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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

Voluntary Announcement

Entering into Strategic Cooperation Framework Agreement with the National Integrated Circuit Industry Investment Fund Manager

The Board of Directors (the “**Board**”) of China New Town Development Company Limited (the “**Company**”) is pleased to announce that the Company has entered into the Strategic Cooperation Framework Agreement (the “**Strategic Agreement**”) with Sino IC Capital Management Company Limited (“**Sino IC Capital**”). Founded under the leadership of China Development Bank Capital Corporation Limited (“**CDB Capital**”), the Company’s controlling shareholder, Sino IC Capital is the sole manager of the National Integrated Circuit Industry Investment Fund Ltd. (“**National IC Industry Fund**” or the “**Fund**”), with fund under management designated at over RMB 120 billion. Pursuant to the Strategic Agreement, the Company and Sino IC Capital commit to build long-term strategic partnership to fully leverage the mutual strategic complementarities and synergies over the investments of the National IC Industry Fund.

With the support from Ministry of Industry and Information Technology and Ministry of Finance of PRC, the National IC Industry Fund was co-founded by CDB Capital, China National Tobacco Corporation, Beijing Yizhuang International Investment and Development Co., Ltd., China Mobile Communications Corporation, Shanghai Guosheng (Group) Co., Ltd., China Electronics Technology Group Corporation, Beijing Purple Communications Technology Group Ltd. and Sino IC Capital. The goal of the Fund is to attract social capital and leading technology for the

investment and development of the integrated circuit industry, with the seamless integration between national strategy and market mechanism as advocated by national policies.

The mutual cooperation shall be mainly focused on the intersectional value chains of the integrated circuit industry and township development, including but not limited to:

- 1、 **Business development:** Sino IC Capital shall introduce the Company to the local government partners and main players in the integrated circuit industry, so as to facilitate the Company's exploration of various business opportunities;
- 2、 **Construction of new industrial parks:** new industrial parks to be constructed by local industry funds powered by the Fund's investments, or industrial parks to where the Fund's investee enterprises tend to locate their new projects, shall be procured to preferentially use the integrated ancillary facilities construction services from the Company.
- 3、 **Industrial park transformation:** to preferentially use the Company as the developer for old town transformation opportunities arising from the Fund's investee enterprises, including but not limited to the on-site upgrade engineering and land development businesses after relocation of industrial parks;
- 4、 **Integrated services:** the Company shall fully utilize its strategic resources and industry experience to provide plant renovation, relocation and new project execution services to the Fund's investee enterprises as well as one-stop solutions for the new industrial parks initiated by the Fund's invested regional industrial funds;
- 5、 **Strategic alliance:** as a member of the Township Development Strategic Alliance initiated by the Company, Sino IC Capital will facilitate the investee enterprises to join this alliance so as to participate and share nationwide township development opportunities;
- 6、 **Preferential project location:** where practicable, Sino IC Capital shall procure investee enterprises to preferentially locate their projects to industrial parks in which the Company serves as the developer and integrated service provider.

Potential cooperative models under the partnership are summarized as follows:

1. Subject to the specific requirements and conditions of the Fund's network of industrial parks across the country, to explore the Company's business opportunities in providing one-stop commercial service solutions as an industrial park developer and integrated service provider, including but not limited to industrial park ancillary facilities construction, property development at industrial parks, operations and investment sourcing of industrial parks;
2. To fully utilize Sino IC Capital's excellent relationship with local governments and leading industry players built in the process of the Fund's investment deployment and help the Company explore diversified profit models in the fields of construction and engineering,

ultimately strengthening the Company's own project sourcing capabilities through the relationship network with local governments and leading industry players.

The Strategic Agreement is an agreement of intent in relation to strategic cooperation. In the future both parties shall negotiate further to substantiate details of cooperative model and commercial terms at specific projects and enter into specific legally binding agreements, when the Company shall promptly make relevant disclosure and seek relevant approvals in compliance with the listing rules of the Stock Exchange of Hong Kong Limited and the Singapore Exchange Securities Trading Limited.

CDB Capital is the controlling shareholder of the Company with 54.32% of effective interest. It is a wholly-owned subsidiary of China Development Bank, and is currently one of the largest investment institutes in China with its investment with own capital and funds under management spanning across strategic sectors supported by national policies, such as urbanization, alternative energy and high-tech industries. At the time CDB Capital acquired the Company, it promised to leverage its nationwide business network, brand awareness and relationships with government to strengthen the Company's systematic advantages in project expansion.

The entering into of the Strategic Agreement is solid evidence of the synergies and growth opportunities brought by CDB Capital's core business of investments and the Company's core business of township. As an industrial investment fund with state-level support, the National IC Industry Fund, with investment scale of hundreds of billions of RMB, certainly creates a lot of opportunities in the core business areas of the Company, including the development and operation of parks, the ancillary services and coordinated industrial and urban development, etc. The Company as CDB Capital's core listed platform in new town development receiving such support from the Fund to explore these business opportunities would greatly benefit the Company in terms of rapid growth in business scale, profitability and expansion of business network.

The Board is grateful for the recognition and trust from the controlling shareholder CDB Capital, and will continue to maintain close communication and cooperation with them. The Board will stay fully committed to substantiating cooperation at specific projects and exploring strategic opportunities with CDB Capital in its other investment areas.

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

Hong Kong and Singapore, 27 May 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 nonexecutive directors of the Company are Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.