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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 Strategic Cooperation Framework Agreement with the Danyang Municipal Government, and Investment in the Danyang Zhongbei College Development Project

The Board of Directors (the “**Board**”) of China New Town Development Company Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) is pleased to announce that, on 9 September 2016, the Company has entered into a strategic cooperation framework agreement (the “**Framework Agreement**”) with the Danyang Municipal Government, pursuant to which the parties agree on establishing long-term relationship in respect of multi-level and comprehensive strategic cooperation in the investment, development and operation of education industry in the future.

As the first project launched under the Framework Agreement, on the same day, China New Town Holding Company Limited and CDB New Town (Beijing) Asset Management Company Limited, two wholly-owned subsidiaries of the Company, entered into formal investment agreement (the “**Agreement**”) with Danyang Investment Group Company Limited (“**Danyang Investment**”), Danyang

State-owned Assets Operation Company Limited (“**Danyang SAO**”) and Danyang Education Investment and Development Company Limited (“**Danyang Education**”). Danyang Education is the entity designated by the Danyang Municipal Government to develop the Nanjing Normal University (Zhongbei College) in Danyang (the “**Zhongbei College Project**”). Pursuant to the Agreement, the Group shall inject RMB300 million of capital into Danyang Education for a 27.27% equity interest.

The Framework Agreement

Danyang locates in a developed economic zone of the Yangtze River Delta, and in 2015, Danyang ranks first-tier in the top-hundred counties nationwide for its fundamental competitiveness and top 10 in Jiangsu Province for its comprehensive competitiveness. In recent years, the Municipal Government has actively implemented the national policies in reinforcing investment in urbanization, with focus on industrial transformation and municipal facilities upgrading. In recent years, having identified the structural problems in the city’s education system, especially in terms of the serious shortage of higher education resources, Danyang City strives to invest and build a "modern city of education" to enhance the city’s core competitiveness.

In view of that the common long-term goal between the Group’s development strategy and the Danyang Municipal Government, and having achieved good cooperative results in the investments in Danyang Water Conservancy Project and Xinmeng River Project in 2015, after thorough discussions the parties agreed on establishing long-term relationship in respect of multi-level and comprehensive strategic cooperation in the investment, development and operation of education industry in the future.

The cooperative scope mainly includes the parties’ close cooperation in promoting the investment and development on education resources in the Danyang region: the Danyang Municipal Government shall leverage its governmental capacity and introduce educational investment opportunities to the Group and provide the Group with necessary support in terms of policy, land, etc. The Group shall leverage its core competencies in urbanization development to assist the Danyang Municipal Government to source quality education resources and carry out the development and operation of the education industry in the region through various structures such as co-investment and project partnership etc., with respect to (including but not limited to) different types of schools, professional training institutes and educational park.

Investment in the Zhongbei College Project through Capital Contribution in Danyang Education

As the first project launched under the Framework Agreement, the Company shall invest in the development of the Zhongbei College Project which is introduced by the

Danyang Municipal Government. Nanjing Normal University is a provincial core university of Jiangsu Province developed under the national *"211 Project" initiative*. The Zhongbei College Project is the relocation of the entire Zhongbei College campus of Nanjing Normal University to Danyang city. Zhongbei College is set to occupy approximately 900 mu of site area and 330,900 square meters of total gross floor area. The total investment of the project is approximately RMB2.75 billion, which is set to cover the construction of various campus facilities, such as student housing, recreation center, career center, teaching building, library, etc..

Danyang Education, the wholly-owned subsidiary of Danyang SAO, is the entity for the project development. The Group shall inject RMB300 million of capital to Danyang Education for a 27.27% equity interest, and obtain a guaranteed 9.8% annual investment return during the one-year investment period. By expiry of the investment period, both parties will determine whether and on what conditions to extend the investment, based on the development progress of the project. After expiry of the investment period, Danyang SAO will repurchase the equity interest from the Group with a total consideration of RMB300 million. The Group's investment returns and the consideration of equity interest repurchase will be included into fiscal budget of Danyang city and Danyang Investment will further provide collaterals as security for the Group's investment.

Significance and Benefits to the Group

Education is one of the fastest growing industries among the downstream service industries of urbanization, and has excellent synergies with the Company's core business of new-type urbanization. It is a tertiary industry in line with economic development trend and natural demands of local governments and the general public, and has solid growth prospects. Earlier this year, in its strategic outlook the Group has set high priority to expansion opportunities in the education sector, and is determined to gradually step up its resource integration role in the education sector through investment and operation, and to establish core competencies in the sector to achieve sustainable value creation. The Danyang region, where the Zhongbei College Project locates, is an important business region for the Group. Through past project investments, the Group has accumulated good know-how of the region, advantages of resourceful networks and strong relationship with the local government. The entering into of the Framework Agreement will further strengthen the business cooperation between the Group and the local government in education industry. Furthermore, the capital contribution into Danyang Education is the first step of substantiating the cooperation under the Framework Agreement, and evidences the breakthrough of the Group's strategy on educational investment.

In the future, the Group is confident that our close relationship with our partners will continually open up various business opportunities, and we will strengthen the core

competency in our core business and downstream industries to improve the asset quality of the Company and to generate higher returns for shareholders.

As investment business has been repositioned as the Company's ordinary course of business from this year onwards, the relevant investment returns will be as an important part of the Company's revenue. The company will continuously update shareholders of the implementation and progress of investment business in urbanization projects via voluntary announcement.

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

Hong Kong and Singapore, 9 September 2016

As at the date of this announcement, the executive directors of the Company are Mr. Liu Heqiang (Chief Executive Officer), Ms. Yang Meiyu, Mr. Ren Xiaowei and Mr. Shi Janson Bing; the non-executive directors of the Company are Mr. Wei Wei (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.