exited in phase from the third year onwards, in the proportion of 30%, 30% and 40%. The Guangcheng Group and the HNA Asset Management Group will repurchase the equity at par.	1. The Guangcheng Group as the beneficial owner will pledge project equity as collateral; 2. Jinzhou Municipal will pledge its entitled land revenue as collateral.
Sanya	Sanya United Investment Company	Equity	The second phase of investment is RMB400 million	8 years, including 3 years to invest and 5 years to exit	10.0%	The investment will be exited through capital reduction in Sanya United Investment Company in stages. If the capital reduction cannot be achieved for any reason, Sanya City Investment and Construction Co., Ltd will repurchase the equity at par, the relevant arrangements of which will be included in the municipal fiscal budget.	1. Sanya City Investment and Construction Co., Ltd, as the beneficial owner, will pledge project equity as collateral; 2. Entitlements and benefits under the procurement contract from the government will be pledged as security.
Taizhou	Taizhou Huaxin Pharmaceutical Investment Co. Ltd.	Debt	RMB500 million	3 years	10.1%	Interest will be paid on quarterly basis, and the principal will be paid back in lump-sum at the expiry date	Taizhou Xintai Group Co. Ltd. and Taizhou Higher Education Investment and Development Co. Ltd. as the parent group will provide joint and several liability guarantee

Wuhan	Hubei Huasheng Real Estate Development Co., Ltd	Debt	Total investment is RMB1 billion; the first phase is RMB300 million.	1 year (each phase)	10%	Interest will be paid on quarterly basis, and the principal will be paid back in lump-sum at the expiry date	1. Huasheng Company will pledge commercial properties as collateral 2. Hubei Huasheng Real Estate Co., Ltd as the parent group will pledge project equity as collateral
-------	---	------	--	---------------------	-----	--	--

Based on the distribution mechanism set out in the Announcement and the current prevailing benchmark interest rate, assuming the Partnership receives the investment return as agreed above and after distributing to senior-tranche and mid-tranche limited partners, the Group is expected to achieve an annual investment return of over 30% from the investments above. Riding on the Partnership's investment, the Company is expected to continuously participate in the new type of urbanization projects throughout the country, and create better returns for our shareholders.

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

Hong Kong and Singapore, 31st 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.