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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

**SIGNING YUHUATAI TWO BRIDGES PROJECT
AND SOFTWARE VALLEY SOUTH PARK DEVELOPMENT
COOPERATION FRAMEWORK AGREEMENT**

The board of China New Town Development Co. Ltd is pleased to announce that, the Company has on 30 June 2014, entered into the *Cooperation Framework Agreement regarding the Yuhuatai District Tiexin Bridge (鐵心橋) - Xishan Bridge (西善橋) Regional Urban Re-development Project and Software Valley South Park Development* with the People's Government of Nanjing Yuhuatai District and China Development Bank Capital Corporation, controlling shareholder of the Company. The signing parties agree to devote concerted effort in promoting the development of the Two Bridges Project and Software Valley South Park.

Pursuant to the Framework Agreement, the Yuhuatai District Government's designated funding vehicle and the Company shall respectively contribute 51% and 49% for the RMB 1 billion start-up capital, in proportion to their equity interest, to establish the Nanjing CDB Yuhua Slum Area Transformation and Re-development Co. Ltd (南京國開雨花棚戶區改造發展有限公司, temporary name), as the primary land development platform authorized by the Yuhuatai District Government for the Two Bridges Project and Software Valley South Park. The Yuhuatai District Government shall establish a joint venture with the Company under the Company's control, so as to jointly participate in secondary land development. As an incentive policy for the Company's contributions to the project in terms of capital sourcing and introducing quality industry resources, the Yuhuatai District Government shall procure its controlled subsidiaries or entities to offer an after-tax investment return of 12.8% on the equity capital that the Company contributes into CDB Yuhua.

Pursuant to the Framework Agreement, CDB Capital shall coordinate the capital sourcing of the

Company and CDB Yuhua, and shall leverage off its position to assist the Company in obtaining supportive project loan from China Development Bank, among various financing support measures. In addition, CDB Capital shall introduce quality resources and business partners, as well as leveraging its nationwide influence, to further enhance the reputation of the Yuhuatai District and the Two Bridges Project. It has also agreed to open up resources from its China Urbanization Strategic Alliance to the Yuhuatai District Government, so as to coordinate the leading corporates within the alliance to participate in regional development and assist the Company in implementing investment arrangements in relation to relevant industries and ancillary commercial service sectors.

In addition, pursuant to the Framework Agreement, the Company undertakes to facilitate the capital sourcing of CDB Yuhua, especially in obtaining mid to long term supportive financing from CDB on behalf of CDB Yuhua. The Company shall also introduce expert team and quality urban resources, and agglomerate high-end industries etc.. Depending on the Company's actual progress in capital sourcing, the Company may accept an appropriate adjustment to entitled investment return in a particular year, subject to a maximum 20% downward adjustment on the investment return. The Company can however negotiate with the Yuhuatai District Government for a partial or full waiver of such adjustment upon achieving commensurate concrete breakthroughs in introducing quality strategic resources.

With the support and assistance of the Yuhuatai District Government, the Company shall acquire certain land parcels within the project through market mechanisms for secondary land development, further exploring profit source and return potential from the project.

The parties agree the project's cooperation period is temporarily set at 5 years, with potential extension afterwards at the parties' discretion. The parties agree the Framework Agreement shall remain exclusive within two months after signing.

The framework agreement is a memorandum of understanding to reflect the intentions of the parties in relation to cooperative investment. It is, however, not legally binding. The parties shall separately enter into definitive agreements on concrete cooperative terms and conditions. Shareholders and potential investors are reminded to exercise caution in dealing with shares of the Company.

This announcement is made by China New Town Development Company Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) in accordance with Rule 703 of the Listing Manual of Singapore Exchange Securities Trading Limited and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of China Development Company Limited (the “**Board**”) is pleased to announce that, the Company has on 30 June 2014, entered into the *Cooperation Framework Agreement regarding the Yuhuatai District Tiexin Bridge (鐵心橋) - Xishan Bridge (西善橋) Regional Urban Transformation and Re-development Project* (the “**Two Bridges Project**”) and *Software Valley South Park Development* (the “**Framework Agreement**”) with the People's Government of Nanjing Yuhuatai District (“**Yuhuatai District Government**”) and China Development Bank Capital Corporation (“**CDB Capital**”), controlling shareholder of the Company. The signing parties agree to devote concerted effort in promoting the development of the Two Bridges Project and Software Valley South Park, to build a model modern urbanization new town supported by high-end industries, commercial and leisure, culture and tourism, as well as living functionalities.

Nanjing is the capital city of Jiangsu Province, and is the second largest city in Yangtze River Delta and East China, with regional GDP of RMB 801.178 billion in 2013 and per capita disposable

income of urban citizen reaching RMB 39,881. In May 2014, Jiangsu Province issued *Planning re. New Model Urbanization and Integrated Urban and Rural Development* (<<新型城鎮化與城鄉發展一體化規劃>>), explicitly outlining the objective to accomplish full urbanization for the province by 2020, offering new development opportunities in the region. The Two Bridges Project development region is located at the district center of Yuhuatai District and at the heart of Nanjing Software Valley, China's largest communication software industrial park which achieved annual software and information technology services revenue of around RMB 100 billion in 2013. The "Two Bridges" region has designated regional transformation and re-development site area of 21.4 sq. km. The Two Bridges Project is 2 km west of Nanjing's future central business district and 1.5 km east of the Nanjing South Station, the emerging city sub-center, and is an important hub for the golden development corridor of southern Nanjing.

Cooperative Model

The signing parties of the Framework Agreement shall cooperate on promoting the development of the Two Bridges Project and Software Valley South Park on the principles of coordinated industrial and urban development and achieving win-win situation for each party:

- 1) The Yuhuatai District Government shall designate a funding entity to jointly fund and establish with the Company the Nanjing CDB Yuhua Slum Area Transformation and Re-development Company Limited ("**CDB Yuhua**"), as the primary land development platform authorized by the Yuhuatai District Government for the Two Bridges Project and Software Valley South Park. The registered capital of this company shall be RMB 1 billion, among which the Yuhuatai District Government shall contribute RMB 510 million for 51% equity interest and the Company shall contribute RMB 490 million for 49% equity interest.
- 2) The Yuhuatai District Government shall designate Nanjing Software Valley Development Company Limited (the "**Software Valley Company**") to establish a joint venture company under the Company's control ("**JV Company**"), or the Software Valley Company to establish a joint venture company under the Company's control with the wholly-owned subsidiary of the Company with certain acquired land parcels, to jointly participate in secondary land development. The parties shall enter into separate agreement regarding concrete terms and conditions regarding secondary development.
- 3) As an incentive policy for the Company's contributions to the project in terms of capital sourcing and introducing quality industry resources, the Yuhuatai District Government shall procure its controlled subsidiaries or entities to offer an after-tax investment return of 12.8% on the equity capital that the Company contributes into CDB Yuhua.

Cooperative Intentions of the Parties Entering into the Framework Agreement

Pursuant to the Framework Agreement, the Yuhuatai District Government shall:

- a) procure its controlled subsidiaries or entities to offer an after-tax investment return of 12.8% to the Company;
- b) support and assist the JV Company under the Company's control or the wholly-owned subsidiary of the Company to acquire land parcels for secondary development through market mechanisms;
- c) use up to 50 percent of district-retained portion of business taxes, land appreciation taxes, corporate taxes and personal taxes arisen from the operations of the JV Company under the Company's control or the wholly-owned subsidiary of the Company that are registered in the Yuhuatai District to support the development of the Company and the JV Company, through

financial support or government led public utilities constructions.

CDB Capital shall

- a) coordinate the capital sourcing of the Company and CDB Yuhua, and shall leverage off its position to assist the Company in obtaining project loan from China Development Bank (“CDB”);
- b) introduce quality strategic resources and business partners, including leading international township developmental and operational ideas and strong strategic business partners, introducing experts in the fields of design, master planning and finance etc., and leverage the nationwide influence of CDB Capital to further enhance the reputation of Yuhuatai District and the Two Bridges Project;
- c) contribute the resources under the strategic alliance – CDB Capital agrees to open up resources from its China Urbanization Strategic Alliance to the Yuhuatai District Government, so as to coordinate the leading corporates within the alliance to participate in regional development and assist the Company in implementing investment arrangements in relation to relevant industries and ancillary commercial service sectors.

The Company shall

- a) facilitate the capital sourcing of CDB Yuhua, especially in obtaining mid to long term supportive financing from CDB on behalf of CDB Yuhua;
- b) introduce expert team for CDB Yuhua – the Company shall appoint an expert team experienced in urban development and operation to provide feasible integrated solutions for township development of the Two Bridges region;
- c) introduce quality strategic resources to CDB Yuhua, including to assist CDB Capital in introducing leading international township developmental and operational ideas, to introduce quality urban resources, and provide relevant school and hospital resources according to implementation progress of secondary land development, as well as contracting the development and operation works of the basic ancillary infrastructure construction for the standards of a green town, smart town and new energy town, subject to the Yuhuatai District Government’s business authorizations;
- d) agglomerate high-end industries, including to leverage off CDB Capital’s China Urbanization Strategic Alliance to bring in quality strategic partners along the entire urban development value chain, so as to participate in the development of software industrial park and its ancillary living area within Software Valley, as well as introducing high-end commercial service industries in accordance with master planning;
- e) accept an appropriate adjustment to entitled investment return of a particular year subject to a maximum 20% downward adjustment depending on the Company’s actual progress in capital sourcing for CDB Yuhua. The Company can however negotiate with the Yuhuatai District Government for a partial or full waiver of such adjustment upon achieving commensurate concrete breakthroughs in introducing quality strategic resources.

Miscellaneous

The parties agree the project’s cooperation period is temporarily set to expire in 5 years, with potential extension afterwards subject to the parties’ discretion.

The Framework Agreement is a memorandum of understanding to reflect the intentions of the parties

in relation to the cooperative investment. It is, however, not legally binding. The parties shall separately enter into definitive agreements on concrete cooperative terms and conditions. The parties agree the Framework Agreement shall remain exclusive within two months after signing, beyond which cooperative terms shall be re-negotiated.

The Board believes that the Framework Agreement lays a solid foundation for the Company's participation in the Two Bridges Project, marking a key step in the Company's rapid project pipeline expansion under the support of CDB Capital. As the provincial capital of Jiangsu Province and provincial economic center, the economic vibrancy, municipal development potential and land market dynamics are highly matching the Company's selection criteria. In addition, the Company's innovative business model under the Two Bridges Project shall help the Company achieve more stable financial performance and cashflows. The Company will continue to ride on national macro policy support on urbanization and leverage the strategic resources of CDB and CDB Capital, consolidate its position as the country's leading new town developer and integrated operator, and actively pursue more township development projects with investment value, so as to maximize shareholders values.

The Board shall closely monitor the developments in the concrete commercial terms of the Two Bridges Project, and shall timely assess the terms to ensure investment decisions are consistent with the best interests of our shareholders. Further details will be disclosed promptly in accordance with requirements under the relevant Listing Rules.

None of the Company's Directors have any direct or indirect interests in the Framework Agreement.

Definitions

In this announcement, unless the context specifies otherwise, these terms shall be interpreted as follows:

“CDB”	China Development Bank Corporation, the parent company that wholly-owns CDB Capital;
“CDB Capital”	China Development Bank Capital Corporation Ltd., the controlling shareholder of the Company;
“CDB Yuhua”	the Nanjing CDB Yuhua Slum Area Transformation and Re-development Company Limited (南京國開雨花棚戶區改造發展有限公司), a company to be incorporated and shall be the primary land development platform for the Two Bridges Project and Software Valley South Park;
“China Urban Development Strategic Alliance”	China Urban Development Strategic Alliance, consisting of leading business partners of CDB Capital along the urban development value chain, and is the strategic resources of CDB Capital accumulated in the township development business;
“Company”	China New Town Development Company Limited, a

	company incorporated in the British Virgin Island with limited liability, whose shares are listed on both the Hong Kong Stock Exchange and the Singapore Stock Exchange;
“Controlling shareholder”	Shall have the same meaning as defined by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Listing Manual of the Singapore Exchange Securities Trading Limited;
“Listing Rules”	The Rules Governing the Listing of Securities on the HK Stock Exchange and Listing Manual of the Singapore Stock Exchange
“RMB”	Renminbi, the lawful currency of China.
“Software Valley Company”	Nanjing Software Valley Development Company Limited, a subsidiary of the Yuhuatai District Government and an independent third party to the Group as at the date of this announcement;
“Software Valley South Park”	South Park of China (Nanjing) Software Valley Industrial Park, and China (Nanjing) Software Valley is one of the largest communication software development parks in China and also the location of the Two Bridges Project;
“Two Bridges Project”	Yuhuatai District Tiexin Bridge (鐵心橋) – Xishan Bridge (西善橋) (Two Bridges) Regional Urban Transformation and Re-development Project;
“Yuhuatai District Government”	The People’s Government of Nanjing Yuhuatai District, an independent third party to the Group as at the date of this announcement;

Shareholders and potential investors are reminded to exercise caution in dealing with shares of the Company.

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

Singapore and Hong Kong, 30 Jun 2014

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