



**CNTD and People's Government of Luodian Town, Baoshan District,  
Shanghai, the PRC**

**Sign Cooperation Agreement for Continued Cooperation  
on the Luodian New Town Project**

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**Strengthens Company's Cash Flow  
Creates More New Town-related Construction and Management Projects  
in Luodian New Town in the Future**

(Hong Kong, 30 December 2018) – **China New Town Development Company Limited** (“**the Company**” or “**CNTD**”; HKEX: **1278.HK**) is pleased to announce that Shanghai Golden Luodian Development Co., Limited (“**Jinluodian**”), a non-wholly owned subsidiary of the Company entered into an agreement (the “**Cooperation Agreement**”) in relation to the continued cooperation on the Luodian New Town Project (“**Project**”) with the People's Government of Luodian Town, Baoshan District, Shanghai, the PRC (“**Local Government**”). The Local Government has agreed to reimburse Jinluodian RMB1.523 billion in total incurred in the demolition and relocation works in the Eastern Zone.

On 21 August 2002, Shanghai Estates Co., Ltd. previously entered into an agreement (the “**Initial Agreement**”) with Shanghai Luodian Asset Management Investment Co., Ltd. (“**Luodian Investment**”), an affiliate of the Local Government, in relation to the establishment as a joint venture of Jinluodian, which became a non-wholly owned subsidiary of the Company, for the Project. On 31 December 2010, the Company was subsequently assigned the rights and obligations of the Initial Agreement by way of a supplemental agreement between the Company and Luodian Investment (together with the Initial Agreement, the “**Original Agreements**”). Jinluodian had almost completed the land development in the Western Zone during the cooperation period, as well as the demolition and relocation works and other pre-construction works in the planned development area of the Eastern Zone prior to the expiration of the Original Agreements on 20 August 2017. Since then, the Company had been negotiating with the Local Government to continue the cooperation through a new cooperation model on the Project based on the newly promulgated land policies of the PRC, as the previous mode of cooperation under the Original Agreements was rendered infeasible due to changes in land policies.

According to the cooperation agreement, the new agreed terms for cooperation in respect of the Project shall be from 21 August 2017 to 20 August 2023. Jinluodian shall continue to complete the outstanding construction works and cooperate with the Local Government in the handover of the municipal infrastructure and public facilities in the Western Zone by 20 August 2023. The Local Government shall be responsible for certain outstanding demolition and relocation works in the area and Jinluodian will not be required to bear any further costs in this aspect. The Local Government has agreed to reimburse Jinluodian for the total amount of RMB1.523 billion fees of the demolition and relocation works in the Eastern Zone. The

Board of Directors believes that Jinluodian is entitled to receive RMB649 million of the proceeds which had already been recognized as the Company's revenue in the year ended 31 December 2017, while the remaining will be used for related construction and development and/or improving the Company's cashflow. (Note: The impact on the Company's financial statement will be subject to audit by the Company's auditors.)

According to the cooperation agreement, the Local Government has also entrusted Jinluodian as the agent for the primary land development in the Eastern Zone, to be responsible for the construction and management works therein and permitted to charge certain management fees. The parties will enter into a separate agreement regarding such construction and entrusted management works. Jinluodian and its affiliates for their part can further introduce various high-quality industries and resources into Luodian New Town, including high-quality industrial companies such as integrated circuits, high-quality education resources and cultural and recreational projects.

Located in Baoshan District, Shanghai, the Shanghai Luodian New Town Project is a symbol of the "one city and nine towns" project in Shanghai and the Company's first new town development project. The project covers an area of 6.8 square kilometers, divided into the Western and the Eastern Zones. After more than 10 years of development since 2002, the project has constructed a series of high-quality ancillary facilities such as hotels, hospitals, schools and shopping areas, attracting high-quality real estate developers including Vanke, Sino-Ocean, and Landsea. The signing of the Cooperation Agreement enables the Company to further participate in the land development and construction projects of the Original Agreements, creating potential opportunities for the Company's development of Luodian New Town in the future.

As the only listing platform for the urbanization business of China Development Bank, China New Town is committed to the development and operation of urbanization products, exploring and enhancing the profit model of office property products through fundamental infrastructure investments and comprehensive urban development. As a core city in China, the land in the Shanghai region possesses scarcity value and value-added potential. The Company will set the project as a radiation point to explore the urbanization development business opportunities in the Shanghai area and serve as a quality project reference site within its portfolio. At the same time, riding on the resource and brand advantages of its controlling shareholder CDB and CDB's subsidiaries and member companies, the Company will open new high-quality property project channels and promote new project investments, building a leading brand in the operation of urbanization products.

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## **About China New Town Development Company Limited (“CNTD”)**

(HKEX: 1278.HK)

China New Town is the only listing platform for the urbanization business of China Development Bank (“CDB”), China’s largest financial institutions engaged in the business of urban development. Since China Development Bank Capital Corporation (“CDB Capital”) became the controlling shareholder of the Company in 2014, the Company has capitalized on this strong shareholder background and its expertise in urbanization policy to re-optimize its business model, expanding the scope of its business from primary land development exclusively to include investment, development and operation of urbanization projects across China. The Company has participated in numerous projects including the Junzhuang Project in Beijing Mentougou District, Shanghai Luodian New Town, Wuhan Guanggu property development project, commercial and office property development in Nanjing Yuhuatai District and Kirin bilingual school development in Nanjing Jiangning District. It also found strategic cooperative partners including the National IC Industry Fund, Vanke, Shenzhen Capital Group, etc. As of 30 June 2018, the Group had invested a total of approximately RMB2.57 billion in the integrated development projects with an annualised average return of 11.0%, thereby contributing to an improvement of financial performance. It realized a net profit of RMB336 million in the year of 2017.

Looking ahead, riding on the resource and brand advantages of its controlling shareholder CDB and CDB’s subsidiaries and member companies, the Company will focus on China’s core economic regions such as the Yangtze River Delta and Beijing-Tianjin-Hebei region and will continue to broaden and enrich its fixed income investment portfolio for urbanisation. It will also devote itself to develop and create urbanization projects in relation to education, elderly care, tourism and medical and healthcare through collaboration with quality partners such as Vanke with the aim to reinforce its leading position and brand in the industry.

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