
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular (“Circular”) or as to the course of action you should take, you should consult your licensed securities dealer, registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in China New Town Development Company Limited (the “Company”), you should immediately forward this Circular and the enclosed Notice of Annual General Meeting and the attached Proxy Forms to the purchaser or transferee or to the licensed securities dealer, registered institution in securities, stockbroker, bank or other agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

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 Circular.

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



CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中國新城鎮發展有限公司

(Incorporated as a company limited by shares under the laws of the British Virgin Islands)

(Company Registration Number: 1003373)

Singapore Stock Code: D4N.si

Hong Kong Stock Code: 1278

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
- (2) THE PROPOSED GRANT OF THE SHARE BUY-BACK MANDATE;**
- (3) THE PROPOSED GRANT OF THE SHARE ISSUE MANDATE;**
- AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the AGM of the Company to be held at Casuarina Suite B, Level 3, Raffles Hotel Singapore, 1 Beach Road, Singapore 189673, on Friday, 29 April 2016 at 2:00 p.m. is set out on pages 38 to 45 of this Circular. Shareholders who are unable to attend the AGM and wish to appoint a proxy/proxies to attend and vote on their behalf are requested to complete and return the relevant form of proxy accompanying the Circular in accordance with the instructions printed thereon to the Company's Singapore share transfer agent, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00, Singapore 068898 (for Shareholders registered in the Company's British Virgin Islands register), or to the Company's branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Shareholders registered in the Company's Hong Kong branch register), as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

CIRCULAR DATED 29 MARCH 2016

TABLE OF CONTENTS

HEADINGS	PAGE
DEFINITIONS	1-6
LETTER TO SHAREHOLDERS	7-28
1. INTRODUCTION	7
2. RE-ELECTION OF RETIRING DIRECTORS	8
3. THE PROPOSED GRANT OF THE SHARE BUY-BACK MANDATE ...	8
4. THE PROPOSED GRANT OF THE SHARE ISSUE MANDATE	24
5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS ...	25
6. AGM AND PROXY	27
7. DIRECTORS' RECOMMENDATIONS	27
8. DIRECTORS' RESPONSIBILITY STATEMENT	28
9. DOCUMENTS AVAILABLE FOR INSPECTION	28
APPENDIX 1 PARTICULARS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED	29
APPENDIX 2 EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE	34
NOTICE OF ANNUAL GENERAL MEETING	38

DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout where the context admits unless otherwise stated:

“2015 AGM”	:	The annual general meeting of the Company held on 24 April 2015
“AGM”	:	The annual general meeting of the Company to be held on Casuarina Suite B, Level 3, Raffles Hotel Singapore, 1 Beach Road, Singapore 189673, on Friday, 29 April 2016 at 2:00 p.m., notice of which is set out on pages 38 to 45 of this Circular
“AGM Notice”	:	The notice for convening the AGM set out in pages 38 to 45 of this Circular
“Articles”	:	The articles of association of the Company, as amended, supplemented or modified from time to time
“Average Closing Price”	:	Has the meaning ascribed to it under paragraph 3.3.4 of the Circular
“Board”	:	The board of Directors
“BVI”	:	The British Virgin Islands
“BVI Act”	:	The Business Companies Act, 2004 of the BVI as amended, supplemented or otherwise modified from time to time
“BVS”	:	Book value per Share
“CDB”	:	China Development Bank Corporation, a state-owned strategic financial institution incorporated by the State Council of the People’s Republic of China
“CDBC”	:	China Development Bank Capital Corporation Ltd., a wholly-owned subsidiary of CDB
“CDBIH”	:	China Development Bank International Holdings Limited, a company incorporated in Hong Kong which is wholly-owned by CDBC, which in turn is a wholly-owned subsidiary of CDB
“CDP”	:	The Central Depository (Pte) Limited or its nominees(s), as the case may be

DEFINITIONS

“Circular”	:	This circular dated 29 March 2016
“CNTD Share Option Scheme”	:	The share option scheme approved and adopted by the Company at an extraordinary general meeting held on 3 September 2010
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	:	China New Town Development Company Limited, a company incorporated in the BVI with limited liability, the shares of which are listed on the SGX-ST and the SEHK
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the voting shares of a company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of a company); or (b) in fact exercises control over a company
“date of the making of the offer”	:	Has the meaning ascribed to it in paragraph 3.3.4 of this Circular
“Depositor Proxy Form”	:	The enclosed proxy form in relation to the appointment of a proxy/proxies for a Depositor
“Direct Interest”	:	Shall have the meaning ascribed to it under the Singapore Listing Rules, being, in relation to a securities holder, securities registered in his own name and securities held in his direct securities account with CDP
“Directors”	:	The directors of the Company for the time being
“EPS”	:	Earnings per Share
“Group”	:	The Company and its Subsidiaries as at the date of this Circular
“Highest Last Dealt Price”	:	Has the meaning ascribed to it in paragraph 3.3.4 of this Circular
“HK Buy-backs Code”	:	The Code on Share Buy-backs of Hong Kong, as amended, supplemented or modified from time to time

DEFINITIONS

“HK Listing Rules”	:	The Rules Governing the Listing of Securities on the SEHK, as amended, supplemented or modified from time to time
“HK Takeovers Code”	:	The Code on Takeovers and Mergers of Hong Kong, as amended, supplemented or modified from time to time
“Hong Kong”	:	The Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	:	The latest practicable date prior to the submission of this Circular for the purpose of ascertaining certain information contained in this Circular, being 24 February 2016
“Market Day”	:	A day on which the SGX-ST or the SEHK, as the case may be, is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in paragraph 3.3.3 of the Circular
“Maximum Price”	:	Has the meaning ascribed to it in paragraph 3.3.4 of the Circular
“Memorandum”	:	The memorandum of association of the Company, as amended, supplemented or modified from time to time
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning ascribed to it in paragraph 3.3.3 of this Circular
“PRC”	:	The People’s Republic of China which, for the purpose of this Circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proxy Forms”	:	Depositor Proxy Form and Shareholder Proxy Form
“Relevant Period”	:	The period from the date of approval of the new Share Issue Mandate until whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company;

DEFINITIONS

- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company or any other applicable laws of the British Virgin Islands to be held; and
 - (c) the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to the Directors under the Share Issue Mandate
- “Rights Issue” : An offer of Shares or issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate, such other securities), (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company)
- “ROE” : Return on equity
- “Securities Account” : A securities account maintained by a Depositor with CDP but does not include a securities sub-account
- “SEHK” : The Stock Exchange of Hong Kong Limited
- “SFA” : Securities and Futures Act (Chapter 289 of Singapore) as amended, supplemented or otherwise modified from time to time
- “SFO” : The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
- “SGX-ST” : Singapore Exchange Securities Trading Limited

DEFINITIONS

“Share Buy-back Mandate”	:	The general mandate to be granted by the Shareholders at the AGM to authorise the Directors to purchase, redeem or otherwise acquire Shares in accordance with the terms set out in Ordinary Resolution No. 9 in the AGM Notice
“Share Issue Mandate”	:	The general mandate to be granted by the Shareholders at the AGM to authorise the Directors to allot, issue and deal with Shares in accordance with the terms set out in Ordinary Resolution No. 10 in the AGM Notice
“Shareholder(s)”	:	The duly registered holder(s) of the Shares from time to time, except that where the registered holder is CDP, the term “Shareholder” shall in relation to such Shares and where the context admits mean the Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
“Shareholder Proxy Form”	:	The enclosed proxy form in relation to the appointment of a proxy/proxies for a Shareholder
“Shares”	:	Ordinary shares of no par value of the Company
“SIC”	:	Securities Industry Council
“Singapore”	:	The Republic of Singapore
“Singapore Listing Rules”	:	The listing rules of the SGX-ST set out in the Listing Manual of the SGX-ST
“Singapore Takeover Code”	:	The Singapore Code on Take-overs and Mergers
“SRE Investment”	:	SRE Investment Holding Limited, a company owned as to 66% in aggregate by Mr. Shi Jian (a former executive Director) and his spouse
“Subsidiary”	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act or Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or modified from time to time
“Substantial Shareholder”	:	A person who has an interest in not less than 5.0% of the issued voting shares of the Company
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“RMB”	:	Renminbi, the lawful currency of the PRC
“S\$”	:	Singapore dollars, the lawful currency of Singapore
“%”	:	Per centum or percentage

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and the neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the SFO, the Singapore Listing Rules, the HK Listing Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the SFO, the Singapore Listing Rules, the HK Listing Rules or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore and Hong Kong time (the two being in the same time zone) unless otherwise stated.

Any discrepancy with the tables in this Circular between the listed amounts and the totals thereof is due to rounding.

Unless otherwise stated, the following exchange rate has been used in this Circular:

S\$100: RMB464.09

(Source: middle rate of the People’s Bank of China as at 24 February 2016)

The exchange rate as set out above is used for illustrative purposes only and should not be construed as a representation that the relevant amounts have been or could be converted at the rate above or at any other rate.

This document is in English and Chinese versions. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

LETTER TO SHAREHOLDERS



CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中國新城鎮發展有限公司

(Incorporated as a company limited by shares under the laws of the British Virgin Islands)

(Company Registration Number: 1003373)

Singapore Stock Code: D4N.sj

Hong Kong Stock Code: 1278

Directors:

Mr. Fan Haibin (*Chairman and Non-executive Director*)

Mr. Liu Heqiang (*Chief Executive Officer and Executive Director*)

Ms. Yang Meiyu (*Executive Director*)

Mr. Ren Xiaowei (*Executive Director*)

Mr. Zuo Kun (*Vice Chairman and Non-executive Director*)

Mr. Li Yao Min (*Vice Chairman and Non-executive Director*)

Mr. Xie Zhen (*Non-executive Director*)

Mr. Henry Tan Song Kok (*Lead Independent Non-Executive Director*)

Mr. Kong Siu Chee (*Independent Non-executive Director*)

Mr. Zhang Hao (*Independent Non-executive Director*)

Mr. E Hock Yap (*Independent Non-executive Director*)

Registered Agent:

Tricor Services (BVI) Limited

Registered Office:

2/F Palm Grove House

P.O. Box 3340

Road Town, Tortola

British Virgin Islands

Headquarters and principal place of business in Hong Kong:

Suites 4506 – 4509

Two International Finance Centre

No. 8 Finance Street

Central, Hong Kong

Singapore and Hong Kong, 29 March 2016

To: The Shareholders

Dear Sir/Madam,

- (1) THE PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
- (2) THE PROPOSED GRANT OF THE SHARE BUY-BACK MANDATE;**
- (3) THE PROPOSED GRANT OF THE SHARE ISSUE MANDATE;**
- AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

1 INTRODUCTION

The Singapore Listing Rules and the HK Listing Rules contain provisions to regulate, *inter alia*, the issue of shares by companies with primary listings of their securities on the SGX-ST and the SEHK respectively. The purpose of this Circular is to provide you with further information on the resolutions to be proposed at the AGM to approve (i) the proposed

LETTER TO SHAREHOLDERS

re-election of the retiring Directors; (ii) the proposed grant of the Share Buy-back Mandate; and (iii) the proposed grant of the Share Issue Mandate subject to the Singapore Listing Rules, the HK Listing Rules and all applicable laws and regulations.

IMPORTANT: In cases where there are discrepancies between the applicable laws, rules and/or regulations of Hong Kong and Singapore, the more stringent set of laws, rules and regulations shall prevail.

2 RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Liu Heqiang, Ms. Yang Meiyu, and Mr. Ren Xiaowei; the non-executive Directors were Mr. Fan Haibin, Mr. Zuo Kun, Mr. Li Yao Min and Mr. Xie Zhen; and the independent non-executive Directors were Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.

Pursuant to Article 86(1) of the Articles, Mr. Zuo Kun, Mr. Liu Heqiang, Mr. Ren Xiaowei and Mr. Henry Tan Song Kok shall retire from office by rotation and, being eligible, shall offer themselves for re-election at the AGM.

Pursuant to Article 85(7) of the Articles, Mr. Xie Zhen, shall retire from office and shall be eligible for re-election at the AGM.

The particulars required to be disclosed under the HK Listing Rules in relation to the retiring Directors proposed for re-election are set out in Appendix 1 to this Circular.

3 THE PROPOSED GRANT OF THE SHARE BUY-BACK MANDATE

3.1 Proposed Grant of the Share Buy-back Mandate

Any purchase, redemption or acquisition of shares by the Company would have to be made in accordance with, and in the manner prescribed by the BVI Act, the Memorandum, the Articles, the Singapore Listing Rules and the HK Listing Rules and such other laws and regulations as may, for the time being, be applicable.

The Share Buy-back Mandate is a general mandate to be granted by Shareholders that allows the Company to purchase, redeem or acquire its issued Shares at any time during the duration and on the terms of the Share Buy-back Mandate. The Articles provide that the Company may not purchase, redeem, or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the BVI Act or any provision of the Memorandum or the Articles to purchase, redeem or otherwise acquire the Shares without their consent.

The Directors propose to seek approval from Shareholders at the AGM to adopt the Share Buy-back Mandate for the purchase, redemption or acquisition by the Company of its issued Shares in accordance with the terms set out below. A resolution set out as Ordinary Resolution No. 9 of the AGM Notice will be proposed as an ordinary resolution pursuant to which the Share Buy-back Mandate will be granted authorising the Directors to exercise all powers of the Company to purchase, redeem or otherwise acquire its issued Shares on the terms of the Share Buy-back Mandate.

LETTER TO SHAREHOLDERS

If approved by Shareholders at the AGM, the authority conferred by the Share Buy-back Mandate will remain in force until the conclusion of the next annual general meeting of the Company, or the date by which such annual general meeting is required to be held, or the date on which the purchase, redemption or acquisition of Shares pursuant to the Share Buy-back Mandate has been carried out to the full extent mandated, or the date on which the authority is revoked or varied in any general meeting of the Company, whichever is the earliest.

3.2 Rationale for the Share Buy-back Mandate

The grant of the Share Buy-back Mandate authorising the Company to purchase, redeem or acquire its Shares would give the Company the flexibility to undertake purchases, redemptions or acquisitions of its Shares up to the 10.0% limit described in paragraph 3.3.1 below at any time, during the period when the Share Buy-back Mandate is in force. The rationale for the Company to undertake the purchase, redemption or acquisition of its issued Shares, is as follows:

- (a) in managing the business of the Group, the management of the Company will strive to increase Shareholders' value by improving, *inter alia*, the ROE of the Company. In addition to growth and expansion of the business, purchases, redemptions and acquisitions of its Shares may be considered as one of the ways through which the ROE of the Company may be enhanced;
- (b) in line with international practice, the Share Buy-back Mandate will provide the Company with greater flexibility in managing its funds and maximising returns to Shareholders. To the extent that the Company has surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Buy-back Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner by way of purchasing its issued Shares at prices which are viewed as favourable;
- (c) the Share Buy-back Mandate will provide the Company with the flexibility to undertake purchases, redemptions or acquisitions of its Shares at any time, subject to market conditions, during the period when the Share Buy-back Mandate is in force;
- (d) share purchases, redemptions or acquisitions may help mitigate short-term market volatility (by way of stabilising the supply and demand of its issued Shares), offset the effects of short-term speculation, support the fundamental value of the issued Shares and bolster Shareholder confidence; and
- (e) all things being equal, purchases, redemptions or acquisitions of Shares pursuant to the Share Buy-back Mandate will result in a lower number of issued Shares being used for the purpose of computing EPS and BVS. Therefore, share purchases, redemptions or acquisitions under the Share Buy-back Mandate will improve the Company's EPS and BVS, which in turn is expected to have a positive impact on the fundamental value of its issued Shares.

LETTER TO SHAREHOLDERS

While the Share Buy-back Mandate would authorise purchases, redemptions or acquisitions of Shares up to the said 10.0% limit during the duration referred to in paragraph 3.3.2 below, Shareholders should note that purchases, redemptions or acquisitions of Shares pursuant to the Share Buy-back Mandate may not be carried out to the full 10.0% limit as authorised and the purchases, redemptions or acquisitions of Shares pursuant to the Share Buy-back Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST and/or the SEHK. The Directors will use their best efforts to ensure that after a purchase, redemption or acquisition of Shares pursuant to the Share Buy-back Mandate, the number of Shares remaining in the hands of the public will not fall below the minimum level as prescribed by the Singapore Listing Rules or the HK Listing Rules or fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST and/or the SEHK.

3.3 Authority and Limits on the Share Buy-back Mandate

The authority and limitations placed on purchases, redemptions or acquisitions of its Shares by the Company under the Share Buy-back Mandate are summarised below:

3.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased, redeemed or acquired by the Company. The total number of Shares which may be purchased, redeemed or acquired pursuant to the Share Buy-back Mandate is limited to that number of Shares representing not more than 10.0% of the total number of issued Shares of the Company (ascertained as at the date of the AGM).

For illustrative purposes only, on the basis of 9,846,119,747 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, not more than 984,611,974 Shares (representing 10.0% of the total number of issued Shares of the Company as at that date) may be purchased, redeemed or acquired by the Company pursuant to the Share Buy-back Mandate during the duration referred to in paragraph 3.3.2 below.

3.3.2 Duration of authority

Purchases, redemptions or acquisitions of Shares pursuant to the Share Buy-back Mandate may be made, at any time and from time to time, on and from the date of the forthcoming AGM at which the Share Buy-back Mandate is approved, up to:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the date by which the next annual general meeting is required by any applicable laws or the Articles to be held; or

LETTER TO SHAREHOLDERS

- (c) the date on which the purchases, redemptions or acquisitions of Shares pursuant to the Share Buy-back Mandate are carried out to the full extent mandated; or
- (d) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by the Shareholders in general meeting.

whichever is the earliest.

When seeking the approval of the Shareholders for the grant of the Share Buy-back Mandate, according to the relevant requirements under the Singapore Listing Rules and the HK Listing Rules, the Company is required to disclose information including but not limited to details pertaining to purchases, redemptions or acquisitions of Shares made during the previous twelve (12) months, including the total number of Shares purchased, redeemed or acquired, the purchase, redemption or acquisition price per Share or the highest and lowest prices paid for such purchases, redemptions or acquisitions of Shares, where relevant, and the total consideration paid for such purchases, redemptions or acquisitions.

3.3.3 Manner of Purchases, Redemptions or Acquisitions of Shares

Purchases, redemptions or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s), redemption(s) or acquisition(s) (“**Market Purchase**”), transacted on the SGX-ST and/or the SEHK through the ready market, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s), redemption(s) or acquisition(s) (“**Off-Market Purchase**”) effected pursuant to an equal access scheme, as may be determined or formulated by the Directors as they consider fit.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-back Mandate, the Singapore Listing Rules, the HK Listing Rules, the HK Buy-backs Code and the BVI Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

- (a) offers for the purchase, redemption or acquisition of Shares shall be made to every person who holds Shares to purchase, redeem or acquire the same percentage of their Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

LETTER TO SHAREHOLDERS

- (c) the terms of all the offers are the same except that there shall be disregarded:
 - (A) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
 - (B) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Singapore Listing Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase, redemption or acquisition of Shares;
- (4) the consequences, if any, of the purchases, redemptions or acquisitions of Shares by the Company that will arise under the Singapore Takeover Code or other applicable take-over rules;
- (5) whether the purchases, redemptions or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases, redemptions or acquisitions of Shares made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, redeemed or acquired, the purchase, redemption or acquisition, price per Share or the highest and lowest prices paid for the purchases, redemptions or acquisitions of Shares, where relevant, and the total consideration paid for the purchases, redemptions and acquisitions; and
- (7) whether the Shares purchased, redeemed, or acquired by the Company will be cancelled or kept as treasury shares.

In Hong Kong, companies with a primary listing of its equity securities in Hong Kong may only engage an Off-Market Purchase approved in accordance with Rule 2 of the HK Buy-backs Code. According to the HK Repurchase Code, Off-Market Purchases must be approved by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or his delegates before a repurchasing company acquires any shares pursuant to such share buy-back. Such approval will

LETTER TO SHAREHOLDERS

normally be conditional upon, amongst others, approval of the proposed Off-Market Purchase by at least three-fourths of the votes cast on a poll by disinterested shareholders in attendance in person or by proxy at a general meeting of shareholders duly convened and held to consider the proposed transaction. The repurchasing company should also comply with such other applicable requirements under the HK Buy-backs Code. Accordingly, even if the Share Buy-back Mandate shall have been approved by Shareholders at the AGM, the Company will still be required to convene a general meeting to seek specific approval from Shareholders in the event it wishes to conduct an Off-Market Purchase in compliance with the applicable requirements of the HK Buy-backs Code.

3.3.4 Maximum Purchase Price

The purchase, redemption or acquisition price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or committee of Directors that may be constituted for the purposes of effecting purchases, redemptions or acquisitions of Shares by the Share Buy-back Mandate. However, the purchase, redemption or acquisition price to be paid for the Shares pursuant to the purchases, redemptions or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105.0% of the Average Closing Price; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Highest Last Dealt Price,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase, redemption or acquisition.

For the above purpose:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or the SEHK, as the case may be, immediately preceding the date of the Market Purchase by the Company and deemed to be adjusted in accordance with the Singapore Listing Rules or the HK Listing Rules, as the case may be, for any corporate action which occurs after the relevant five (5) Market Days;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the SGX-ST or the SEHK, as the case may be, on the Market Day on which there were trades in the Shares immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase, redemption or acquisition price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

LETTER TO SHAREHOLDERS

3.4 Status of Purchased Shares

According to the BVI Act, unless the shares are held as treasury shares, any shares acquired by a company incorporated under the BVI Act are deemed to be cancelled immediately on purchase, redemption or other acquisition.

Issuers listed on the SEHK are not allowed to hold treasury shares. Accordingly, as the Company is listed on the Main Board of the SEHK, the Company shall not be allowed to hold treasury shares and any Shares purchased, redeemed or acquired pursuant to the Share Buy-back Mandate will be cancelled.

3.5 Reporting Requirements

The Singapore Listing Rules specifies that a listed company on the SGX-ST shall notify the SGX-ST of all purchases, redemptions or acquisitions of its shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases, redemptions or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details as the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which shall enable the Company to make the notifications to the SGX-ST.

Under the HK Listing Rules, after a listed issuer has made a purchase, redemption or acquisition of its shares whether on the SEHK or otherwise, the listed issuer shall:

- (i) submit for publication to the SEHK not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a purchase, redemption or acquisition of shares (whether on the SEHK or otherwise), the total number of shares purchased, redeemed or acquired by the issuer the previous day, the purchase, redemption or acquisition price per share or the highest and lowest prices paid for such purchases, redemptions or acquisitions, where relevant, and shall confirm that those purchases, redemptions or acquisitions which were made on the SEHK were made in accordance with the HK Listing Rules and if the issuer's primary listing is on the SEHK, that there have been no material changes to the particulars contained in the explanatory statement issued by the listed issuer in relation to the mandate pursuant to which such share purchase, redemption or acquisition is made. In respect of purchases, redemptions or acquisitions made on another stock exchange, the issuer's report must confirm that those purchases, redemptions or acquisitions were

LETTER TO SHAREHOLDERS

made in accordance with the domestic rules applying to purchases, redemptions or acquisitions on that other stock exchange. Such reports shall be made on a return in such form and containing such information as the SEHK may from time to time prescribe. In the event that no shares are purchased, redeemed or acquired on any particular day then no return need be made to the SEHK. The listed issuer should make arrangements with its brokers to ensure that they provide to the issuer in a timely fashion the necessary information to enable the listed issuer to make the report to the SEHK; and

- (ii) include in its annual report and accounts a monthly breakdown of purchases, redemptions or acquisitions of shares made during the financial year under review showing the number of shares purchased, redeemed or acquired each month (whether on the SEHK or otherwise) and the purchase, redemption or acquisition price per share or the highest and lowest price paid for all such purchases, redemptions or acquisitions, where relevant, and the aggregate price paid by the issuer for such purchases, redemptions or acquisitions. The directors' report shall contain reference to the purchases, redemptions or acquisitions made during the year and the directors' reasons for making such purchases, redemptions or acquisitions.

3.6 Source of Funds

The Company may only apply funds for the purchase, redemption or acquisition of its Shares as provided in the Articles and in accordance with the applicable laws in Singapore, Hong Kong and BVI. The Company may not purchase, redeem or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST and the SEHK.

The BVI Act does not specify the funds out of which a company incorporated in BVI as a business company may use to pay the purchase, redemption or acquisition price. Such company may purchase, redeem or otherwise acquire its own shares so long as it is in accordance with the provisions of the BVI Act or such other provisions for the purchase, redemption or acquisition as may be specified in the memorandum of association or articles of association of the company, and that the directors of the company are satisfied on reasonable grounds, that the company will, immediately after the purchase, redemption or acquisition, satisfy the solvency test.

The BVI Act provides for certain situations in which the solvency test need not be satisfied. For instance, where the company redeems the shares pursuant to a right of a shareholder to have his shares redeemed or exchanged for money or other property of the company.

The Company intends to use internal sources of funds to finance the Company's purchase, redemption or acquisition of Shares pursuant to the Share Buy-back Mandate. In purchasing, redeeming or acquiring Shares pursuant to the Share Buy-back Mandate, the Directors shall principally consider the availability of internal resources. The Directors shall only make purchases, redemptions or acquisitions of Shares pursuant to the Share Buy-back Mandate in circumstances which they believe shall not result in any material adverse effect to the financial position of the Company or the Group.

LETTER TO SHAREHOLDERS

3.7 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases, redemptions or acquisitions of Shares that may be made pursuant to the Share Buy-back Mandate on the NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased, redeemed or acquired, the source of funds out of which the Company may use to pay the purchase, redemption or acquisition price, the purchase, redemption or acquisition price paid for such Shares and the amount (if any) borrowed by the Company to fund the purchases, redemptions or acquisitions.

The Company's total number of issued Shares will be reduced by the aggregate number of Shares purchased, redeemed or acquired and cancelled by the Company. The NTA of the Group will be reduced by the aggregate purchase, redemption or acquisition price paid by the Company for the Shares.

Where the consideration paid by the Company for the purchase, redemption or acquisition of Shares is made out of profits, such consideration (excluding related brokerages, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase, redemption or acquisition of Shares is made out of the funds received by the Company from the Shareholders as consideration for the Shares allotted and issued to them, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buy-back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase, redemption or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Buy-back Mandate will be exercised with a view to enhancing the EPS and/or the NTA value per Share.

For illustrative purposes only, the financial effects of the Share Buy-back Mandate on the Company and the Group, based on the unaudited full year financial statements of the Company and the Group for the financial period ended 31 December 2015, are based on the following assumptions:

- (a) based on 9,846,119,747 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the date of passing of the resolution granting the Share Buy-back Mandate, not more than 984,611,974 Shares (representing 10.0% of the total number of issued Shares as at the Latest Practicable Date) may be purchased, redeemed or acquired by the Company pursuant to the Share Buy-back Mandate;

LETTER TO SHAREHOLDERS

- (b) in the case of Market Purchases by the Company and assuming that the Company purchases, redeems or acquires 984,611,974 Shares at the Maximum Price of S\$0.04977 for one (1) Share (being the price equivalent to 5.0% above the Average Closing Price of the Shares for the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase, redemption or acquisition of 984,611,974 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$49,004,137.94, or RMB227,423,303.70; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases, redeems or acquires 984,611,974 Shares at the Maximum Price of S\$0.050 for one (1) Share (being the price equivalent to 20.0% above the Highest Last Dealt Price of the Shares on the Market Day on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase, redemption or acquisition of 984,611,974 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$49,230,598.70 or RMB228,474,285.50.

For illustrative purposes only, and based on the assumptions set out in sub paragraphs (a), (b) and (c) above and assuming that (i) the purchase, redemption or acquisition of Shares is financed by internal sources of funds; and (ii) the Company had purchased, redeemed or acquired 984,611,974 Shares (representing 10.0% of its total number of issued Shares at the Latest Practicable Date) on 31 December 2015, the financial effects of the purchase, redemption or acquisition of 984,611,974 Shares by the Company pursuant to the Share Buy-back Mandate by way of purchases, redemptions or acquisitions made entirely out of the funds received by the Company from the Shareholders as consideration for the Shares allotted and issued to them and cancelled, based on the unaudited full year financial statements of the Company and the Group for the financial period ended 31 December 2015, are set out below.

(A) Market Purchases

As at 31 December 2015	Group Before Share Buy-back, Redemption or Acquisition (RMB'000)	Group After Share Buy-back, Redemption or Acquisition (RMB'000)	Company Before Share Buy-back, Redemption or Acquisition (RMB'000)	Company After Share Buy-back, Redemption or Acquisition (RMB'000)
Profit/(loss) after tax and minority interest	65,141	65,141	100,227	100,227
Share capital	4,110,841	4,110,841	4,110,841	4,110,841
Other reserves	579,270	579,270	1,912,683	1,912,683
Retained earnings/ (Accumulated losses)	(1,099,154)	(1,099,154)	(1,906,811)	(1,906,811)

LETTER TO SHAREHOLDERS

As at 31 December 2015	Group Before Share Buy-back, Redemption or Acquisition (RMB'000)	Group After Share Buy-back, Redemption or Acquisition (RMB'000)	Company Before Share Buy-back, Redemption or Acquisition (RMB'000)	Company After Share Buy-back, Redemption or Acquisition (RMB'000)
Treasury shares	–	227,423	–	227,423
Shareholders' funds	3,590,957	3,363,534	4,116,713	3,889,290
NTA	3,884,422	3,656,999	4,116,713	3,889,290
Minority interest	293,465	293,465	–	–
Current assets	10,315,763	10,088,340	1,080,242	852,819
Current liabilities	5,730,523	5,730,523	17,800	17,800
Total borrowings	1,024,030	1,024,030	–	–
Number of issued Shares	9,846,119,747	8,861,507,773	9,846,119,747	8,861,507,773
Number of treasury shares	–	984,611,974	–	984,611,974
Financial Ratios				
NTA per Share	0.3945	0.4127	0.4181	0.4389
Gearing ratio	16.11%	21.02%	–	–
Current ratio (times)	1.8	1.76	60.69	47.91
EPS (cents)	0.66	0.74	1.02	1.13

(B) Off-Market Purchases

As at 31 December 2015	Group Before Share Buy-back, Redemption or Acquisition (RMB'000)	Group After Share Buy-back, Redemption or Acquisition (RMB'000)	Company Before Share Buy-back, Redemption or Acquisition (RMB'000)	Company After Share Buy-back, Redemption or Acquisition (RMB'000)
Profit/(loss) after tax and minority interest	65,141	65,141	100,227	100,227
Share capital	4,110,841	4,110,841	4,110,841	4,110,841
Other reserves	579,270	579,270	1,912,683	1,912,683
Retained earnings/(Accumulated losses)	(1,099,154)	(1,099,154)	(1,906,811)	(1,906,811)
Treasury shares	–	274,169	–	274,169
Shareholders' funds	3,590,957	3,316,788	4,116,713	3,842,544
NTA	3,884,422	3,610,253	4,116,713	3,842,544
Minority interest	293,465	293,465	–	–
Current assets	10,315,763	10,041,594	1,080,242	806,073
Current liabilities	5,730,523	5,730,523	17,800	17,800
Total borrowings	1,024,030	1,024,030	–	–
Number of issued Shares	9,846,119,747	8,861,507,773	9,846,119,747	8,861,507,773
Number of treasury shares	–	984,611,974	–	984,611,974

LETTER TO SHAREHOLDERS

As at 31 December 2015	Group Before Share Buy-back, Redemption or Acquisition (RMB'000)	Group After Share Buy-back, Redemption or Acquisition (RMB'000)	Company Before Share Buy-back, Redemption or Acquisition (RMB'000)	Company After Share Buy-back, Redemption or Acquisition (RMB'000)
Financial Ratios				
NTA per Share	0.3945	0.4074	0.4181	0.4336
Gearing ratio	16.11%	22.03%	–	–
Current ratio (times)	1.8	1.75	60.69	45.28
EPS (cents)	0.66	0.74	1.02	1.13

Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the Share Buy-back Mandate would authorise the Company to purchase, redeem or acquire up to 10.0% of its total number of issued Shares, the Company may not necessarily purchase, redeem or acquire or be able to purchase, redeem or acquire the entire 10.0% of its total number of issued Shares.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buy-back Mandate or who may be subject to tax in a jurisdiction other than Singapore or Hong Kong should consult their own professional advisers.

3.8 Implications under the Singapore Takeover Code

Appendix 2 of the Singapore Takeover Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase, redemption or acquisition by the Company of its Shares are set out below.

3.8.1 Obligation to make a Take-over Offer

If, as a result of any purchase, redemption or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and person(s) acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Singapore Takeover Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Singapore Takeover Code.

LETTER TO SHAREHOLDERS

3.8.2 *Persons Acting in Concert*

Under the Singapore Takeover Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (v) a financial or other professional adviser, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's issued Shares;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20.0% but not more than 50.0% of the voting rights of a company will be regarded as the test of "associated company" status.

LETTER TO SHAREHOLDERS

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Singapore Takeover Code after a purchase, redemption or acquisition of Shares by the Company are set out in Appendix 2 of the Singapore Takeover Code.

3.8.3 Application of the Singapore Takeover Code

In general terms, the effect of Rule 14 and Appendix 2 of the Singapore Takeover Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Singapore Takeover Code if, as a result of the Company purchasing, redeeming or acquiring its issued Shares, the voting rights of such Directors and the persons acting in concert with them would increase to 30.0% or more or in the event that such Directors and the persons acting in concert with them hold between 30.0% and 50.0% of the Company's voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than 1.0% in any period of six (6) months.

Under Appendix 2 of the Singapore Takeover Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company buying back its issued Shares, the voting rights of the Shareholder will increase to 30.0% or more, or, if he holds between 30.0% and 50.0% of the Company's voting rights, his voting rights increase by more than 1.0% in any period of six (6) months as a result of the Company buying back its Shares.

In addition, under Appendix 2 of the Singapore Takeover Code, a Shareholder and persons acting in concert with him will incur an obligation to make a take-over offer after a Share purchase, redemption or acquisition if, inter alia, their voting rights increase to 30.0% or more as a result of a Share purchase, redemption or acquisition by the Company and they acquire any Shares between the date of the notice of resolution to authorise the Share Buy-back Mandate and the next annual general meeting of the Company, or, if they already hold between 30.0% and 50.0% of the Company's voting rights and as a result of a Share purchase, redemption or acquisition by the Company their voting rights increase by more than 1.0% in any period of six (6) months and they acquire Shares between the date of the notice of resolution to authorise the Share Buy-back Mandate and the next annual general meeting of the Company.

3.8.4 Requirement to make a general offer

As at the Latest Practicable Date, based on the interest of the Substantial Shareholders recorded in the Register of Substantial Shareholders and the interests of the Directors recorded in the Register of Directors' Shareholdings, the Directors are not aware of any Shareholder and persons acting in concert with him who may become obligated to make a mandatory takeover offer for all the Shares in the event that the Directors exercise the power to repurchase the maximum limit of 10% of its issued share capital pursuant to the Share Buy-back Mandate.

LETTER TO SHAREHOLDERS

Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Singapore Takeover Code as a result of any purchase, redemption or acquisition of Shares by the Company pursuant to the Share Buy-back Mandate are advised to consult their professional advisers and/or the SIC before they acquire any Shares in the Company during the period when the Share Buy-back Mandate is in force.

3.9 Implications under the HK Takeovers Code

If, as a result of the buy-back of securities by the Company pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the HK Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the HK Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which may arise under the HK Takeovers Code as a result of any buy-back to be made under the Share Buy-back Mandate.

Further information regarding the implications under the HK Takeovers Code is set out in the paragraph headed "HK Takeovers Code Implications" in Appendix 2 to this Circular.

3.10 Dealing Restrictions

While the Singapore Listing Rules do not expressly prohibit the purchase, redemption or acquisition by a listed company of its shares during any particular time or times, the listed company would be considered an "insider" in relation to any proposed purchase, redemption or acquisition of its issued shares. In this regard, the Company will not purchase, redeem or acquire any Shares pursuant to the Share Buy-back Mandate after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, the Company will not purchase, redeem or acquire any Shares through Market Purchases during the period of:

- (a) one (1) month immediately preceding the announcement of the Company's full-year results; and
- (b) two (2) weeks immediately preceding the announcement of the Company's results for each of the first three (3) quarters of its financial year.

Similarly, under the HK Listing Rules, an issuer shall not purchase, redeem or acquire its shares on the SEHK at any time after a price sensitive development has occurred or has been the subject of a decision until such time as the inside information is made publicly available. In particular, during the period of one (1) month immediately preceding the earlier of (i) the date of the board meeting (as such date is first notified to the SEHK in accordance with the HK Listing Rules) for the approval of the issuer's results for any year, half-year, quarterly or any

LETTER TO SHAREHOLDERS

other interim period (whether or not required under the HK Listing Rules); and (ii) the deadline for the issuer to publish an announcement of its results for any year or half-year under the HK Listing Rules, or quarterly or any other interim period (whether or not required under the HK Listing Rules), and ending on the date of the results announcement, the issuer may not purchase, redeem or acquire its shares on the SEHK, unless the circumstances are exceptional. Further, an issuer shall not knowingly purchase, redeem or acquire its shares from a connected person and a connected person shall not knowingly sell shares to the issuer, on the SEHK.

The Company is required under Rule 723 of the Singapore Listing Rules to ensure that at least 10.0% of its issued Shares are in the hands of the public. The “public”, as defined under the Singapore Listing Rules, consists of persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates of such persons.

Pursuant to the HK Listing Rules, the Company shall ensure that at least 25.0% of its issued Shares will remain in the hands of the public at all times.

Based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, 3,014,783,114 Shares, representing approximately 30.62% of the total issued Shares, are in the hands of the public.

Assuming that the Company purchases, redeems or acquires its Shares through Market Purchases up to the full 10.0% limit pursuant to the Share Buy-back Mandate from the public, the number of Shares in the hands of the public would be reduced to 2,030,171,140 Shares, representing approximately 22.91% of the reduced issued share capital of the Company.

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases, redemptions or acquisitions of its issued Shares up to the full 10.0% limit pursuant to the Share Buy-back Mandate without affecting the orderly trading of the Shares on the SGX-ST and the listing status of the Shares on the SGX-ST.

In undertaking any purchases, redemptions or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, redemptions or acquisitions, a sufficient float in the hands of the public will be maintained so that the purchases, redemptions or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST and/or the SEHK, cause market illiquidity or adversely affect the orderly trading of the Shares.

3.11 Previous Share Buy-backs

In the last twelve (12) months immediately preceding the Latest Practicable Date, the Company did not purchase, redeem or acquire any Shares either by way of Market Purchases or Off-Market Purchases.

LETTER TO SHAREHOLDERS

3.12 Explanatory Statement under the HK Listing Rules

An explanatory statement as required under the HK Listing Rules to be sent to Shareholders providing information regarding the Share Buy-back Mandate is set out in Appendix 2 to this Circular.

4 THE PROPOSED GRANT OF THE SHARE ISSUE MANDATE

- 4.1 At the 2015 AGM, a general mandate was granted by the Shareholders to the Directors authorising the Directors to issue Shares and/or make or grant offers, agreements or options that might or would require Shares to be issued in accordance with the terms set out in the resolution approving such mandate and in compliance with the HK Listing Rules, the Singapore Listing Rules, all applicable legal requirements and the Articles. The existing share issue mandate will expire upon the conclusion of the AGM.
- 4.2 Accordingly, an ordinary resolution as set out in Ordinary Resolution No. 10 in the AGM Notice will be proposed at the AGM to seek the approval of the Shareholders for the grant of the Share Issue Mandate. The proposed Share Issue Mandate is set out below:
- (a) subject to paragraph (c) below and to the HK Listing Rules and the Singapore Listing Rules, the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with any unissued Shares and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the Shares to be issued either during or after the end of the Relevant Period;
 - (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above shall not exceed 50.0% of the aggregate of the total number of Shares in issue (as adjusted in accordance with paragraph (d) below), of which the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted or issued otherwise than (i) on a *pro rata* basis to existing Shareholders (including pursuant to a Rights Issue); or (ii) pursuant to a specific authority granted by the Shareholders in general meeting shall not exceed 20.0% of the aggregate of the total number of Shares in issue as at the time of the passing of Ordinary Resolution No. 10 and the said approval shall be limited accordingly; and

LETTER TO SHAREHOLDERS

- (d) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares allotted or agreed to be conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors on a pro rata basis (including a Rights Issue), the total number of Shares in issue shall be based on the total number of Shares in issue as at the time of the passing of Ordinary Resolution No. 10, after adjusting for:
- (i) new Shares arising from the conversion or exercise of convertible securities subsisting as at the time of the passing of Ordinary Resolution No. 10;
 - (ii) new Shares arising from exercising options or vesting of share awards outstanding or subsisting as at the time of the passing of Ordinary Resolution No. 10, provided the options or awards were granted in compliance with the Singapore Listing Rules; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of Shares.

4.3 As at the Latest Practicable Date, the number of Shares in issue was 9,846,119,747. Accordingly, the exercise of the Share Issue Mandate in full (other than on a *pro rata* basis) would enable the Company to issue a maximum of 1,969,223,949 new Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution granting the Share Issue Mandate).

4.4 The grant of the Share Issue Mandate will provide flexibility to the Directors to issue new Shares when it is in the interests of the Company to do so.

5 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 Directors' Interests

5.1.1 The interests of the Directors as at the Latest Practicable Date are as follows:

	As at the Latest Practicable Date					
	Direct Interest		Deemed Interest pursuant to the SFA		Deemed Interest pursuant to the SFO	
	No. of Shares	Approx. % ⁽¹⁾	No. of Shares	Approx. % ⁽¹⁾	No. of Shares	Approx. % ⁽¹⁾
Fan Haibin	–	–	–	–	–	–
Li Yao Min	8,352,672	0.085	–	–	–	–
Liu Heqiang	–	–	–	–	–	–
Yang Meiyu	–	–	–	–	–	–
Ren Xiaowei	–	–	–	–	–	–
Zuo Kun	–	–	–	–	–	–
Henry Tan Song Kok	600,000	0.006	–	–	–	–
Zhang Hao	–	–	–	–	–	–
Kong Siu Chee	–	–	–	–	–	–
E Hock Yap	–	–	–	–	–	–
Xie Zhen	–	–	–	–	–	–

LETTER TO SHAREHOLDERS

Note:

- (1) The percentage interests are calculated based on the total number of Shares in issue as at the Latest Practicable Date, being 9,846,119,747 Shares.

5.2 Substantial Shareholders' Interests

5.2.1 The interests of the Substantial Shareholders as at the Latest Practicable Date are as follows:

	As at the Latest Practicable Date					
	Direct Interest		Deemed Interest pursuant to the SFA		Deemed Interest pursuant to the SFO	
	<i>No. of Shares</i>	<i>Approx.%⁽¹⁾</i>	<i>No. of Shares</i>	<i>Approx.%⁽¹⁾</i>	<i>No. of Shares</i>	<i>Approx.%⁽¹⁾</i>
CDBIH ⁽²⁾⁽³⁾⁽⁴⁾	5,347,921,071	54.32	–	–	1,468,356,862	14.91
CDBC ⁽²⁾⁽³⁾⁽⁴⁾	–	–	5,347,921,071	54.32	6,816,277,933	69.23
CDB ⁽²⁾⁽³⁾⁽⁴⁾	–	–	5,347,921,071	54.32	6,816,277,933	69.23
SRE Investment ⁽⁵⁾	1,468,356,862	14.91	–	–	5,347,921,071	54.32
Shi Jian ⁽⁶⁾⁽⁷⁾	6,104,938	0.062	1,468,357,952	14.91	6,816,279,023	69.23

Notes:

- (1) The percentage interests are calculated based on the total number of Shares in issue as at the Latest Practicable Date, being 9,846,119,747 Shares.
- (2) CDBIH is a wholly owned subsidiary of CDBC and CDBC, in turn, is wholly owned by CDB. Both CDB and CDBC are therefore deemed under SFA to be interested in the 5,347,921,071 Shares in which CDBIH is directly interested in.
- (3) CDBIH is a wholly owned subsidiary of CDBC and CDBC, in turn, is wholly owned by CDB. Both CDB and CDBC are therefore deemed under Part XV of the SFO to be interested in the 6,816,277,933 Shares in which CDBIH is interested in.
- (4) As both SRE Investment and CDBIH are subject to a three-year lock-up with respect to the Shares held by them respectively pursuant to the Subscription Agreement, CDBIH is deemed under sections 317 and 318 of the SFO to be interested in the 1,468,356,862 Shares held by SRE Investment.
- (5) As both SRE Investment and CDBIH are subject to a three-year lock-up with respect to the Shares held by them respectively pursuant to the Subscription Agreement, SRE Investment is deemed under sections 317 and 318 of the SFO to be interested in the 5,347,921,071 Shares held by CDBIH.
- (6) Pursuant to Section 4 of the SFA, Mr. Shi Jian is deemed interested in a total of 1,468,357,952 Shares for the following reasons: (i) Mr. Shi Jian is deemed interested in 1,468,356,862 Shares held by SRE Investment by virtue of the fact that he and his spouse, Ms. Si Xiao Dong together beneficially own 66% of the issued share capital of SRE Investment as a controlling shareholder; (ii) Mr. Shi Jian is deemed interested in 1,090 Shares held by Ms. Si Xiao Dong by virtue of the fact that she is his spouse.
- (7) Pursuant to Part XV of the SFO, Mr Shi Jian is deemed interested in a total of 6,816,279,023 Shares for the following reasons: (i) Mr Shi Jian is deemed interested in 1,468,356,862 Shares held by SRE Investment by virtue of the fact that he and his spouse, Ms. Si Xiao Dong together beneficially own 66% of the issued share capital of SRE Investment as a controlling shareholder; (ii) as both SRE Investment and CDBIH are subject to a three-year lock-up with respect to the Shares held by them respectively pursuant to the Subscription Agreement, SRE Investment is deemed under sections 317 and 318 of the SFO to be interested in the 5,347,921,071 Shares held by CDBIH under the SFO, and Mr. Shi Jian is accordingly also deemed interested in such Shares which SRE Investment is deemed interested; and (iii) Mr. Shi Jian is deemed interested in 1,090 Shares held by Ms. Si Xiao Dong by virtue of the fact that she is his spouse.

LETTER TO SHAREHOLDERS

6 AGM AND PROXY

- 6.1 A notice convening the AGM is set out in pages 38 to 45 of this Circular. At the AGM, ordinary resolutions will be proposed to approve, among other things, the re-election of the retiring Directors, the grant of the Share Buy-back Mandate and the grant of the Share Issue Mandate.
- 6.2 Shareholders who are unable to attend the AGM and wish to appoint a proxy/proxies to attend and vote on their behalf are requested to complete, sign and return the attached Shareholder Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of the Company's Singapore share transfer agent, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00, Singapore 068898 (for Shareholders registered in the Company's British Virgin Islands register), or the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Shareholders registered in the Company's Hong Kong branch register), not less than 48 hours before the time appointed for the holding of the AGM. The completion and return of a Shareholder Proxy Form by a Shareholder does not preclude him from attending and voting in person at the AGM in place of his proxy/proxies if he finds that he is able to do so. In the event of attendance by such Shareholder, the Shareholder Proxy Form of such Shareholder shall be deemed to be revoked. No further action is required on the part of the Shareholders.
- 6.3 Depositors who wish to attend and vote at the AGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the AGM supplied by CDP to the Company, may attend as CDP's proxies. Such Depositors who are individuals and who wish to attend the AGM in person need not take any further action and can attend and vote at the AGM without the lodgement of any proxy form. Such Depositors who are unable to attend personally and wish to appoint a nominee to attend and vote on his behalf, and who are not individuals, are requested to complete, sign and return the attached Depositor Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event, so as to reach the office of the Company's Singapore share transfer agent, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898, not less than 48 hours before the time appointed for the holding of the AGM. The completion and return of a Depositor Proxy Form by a Depositor does not preclude him from attending and voting in person at the AGM in place of his nominee if he finds he is able to do so.

7 DIRECTORS' RECOMMENDATIONS

- 7.1 The Directors are pleased to recommend the retiring Directors, details of whom are set out in Appendix 1 to this Circular, for re-election at the AGM.
- 7.2 The Directors are of the opinion that the re-election of the retiring Directors, the grant of the Share Buy-back Mandate and the grant of the Share Issue Mandate are in the best interests of the Company. Accordingly, the Directors recommend that the

LETTER TO SHAREHOLDERS

Shareholders vote in favour of the resolutions relating to the re-election of the retiring Directors, the grant of the Share Buy-back Mandate and the grant of the Share Issue Mandate to be proposed at the AGM.

8 DIRECTORS' RESPONSIBILITY STATEMENT

- 8.1 In accordance with the Singapore Listing Rules, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the resolutions proposed in this Circular, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.
- 8.2 This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the HK Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.
- 8.3 Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's Singapore share transfer agent, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00, Singapore 068898 and the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM:

- (a) the Memorandum and the Articles; and
- (b) the Annual Report of the Company for the financial year ended 31 December 2015.

Yours faithfully
For and on behalf of the Board of Directors of
China New Town Development Company Limited
Liu Heqiang
Chief Executive Officer

LETTER FROM THE BOARD – RE-ELECTION OF THE RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Liu Heqiang, Ms. Yang Meiyu and Mr. Ren Xiaowei; the non-executive Directors were Mr. Fan Haibin, Mr. Zuo Kun, Mr. Li Yao Min, Mr. Zhang Yan and Mr. Xie Zhen; and the independent non-executive Directors were Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.

Pursuant to Article 86(1) of the Articles, Mr. Zuo Kun, Mr. Liu Heqiang, Mr. Ren Xiaowei and Mr. Henry Tan Song Kok shall retire from office by rotation, and, being eligible, shall offer themselves for re-election at the AGM.

Pursuant to Article 85(7) of the Articles, Mr. Xie Zhen shall retire from office and be eligible himself for re-election at the AGM.

The particulars required to be disclosed under the HK Listing Rules in relation to the retiring Directors proposed for re-election are set out below:

Particulars of Directors proposed to be re-elected

The following are the particulars of the Directors proposed to be re-elected at the AGM in accordance with the Articles.

Mr. Zuo Kun (左坤), aged 41, holds a bachelor degree in economics from China Institute of Finance. Mr. Zuo currently is the vice president of CDBC, a Controlling Shareholder. Mr. Zuo has an extensive experience in the investment and financial industry. Mr. Zuo joined CDBC in 2009 and has been the vice president of CDBC since March 2011. From 2001 to 2009, Mr. Zuo had been working at, in chronological order, the International Finance Bureau, Lanzhou Branch, and Executive Office of CDB. Mr. Zuo was appointed as a non-executive Director and Vice Chairman of the Board on 28 March 2014 and is responsible for providing guidance and advice on the Company's development strategies as well as project developments and operations.

Save as disclosed in this Circular, Mr. Zuo did not hold any directorships in listed public companies in Hong Kong and overseas during the past three years, nor does he hold any other position with the Company and other members of the Group or other major appointments and professional qualifications. As at the Latest Practicable Date, Mr. Zuo did not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Zuo has entered into a service contract with the Company for the period from 28 March 2015 to 27 March 2016 in respect of his appointment. Nevertheless, his appointment will be subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles or any other applicable laws. Mr. Zuo is currently not entitled to any director's fee or salary payable by the Company, which, however, may be reviewed from time to time at the discretion of the Board.

As at the Latest Practicable Date, save as disclosed above, Mr. Zuo did not have any relationship with any Directors, senior management, Substantial Shareholders or Controlling Shareholders of the Company, nor does he have any interest in the Shares within the meaning of Part XV of the SFO. Also, Mr. Zuo is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the HK Listing Rules or any matters concerning Mr. Zuo that need to be brought to the attention of the Shareholders.

Mr. Liu Heqiang (劉賀強), aged 46, holds a master degree of industrial engineering from University of Science and Technology Beijing. Mr. Liu currently is the general manager of the Direct Investment Division III of CDBC, a Controlling Shareholder. Mr. Liu has an extensive experience in the banking and investment industry. Mr. Liu was appointed as the general manager of Direct Investment Division III of CDBC from December 2009 to March 2015, where he principally engaged in investment in urban development related areas. From 1992 to 2009, Mr. Liu had been working at, in chronological order, State Raw Materials Investment Corporation (國家原材料投資公司), and Northeast Credit Department (東北信貸局), Tianjian Branch, and the Market and Investment Business Bureau, of CDB. Mr. Liu was appointed as an executive Director and the chief executive officer on 28 March 2014. Mr. Liu is the president of the Company and is responsible for the management of the business of the Group.

Save as disclosed in this Circular, Mr. Liu did not hold any directorships in listed public companies in Hong Kong and overseas during the past three years, nor does he hold any other position with the Company and other members of the Group or other major appointments and professional qualifications. As at the Latest Practicable Date, Mr. Liu did not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Liu has entered into a service contract with the Company from 28 March 2015 to 27 March 2016 in respect of his appointment and is entitled to an annual remuneration package of HK\$1.16 million. Nevertheless, his appointment will be subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles or any other applicable laws. Mr. Liu is currently not entitled to any director's fee or salary payable by the Company, which, however, may be reviewed from time to time at the discretion of the Board.

As at the Latest Practicable Date, save as disclosed above, Mr. Liu did not have any relationship with any Directors, senior management or Substantial Shareholders or Controlling Shareholders of the Company, nor did he have any interest in the Shares within the meaning of Part XV of the SFO. Also, Mr. Liu is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the HK Listing Rules or any matters concerning Mr. Liu that need to be brought to the attention of the Shareholders.

Mr. Ren Xiaowei (任曉威), aged 44, holds a bachelor degree in engineering from Beijing Machinery and Industrial College (北京機械工業學院). Mr. Ren was the senior manager of the Direct Investment Division III of CDBC, a Controlling Shareholder. Mr. Ren joined CDBC since December 2009. Mr. Ren also worked as assistant general manager and chief operating officer of China Development Caofeidian Investment Company Limited (國開曹妃甸投資有限公司), the vice president and chief investment supervisor of China Development Jilin Investment Company Limited. Mr. Ren has extensive experience in the import and export industry. Prior to joining CDBC, Mr. Ren worked as department manager of China National Machinery Import & Export Corporation (中國機械進出口公司) during 1995 to 2003 and as managing director of Bidwin Tech during 2003 to 2009. Mr. Ren was appointed as an executive Director on 28 March 2014. Mr. Ren is the vice president of the Company and is responsible for, among other things, the management of urban development projects and construction projects.

Save as disclosed in this Circular, Mr. Ren did not hold any directorships in listed public companies in Hong Kong and overseas during the past three years nor does he hold any other position with the Company and other members of the Group or other major appointments and professional qualifications. As at the Latest Practicable Date, Mr. Ren did not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Ren has entered into any service contract with the Company from 28 March 2015 to 27 March 2016 in respect of his appointment, and is entitled to an annual remuneration package of HK\$0.83 million. Nevertheless, his appointment will be subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles or any other applicable laws. Mr. Ren is currently not entitled to any director's fee or salary payable by the Company, which, however, may be reviewed from time to time at the discretion of the Board.

As at the Latest Practicable Date, save as disclosed above, Mr. Ren did not have any relationship with any Directors, senior management or Substantial Shareholders or Controlling Shareholders of the Company, nor did he have any interest in the Shares within the meaning of Part XV of the SFO. Also, Mr. Ren is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the HK Listing Rules or any matters concerning Mr. Ren that need to be brought to the attention of the Shareholders.

Mr. Xie Zhen (解軫), aged 44, graduated from Tsinghua University and Chinese Academy of Sciences in thermal engineering. Mr. Xie is currently the general manager of the international business of CDBC, a Controlling Shareholder of the Company. Mr. Xie has an extensive experience in the banking and investment industry. Mr. Xie has been appointed as the general manager of the International Business Department of CDBC since December 2014, where he principally engages in international business and related areas of investment business. From 1998 to 2014, Mr. Xie had been working at, in chronological order, PB Electrical and Mechanical Engineering Technology Co., Ltd (柏誠機電工程技術有限公司), China Development Bank Appraisal Board (國開行評審管理局) and China Development Bank Hong Kong Branch. Mr. Xie was appointed as a non-executive Director of the Company on 5 December 2015.

Save as disclosed in this Circular, Mr. Xie did not hold any directorships in listed public companies in Hong Kong and overseas during the past three years nor does he hold any other position with the Company and other members of the Group or other major appointments and professional qualifications. As at the Latest Practicable Date, Mr. Xie did not have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Xie has not entered into any service contract with the Company, and there is no specific length of service in respect of his appointment. Nevertheless, his appointment will be subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles or any other applicable laws. Mr. Xie is currently not entitled to any director's fee or salary payable by the Company, which, however, may be reviewed from time to time at the discretion of the Board.

As at the Latest Practicable Date, save as disclosed above, Mr. Xie did not have any relationship with any Directors, senior management or Substantial Shareholders or Controlling Shareholders of the Company, nor did he have any interest in the Shares within the meaning of Part XV of the SFO. Also, Mr. Xie is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the HK Listing Rules or any matters concerning Mr. Xie that need to be brought to the attention of the Shareholders.

Mr. Henry Tan Song Kok, aged 51, was appointed to the Board on 25 September 2007. He is the Lead Independent non-executive Director and the Chairman of the Audit Committee of the Company and a member of the Nominating and Remuneration Committees of the Company.

Mr. Tan obtained a bachelor's degree in accountancy with first class honours from the National University of Singapore. He is a fellow of the Institute of Singapore Chartered Accountants, a fellow of the Institute of Chartered Accountants in Australia, a fellow of CPA Australia, the Institute of Internal Auditors Inc (Singapore Chapter) and the Singapore Institute of Directors. Mr. Tan is currently the Managing Director of Nexia TS Public Accounting Corporation and the Chairman of Nexia China. His previous roles include Asia Pacific Chairman and Board member of Nexia International. He was sitting on the board of Ascendas Fund Management (S) Limited, which is the Manager of Ascendas REIT, a fund listed on the SGX-ST, until 31 October 2015, and was also sitting on the board of Chosen Holdings Limited until 16 October 2015. He served as President of Spirit of Enterprise from October 2006 to October 2008, a charity organisation. Mr. Tan also sits on the boards of Raffles Education Corporation Limited and YHI International Limited, all being companies listed on the SGX-ST. Mr. Tan used to sit on the board of Pertama Holdings Limited, but he ceased his directorship on 10 January 2014. Mr. Tan has been appointed to Nanyang Technological University's newly-formed Nanyang Business School Alumni Advisory Board on 10 March 2015.

Save as disclosed above, Mr. Tan does not hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years or any other position with the Company and other members of the Group or other major appointments and professional qualifications. Mr. Tan does not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders.

As at the Latest Practicable Date, Mr. Tan was interested in 60,000 Shares within the meaning of Part XV of the SFO. Pursuant to his appointment letter with the Company dated 14 August 2015, Mr. Tan has been appointed as an Independent non-executive Director for a term of one (1) year commencing on 22 October 2015 (subject to retirement by rotation and re-election in accordance with the Articles) unless otherwise terminated by either party by giving not less than one (1) month's notice to the other or in accordance with other terms of the appointment letter. He is entitled to a remuneration of S\$80,000 plus a meeting allowance of S\$2,800 per annum. Mr. Tan's remuneration was determined with reference to the Company's performance and profitability, as well as the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Tan that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the HK Listing Rules.

This appendix serves as an explanatory statement as required by the HK Listing Rules to be sent to Shareholders to provide you with certain information relating to the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the Company has 9,846,119,747 issued Shares. Subject to the grant of the Share Buy-back Mandate by the Shareholders at the AGM and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Share Buy-back Mandate to buy back up to a maximum of 984,611,974 Shares, representing not more than 10.0% of the total issued Shares as at the date of the AGM.

2. REASONS FOR SHARE BUY-BACK

- (a) in managing the business of the Group, the management of the Company will strive to increase Shareholders' value by improving, *inter alia*, the ROE of the Company. In addition to growth and expansion of the business, purchases, redemptions and acquisitions of its Shares may be considered as one of the ways through which the ROE of the Company may be enhanced;
- (b) in line with international practice, the Share Buy-back Mandate will provide the Company with greater flexibility in managing its funds and maximising returns to Shareholders. To the extent that the Company has surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Buy-back Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner by way of purchasing its issued Shares at prices which are viewed as favourable;
- (c) the Share Buy-back Mandate will provide the Company with the flexibility to undertake purchases, redemptions or acquisitions of its Shares at any time, subject to market conditions, during the period when the Share Buy-back Mandate is in force;
- (d) share purchases, redemptions or acquisitions may help mitigate short-term market volatility (by way of stabilising the supply and demand of its issued Shares), offset the effects of short-term speculation, support the fundamental value of the issued Shares and bolster Shareholder confidence; and
- (e) all things being equal, purchases, redemptions or acquisitions of Shares pursuant to the Share Buy-back Mandate will result in a lower number of issued Shares being used for the purpose of computing EPS and BVS. Therefore, share purchases, redemptions or acquisitions under the Share Buy-back Mandate will improve the Company's EPS and BVS, which in turn is expected to have a positive impact on the fundamental value of its issued Shares.

3. FUNDING OF SHARE BUY-BACK

In purchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum, the Articles and the applicable laws of BVI.

The BVI Act does not specify the funds out of which a company incorporated in BVI as a business company may use to pay the purchase, redemption or acquisition price. Such company may purchase, redeem or otherwise acquire its own shares so long as it is in accordance with the provisions of the BVI Act or such other provisions for the purchase, redemption or acquisition as may be specified in the memorandum of association or articles of association of the company, and that the directors of the company are satisfied on reasonable grounds, that the company will, immediately after the purchase, redemption or acquisition, satisfy the solvency test. The BVI Act provides for certain situations in which the solvency test need not be satisfied. For instance, where the company redeems the shares pursuant to a right of a shareholder to have his shares redeemed or exchanged for money or other property of the company.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the Company's annual report for the year ended 31 December 2015 in the event that the Share Buy-back Mandate were to be carried out in full at any time during the proposed purchase period. However, the Directors do not propose to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the SEHK during each of the previous twelve months before the Latest Practicable Date and for the month of March 2015 up to the Latest Practicable Date were as follows:

	Share Price	
	Highest HK\$	Lowest HK\$
2015		
February	0.445	0.375
March	0.405	0.3
April	0.435	0.345
May	0.58	0.435
June	0.56	0.405
July	0.405	0.305
August	0.365	0.265
September	0.34	0.27
October	0.335	0.29
November	0.32	0.285
December	0.325	0.285

	Share Price	
	Highest HK\$	Lowest HK\$
2016		
January	0.29	0.211
February (up to the Latest Practicable Date)	0.27	0.228

5. UNDERTAKING

The Directors have undertaken to the SEHK that, so far as the same may be applicable, they will exercise the powers of the Company to make purchases pursuant to the Share Buy-back Mandate in accordance with the HK Listing Rules, the Singapore Listing Rules, the Memorandum, and the Articles and any applicable laws of BVI. None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the HK Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Share Buy-back Mandate if such is approved by the Shareholders.

No core connected persons (as defined in the HK Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Share Buy-back Mandate is approved by the Shareholders.

6. HK TAKEOVERS CODE IMPLICATIONS

If on the exercise of the power to buy back Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the HK Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the HK Takeovers Code.

As at the Latest Practicable Date, so far as is known to the Directors, SRE Investment was beneficially interested in a total of 1,468,356,862 Shares (representing approximately 14.91% of the total issued Shares). Based on such shareholdings and in the event that the Directors exercise in full the power to buy back Shares under the Share Buy-back Mandate, the interests of SRE Investment and persons acting in concert with it in the Company would be increased to approximately 16.57%. Such exercise of the Share Buy-back Mandate may give rise to an obligation on SRE Investment and persons acting in concert with it to make a mandatory offer under Rule 26 of the HK Takeovers Code.

As at the Latest Practicable Date, so far as is known to the Directors, CDBIH was beneficially interested in a total of 5,347,921,071 Shares (representing approximately 54.32% of the total issued Shares). Based on such shareholdings and in the event that the Directors exercise in full the power to buy back Shares under the Share Buy-back Mandate, the interests of SRE Investment and persons acting in concert with it in the Company would be increased to approximately 77.02%. Such exercise of the Share Buy-back Mandate may give rise to an obligation on CDBIH and persons acting in concert with it to make a mandatory offer under Rule 26 of the HK Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences which may arise under the HK Takeovers Code as a consequence of any purchases, redemptions or acquisitions made under the Share Buy-back Mandate. The Directors have no intention to exercise the Share Buy-back Mandate to such an extent which may result in a possible mandatory offer being made under the HK Takeovers Code.

7. SHARES BUY-BACK MADE BY THE COMPANY

The Company has not purchased any Shares (whether on the SEHK, on the SGX-ST or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中國新城鎮發展有限公司

(Incorporated as a company limited by shares under the laws of the British Virgin Islands)

(Company Registration Number: 1003373)

Singapore Stock Code: D4N.si

Hong Kong Stock Code: 1278

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China New Town Development Company Limited (the “**Company**”) (“**AGM**”) will be held at Casuarina Suite B, Level 3, Raffles Hotel Singapore, 1 Beach Road, Singapore 189673, on Friday, 29 April 2016 at 2:00 p.m.. Please be on time to avoid disrupting the AGM as the AGM will commence at the stipulated time. The AGM is convened for the following purposes:

Ordinary Business

1. To receive and adopt the Directors’ Report and Audited Financial Statements for the financial year ended 31 December 2015 and the Auditors’ Report thereon. **(Resolution 1)**
2. (a) To re-elect the following directors of the Company (the “**Directors**”) retiring pursuant to Article 86(1) of the Articles of Association of the Company:
 - (i) Mr. Zuo Kun **See Explanatory Note (i)** **(Resolution 2)**
 - (ii) Mr. Liu Heqiang **See Explanatory Note (ii)** **(Resolution 3)**
 - (iii) Mr. Ren Xiaowei **See Explanatory Note (iii)** **(Resolution 4)**
 - (iv) Mr. Henry Tan Song Kok **See Explanatory Note (iv)** **(Resolution 5)**
- (b) To re-elect Mr. Xie Zhen as a Director retiring pursuant to Article 85(7) of the Articles of Association of the Company **See Explanatory Note (v)** **(Resolution 6)**
3. To approve payment of Directors’ fees of an aggregate of S\$155,600 and HK\$590,000 to the independent non-executive Directors for the financial year ending 31 December 2016 and the payment thereof on a quarterly basis. **See Explanatory Note (vi)** **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

4. To re-appoint Messrs Ernst & Young as Auditors of the Company to hold office until the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**
5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

Special Business

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolution, with or without any modifications:

6. Authority to purchase, redeem or otherwise acquire shares in the Company (**"Shares"**). **(Resolution 9)**

THAT:

- (a) pursuant to Article 3A of the Articles of Association of the Company (**"Articles"**), the exercise by the Directors of all the powers of the Company to purchase, redeem or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market purchase(s), redemption(s) or acquisition(s) (**"Market Purchase"**), transacted on the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) or The Stock Exchange of Hong Kong Limited (**"SEHK"**) through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s), redemption(s) or acquisition(s) (**"Off-Market Purchase"**) effected pursuant to an equal access scheme, as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all conditions prescribed by the Business Companies Act, 2004 of the British Virgin Islands (as amended) (**"BVI Act"**);

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the BVI Act, the Listing Manual of the SGX-ST (**"Singapore Listing Rules"**), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**"HK Listing Rules"**) and the Code on Share Buy-backs of Hong Kong as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (**"Share Buy-back Mandate"**);

NOTICE OF ANNUAL GENERAL MEETING

(b) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the date by which the next annual general meeting of the Company is required to be held;
- (iii) the date on which the purchases, redemptions or acquisitions of Shares pursuant to the Share Buy-back Mandate have been carried out to the full extent mandated; or
- (iv) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by the shareholders of the Company (“**Shareholders**”) in a general meeting,

whichever is the earliest;

(c) in this Ordinary Resolution;

“**Maximum Limit**” means that number of issued shares representing 10.0% of the total number of issued Shares as at the time of passing of this Ordinary Resolution;

“**Maximum Price**”, in relation to a Share to be purchased, redeemed or acquired, means the purchase, redemption or acquisition price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price (hereinafter defined); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Highest Last Dealt Price (hereinafter defined), where:

“**Average Closing Price**” means the average of the closing market prices of a Share for the five consecutive Market Days (“**Market Day**” being a day on which the SGX-ST or the SEHK, as the case may be, is open for trading in securities) on which the Shares are transacted on the SGX-ST or the SEHK, as the case may be, immediately preceding the date of the Market Purchase by the Company, and deemed to be adjusted in accordance with the Singapore Listing Rules or the HK Listing Rules, as the case may be, for any corporate action which occurs after the relevant five-Market Day period;

NOTICE OF ANNUAL GENERAL MEETING

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the SGX-ST or the SEHK, as the case may be, on the Market Day on which there were trades in the Shares immediately preceding the date of the making of the offer (hereinafter defined) pursuant to the Off-Market Purchase; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase, redemption or acquisition price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution. **See Explanatory Note (vii)**

7. Authority to allot and issue Shares. **(Resolution 10)**

THAT:

- (a) subject to paragraph (c) below and to the HK Listing Rules and the Singapore Listing Rules, the exercise by the Directors during the Relevant Period (as hereinafter defined in this Ordinary Resolution) of all the powers of the Company to allot, issue and deal with any unissued Shares and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period (as hereinafter defined in this Ordinary Resolution) to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the Shares to be issued either during or after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above shall not exceed 50.0% of the aggregate of the total number of Shares in issue (as adjusted in accordance with paragraph (d) below), of which the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted or issued otherwise than (i) on a pro rata basis to existing Shareholders (including pursuant to a Rights Issue (as hereinafter defined in this Ordinary

NOTICE OF ANNUAL GENERAL MEETING

Resolution)); or (ii) pursuant to a specific authority granted by the Shareholders in general meeting, shall not exceed 20.0% of the aggregate of the total number of Shares in issue as at the time of the passing this Ordinary Resolution, and the said approval shall be limited accordingly; and

(d) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares allotted or agreed to be conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors on a pro rata basis (including a Rights Issue), the total number of Shares in issue shall be based on the total number of Shares in issue as at the time of the passing of this Ordinary Resolution after adjusting for:

- (i) new Shares arising from the conversion or exercise of convertible securities subsisting as at the time of the passing of this Ordinary Resolution;
- (ii) new Shares arising from exercising options or vesting of share awards outstanding or subsisting as at the time of the passing this Ordinary Resolution, provided the options or awards were granted in compliance with the Singapore Listing Rules; and
- (iii) any subsequent bonus issue, consolidation or subdivision of Shares.

For the purpose of this Ordinary Resolution:

- (A) “**Relevant Period**” means the period from the date of passing of this Ordinary Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any other applicable laws of the British Virgin Islands to be held; and
 - (iii) the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to the Directors by this Ordinary Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

(B) “**Rights Issue**” means an offer of Shares or issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate, such other securities), (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company). **See Explanatory Note (viii)**

8. Authority to grant options and issue Shares under the CNTD Share Option Scheme (the “**Scheme**”). **(Resolution 11)**

THAT the Directors be and are hereby authorised to offer and grant options in accordance with the provisions of the Scheme and to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of the options under the Scheme provided always that the aggregate number of Shares to be allotted and issued pursuant to the Scheme shall not exceed 10.0% of the total number of issued Shares (excluding treasury shares) from time to time. **See Explanatory Note (ix)**

By Order of the Board
Chan Sau Ling
Company Secretary

Singapore and Hong Kong, 29 March 2016

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Mr. Zuo Kun will, upon re-election as a Director of the Company, remain as Vice Chairman and Non-executive Director.
- (ii) Mr. Liu Heqiang will, upon re-election as a Director of the Company, remain as Chief Executive Officer and Executive Director.
- (iii) Mr. Ren Xiaowei will, upon re-election as a Director of the Company, remain as Executive Director.
- (iv) Mr. Henry Tan Song Kok will, upon re-election as a Director of the Company, remain as Lead Independent Non-executive Director.
- (v) Mr. Xie Zhen will, upon re-election as a Director of the Company, remain as Non-executive Director.
- (vi) Resolution 7 is to approve the total payment of Directors' fees of S\$155,600 and HK\$590,000 to the independent non-executive directors of the Company, namely, Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap for the financial year ending 31 December 2016 to be paid on a quarterly basis.
- (vii) Resolution 9 is to permit the Company to purchase, redeem or acquire issued Shares of the Company on the terms and subject to the conditions of such resolution. The Company intends to use internal sources of funds to finance the purchase, redemption or acquisition of its Shares. The amount of funding required or the Company to purchase, redeem or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased, redeemed or acquired and the price at which such Shares were purchased, redeemed or acquired. The financial effects of the proposed Share Buy-back Mandate on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2015, based on certain assumptions are set out in paragraph 3.7 of the circular of the Company dated 29 March 2016.
- (viii) Resolution 10 is to empower the Directors, from the date of the passing of the resolution to the date of the next annual general meeting, to issue Shares and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 50.0% of the total number of issued Shares, with a sub-limit of 20.0% of the total number of issued Shares for issues other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares at the time that the resolution is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that the resolution is passed, and (b) any subsequent bonus issue, consolidation or sub-division of Shares. In exercising the authority conferred by Resolution 10, the Company shall comply with the requirements of the SGX-ST and the SEHK (unless waived by the SGX-ST or the SEHK, as the case may be), all applicable laws of the British Virgin Islands, the memorandum of association and the Articles.
- (ix) Resolution 11 is to empower the Directors to offer and grant options and to allot and issue new Shares pursuant to the Scheme provided that the aggregate number of new Shares to be allotted and issued pursuant to the Scheme shall not exceed 10.0% of the total number of issued Shares from time to time.

Notes:

- 1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- 2. If a Depositor wishes to appoint a proxy or proxies, then the enclosed Depositor Proxy Form must be completed, signed and deposited at the office of the Company's Singapore share transfer agent, Tricor Barbinder Share Registration Services either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00 Singapore 068898, not less than 48 hours before the time appointed for holding the AGM.

NOTICE OF ANNUAL GENERAL MEETING

3. If a Shareholder wishes to appoint a proxy or proxies, then the enclosed Shareholder Proxy Form must be completed, signed and deposited at the office of the Company's Singapore share transfer agent, Tricor Barbinder Share Registration Services either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00 Singapore 068898 (for Shareholders registered in the Company's British Virgin Islands register), or the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Shareholders registered in the Company's Hong Kong branch register) not less than 48 hours before the time appointed for holding the AGM.
4. Where a member appoints more than one proxy, he/she/it shall specify the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the proxy whose name appears first shall be deemed to represent 100.0% of the shareholding of the member and the proxy whose name appears second shall be deemed to be appointed in the alternate.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. **Personal Data Privacy:** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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.