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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

**ANNOUNCEMENT OF CONNECTED TRANSACTION UNDER THE
HONG KONG LISTING RULES AND INTERESTED PERSON
TRANSACTION UNDER THE SGX LISTING MANUAL**

**Financing Arrangement with
China Development Bank Capital Corporation Limited**

Connected Transaction / Interested Person Transaction

This announcement is made by China New Town Development Co. Ltd. (the “**Company**”) and its subsidiaries (collectively the “**Group**”) in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HK Listing Rules**”) and Rule 703(1) of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX Listing Manual**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that on 27 June 2014, the Company has entered into a financing arrangement (the “**Arrangement**”) with China Development Bank Capital Corporation Limited (“**CDB Capital**”), pursuant to which CDB Capital will extend a half-year unsecured loan of RMB 1 billion to the Company.

China Development Bank International Holdings Limited (“**CDBIH**”) is a wholly-owned subsidiary of CDB Capital. As CDB Capital is an associate of CDBIH (which is a controlling shareholder of the Company), the Arrangement constitutes an exempted *connected transaction* under Rule 14A.65(4) of the HK Listing Rules and an *interested person transaction* under Chapter 9 of the SGX Listing Manual.

Rationale and Details of the Arrangement

The Arrangement is of strategic importance to the Company as it will (a) enable the Company to repay the Company's current outstanding credit trust loan and refinance maturing bank loans, achieving immediate cost savings; (b) provide timely capital to speed up the Company's existing projects; (c) provide timely capital to strengthen the Company's onshore working capital to facilitate new project establishment and (d) open up onshore financing channels.

The interest rate on the Arrangement, determined after arm's length negotiations between the Company and CDB Capital, is 10% per annum and the interest payable on the full loan amount is RMB 50 million for the half-year period, which would constitute approximately 1.76% of the Group's latest audited net tangible assets of RMB 2,847 million for the financial year ended 31 December 2013. The Company has not entered into any other transaction with CDBIH, CDB Capital and China Development Bank Corporation in the current financial year.

The Audit Committee of the Company and the Board, having considered the terms of the Arrangement, are of the view that the Arrangement (a) is fair and reasonable and in the interests of the Company and its shareholders as a whole, and (b) is on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders. Moreover, CDB Capital's strong financial support via the Arrangement would lead to lowering of the Company's financing costs relative to current levels. This is in line with the key benefit of improved financing capability that was highlighted in the Company's announcement on the subscription of shares in the Company by CDBIH on 10 October 2013.

The Company's directors who are nominated by CDBIH, namely Mr. Fan Haibin, Mr. Zuo Kun, Mr. Liu Heqiang, Mr. Zhang Yan, Ms Yang Meiyu and Mr. Ren Xiaowei, have material

interest in the Arrangement and have abstained from voting on the Arrangement in the Company's board resolution.

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

Singapore and Hong Kong, 27 June 2014

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