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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

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 RMB1 billion invested by the Partnership in the additional capital contribution of Luzhou Jiangnan District Xiancao Area Shanty-town Reformation Project (瀘州市江南新區茜草片棚戶區項目, the “**Luzhou Shanty-town Reformation Project**”), the Jinjiang Shanty-town Reformation Project (晉江棚戶區改造項目, the “**Jinjiang Shanty-town Reformation Project**”) and the second capital contribution of Hunan Province Shaoyang City Shanty-town Reformation Project (湖南邵陽棚戶區改造項目, the “**Shaoyang Shanty-town Reformation Project**”), the Company’s wholly-owned subsidiary CDB New Town shall contribute a total of RMB15 million as the Junior-Tranche Limited Partner of the Partnership. Up to the date of this announcement, the Group has accumulatively funded a total investment of approximately RMB40 million through the Partnership, which shall contribute solid annual recurring income for the Company.

The Luzhou Shanty-town Reformation Project

The Luzhou shanty-town reformation project has been included in the 2013-2017 National shanty-town reformation plan. Luzhou Jiangnan Construction and Investment Co., Ltd. (“**Jiangnan**

Company”) is the main entity to implement the project. In order to support the shanty-town reformation, in July 2015 the Partnership completed the first investment of RMB300 million to Luzhou Jiangnan Construction Development Co., Ltd, the Subsidiary of Jiangnan Company, for the development of the project. The RMB300 million of investment this time represents additional round of capital contribution.

The Jinjiang Shanty-Town Reformation Project

Jinjiang Housing Construction Development Co., Ltd. (the "**Jinjiang Housing Construction**") is the Subsidiary of Jinjiang City Construction Investment Management Co., Ltd. (the "**Jinjiang Investment**"), which undertakes land clearing, affordable housing and settlement building construction in Jinjiang city. To support the shanty-town reformation project, the Partnership invested a total of RMB500 million in Jinjiang Housing Construction, to finance capital expenditure of the project.

The Shaoyang Shanty-Town Reformation Project

Shaoyang City Affordable-housing Development Co., Ltd. (the "**Shaoyang Affordable-Housing Company**") is the main entity to implement the project. In order to support the shanty-town reformation, the Partnership completed the first investment of RMB200 million to Shaoyang Affordable Housing Company in August 2015, for the development of the project. The RMB200 million of investment this time represents additional round of capital contribution.

The details of the Projects are as follows:

City	Project Company	Type	Investment amount	Investment period	Guaranteed annualised investment return	Exit mechanism	Credit enhancement measures
Luzhou	Luzhou Jiangnan Construction and Development Co., Ltd	Equity	Additional capital contribution of RMB300 million	2 years	12.5%	1. Jiangnan Company shall repurchase the capital invested by instalments. The investment return shall be paid on annual basis, which shall be included in municipal fiscal budget; 2. The operation income provides second source of the repurchase funds and	1. Luzhou City's Bureau of Finance provides full equity pledge of Jiangnan Company; 2. Luzhou Industrial Investment Group provides the third-party full and unlimited joint liability guarantee 3. Jiangnan Company or Luzhou Jiangnan

						investment return payment	Construction Development Co., Ltd pledges assets or land use rights as security.
Jinjiang	Jinjiang Housing Construction Development Co., Ltd	Equity	RMB500 million	34 months	11.5% (8.6% on after-tax basis)	1. The investment return will preferentially be paid on annual basis by Jinjiang Housing Construction. If the rate of return does not reach the agreed rate the shortfall shall be covered by Jinjiang Investment. 2. Upon exit, Jinjiang Investment shall repurchase the equity.	1. Jinjiang Investment will provide equity pledge of Jinjiang Housing Construction; 2. Jinjiang Energy Investment Company will provide irrevocable guarantee.
Shaoyang	Shaoyang City Affordable-housing Development Co., Ltd.	Equity	Additional capital contribution of RMB200 million	5 years	10%	1. The interest shall be paid on annual basis; 2. The principal shall be repurchased by lump sum by Shaoyang City Construction Investment and Operation Group Co.,Ltd upon exit.	1. The relevant funds and investment return shall be included and documented in municipal fiscal budget by the Shaoyang municipal government; 2. Transfer payment agreement with Shaoyang City Construction Investment and Operation Group Co.,Ltd.

Riding on the Partnership's investment, the Company is expected to continuously participate in various 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, 3 December 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) and Mr. Li Yao Min (Vice Chairman); 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.