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China New Town Development Company Limited **中國新城鎮發展有限公司**

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

Hong Kong Stock Code: 1278

Singapore Stock Code: D4N.si

VOLUNTARY ANNOUNCEMENT

Entering into Investment Agreement on Yangzhou Airport New Town Project

Reference is made to the announcement made by China New Town Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on 11 November 2015 regarding entering into Memorandum of Understanding on Yangzhou Airport New Town Project (“**MOU Agreement**”). The Company is pleased to announce that, upon further negotiations and reaching mutual agreement, on 31 December 2015, the Company and the Administrative Committee of Yangzhou Airport New Town have entered into Investment Agreement (the “**Agreement**”) regarding Yangzhou Airport New Town Project (the “**Project**”). Unless otherwise specified, capitalized terms in this announcement shall have the same meanings as those that were ascribed to them in the MOU announcement.

The Project is an industrial new town built around and fueled by the Yangzhou-Taizhou International Airport. Located at Jiangdu District of Yangzhou city, Yang-Tai Airport was granted national tier-one airport permit by the State Council this year and currently runs over 20 routes to major large-to-medium size cities in China and multiple international routes to regions

such as South Korea, Taiwan, Hong Kong and South-East Asia. Right at the geographical and economic center of Central Jiangsu, the Project extends the Shanghai and Nanjing metropolitan circles with a dual population coverage of more than 10 million. Yangzhou Airport New Town features excellent transportation system comprising airport, high-ways, ports and railways, a complete synergetic “water-road-air” setup. With a total master planning area of 77 sq.km., the vision for the Project is to develop an airport-powered economic center and integrated industrial-township development showcase supported by the pillar industries of airport logistics, electronic and information engineering, general aviation and high-end commercial services. As a municipal priority project with excellent location and development vision highly consistent with the national policy of advocating industrial-urban coordinated growth, the Project has tremendous business prospect.

Pursuant to the Agreement, China New Town Holding Company Limited (“**China New Town Holding**”), a wholly-owned subsidiary of the Company, shall contribute RMB100,000,000 of registered capital in cash to Jiangsu Ronghui Development Group Co. Ltd. (江蘇融匯, “**Jiangsu Ronghui**”), the sole integrated development entity of the Project.

The capital contribution has investment period of 3 years, within which the Group is guaranteed to receive excellent fixed investment return on its capital at the level disclosed in the MOU announcement, and is guaranteed to fully exit through equity interest purchase by the Airport New Town Administrative Committee or its designated entity. The Airport New Town Administrative Committee commits to list the afore-mentioned investment return and equity interest purchase arrangements into the annual fiscal budget and mid-term fiscal planning of the People’s Government of Jiangdu District. Furthermore, the Yangzhou Municipal Development and State-Owned Asset Holding (Group) Limited (揚州市城建國有資產控股（集團）有限責任公司, “**Yangzhou Municipal Holding**”) jointly and severally guarantees the obligations under the Agreement.

The Group plans to use internal resources to finance the investment, including the current bank balance and cashflow from operations. Upon completing the capital contribution, Jiangsu Ronghui is expected to become an associate company of the Company.

In addition, the Group and the Airport New Town Administrative Committee also achieved mutual understanding on exploring the establishment of the Yangzhou Airport New Town Development Fund (Limited Partnership) (揚州空港新城發展基金（有限合夥）, “**Airport Partnership**”, temporary name). Targeting to raise RMB1,600,000,000 from limited partners including the Group, the Airport New Town Administrative Committee and external third parties, the Group proposes to invest RMB200,000,000 to the Airport Partnership, which in turn shall provide capital to finance the Project’s development in the form of registered capital and shareholders loans. Detailed cooperative terms and conditions, relevant structure and

participating limited partners, profit sharing mechanisms shall all be agreed upon and set out in the legally binding partnership agreements at the establishment of the Airport Partnership. The Company will make further announcements in accordance with the disclosure requirements by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Listing Manual of the Singapore Exchange Securities Trading Limited when appropriate and necessary.

Jiangsu Ronghui, the target of this investment, is the sole entity for executing the development of the Yangzhou Airport New Town. It has long-term and enormous business demand in terms of financing, township planning, development and mechanizing. The Airport Administrative Council highly recognizes the professional expertise of the Company and seeks to explore comprehensive and extensive cooperation for mutual benefits. The investment scope of the Yangzhou Airport New Town project spans across primary land development, municipal infrastructures investment and operations, industrial value-chain nurturing and asset management, which are highly consistent with the core business of the Company. On top of the fixed return we expect to achieve from the investment in the Airport New Town, we can tap into the business opportunities of subsequent logistics park development and industry mechanizing. This is crucial for the “fixed-income investment + enhanced return on capital through operational services” development strategy of the Company.

The investment return and equity interest purchase arrangements will all be listed into the fiscal budget of the Finance Bureau and the People’s Congress of Yangzhou Jiangdu District, and the Jiangdu District Government has robust financial position. Furthermore, the Yangzhou Municipal Holding jointly and severally provides guarantee for the return and exit of the transaction. As a result, it is expected the investment to the Project is highly safe and the Company expects to further enhance the return to shareholders through appropriate financial leverage.

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

Singapore and Hong Kong, 31 December 2015

As at the date of this announcement, the executive directors of the Company are Mr. Liu Heqiang (Chief Executive Officer), Ms. Yang Meiyu and Mr. Ren Xiaowei; the non-executive directors of the Company are Mr. Fan Haibin (Chairman), Mr. Zuo Kun (Vice Chairman), Mr. Li Yao Min (Vice Chairman) and Mr. Xie Zhen; and the independent non-executive directors of the Company are Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.