

[For Immediate Release]

**China New Town 2018 Realised Operating Income of RMB722 Million**

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**Investment Portfolio Delivers Stable Revenue  
Broadens the Opportunities and Resources of Downstream Businesses**

(Hong Kong, 22 March 2019) **China New Town Development Company Limited** (“the **Company**” or “**CNTD**,” HKSE: 1278.HK) has announced its audited annual results for the year ended 31 December 2018.

In 2018, influenced by the domestic and foreign economic environment, CNTD has advanced from a period of continuous performance improvement to a period of development and transformation after the acquisition by China Development Bank Capital Corporation (“CDB Capital”). The operating income was RMB722 million this year, and profit attributable to the equity holders of the parent was RMB83.89 million. The reason for the significant decrease compared with 2017 was due to a large increase in foreign exchange losses of the Company as compared with last year influenced by shifts in international foreign exchange rates. The business income has also dropped as compared with that of last year.

As at 31 December 2018, the value of urbanisation projects under the Company’s fixed income investment portfolio amounted to approximately RMB3.25 billion, and it secured a total contractually guaranteed annual investment income before tax of RMB340 million. The average annualised pre-tax return rate on investment was 10.5%, still maintaining a relatively promising investment return and higher than the risk weighted average return on assets of industry peers. Based on the dividends already paid in 2017, the board of directors of the Company (the “Board”) continuously to recommend to distribute a final dividend of HK\$0.006 per share for 2018, aiming to reward our investors and demonstrating the Company’s confidence in its long-term development.

During the year, the Company’s results from operations mainly included fixed-income investments in urbanisation projects, sharing of land sale proceeds in some projects and downstream operations in urbanisation projects. In 2018, the Company recorded revenue of RMB600 million, primarily because the Group recorded revenue of RMB267 million from land development in 2018, RMB312 million related to urbanisation development, consisting of interests from loans and receivables of RMB276 million, dividends from investment funds of RMB24 million and revenue related to fees from assets management of RMB12 million. The Group also recorded other income amounted to RMB123 million, representing an increase of RMB42.34 million as compared to that of 2017. It was mainly attributable to an increase of fair value of investment properties.

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Against the backdrop of a more complex environment and worsening economic and trade friction domestically and abroad, the Company has executed a development strategy based on “investment + downstream product operation”, leveraging the extensive experience in the industry and risk management capabilities of CDB Capital and China Development Bank (“CDB”), the controlling shareholders of the Company, to face challenges and achieve steady progress. In 2018, the Group still insisted on the stability of investment in new-type urbanisation construction, and made significant breakthroughs in remaining projects, industrial base projects and education projects.

In the investment and operation of industrial base projects, the Company has reached an agreement with Lenovo Group Limited in 2017 to acquire the Lenovo Wuhan Research and Development Base Project held by a wholly-owned subsidiary of Lenovo Group Limited at the High-Tech Development Zone in Donghu District, Wuhan. The project was completed in June 2018 as a well-known optoelectronics and semiconductor industry base in China, which is in line with the direction of Integrated Circuit Industrial Park to be developed by the Company. Currently, the project has been completed and has commenced operation. The Company is integrating the resources advantages of CDB Capital, in order to create quality ancillary facilities at the Industrial Park and realise long-term income and asset appreciation. Meanwhile, these advantages also ensure the quality of project operation and profitability. At present, the enterprises which have moved to the Industrial Park include new technology and industrial companies with innovative and leading features, which strongly supports the national strategy of transition from older industry to more advanced industry.

In the education sector, the Company made its first foray into investment and operations during 2018. The policy directive “Modernisation in Education for China 2035” issued by the Central Committee of the Communist Party and the State Council called for the full implementation of the strategy of prioritising education development in order to support national modernisation by educational modernisation. In order to provide diversified products in education, China Development Bank Education Company Limited, a wholly-owned subsidiary of the Company, participated in the establishment of Kaiyuan Education Fund (“Kaiyuan Education”) to build an international bilingual K12 school as a starting point and extend the Company’s layout in the education sector. Currently, the Nanjing Jiangning Kirin Bilingual School Project, the first project invested and operated by Kaiyuan Education, has been established and will be partially opened for student enrolment in 2019.

With the steady progress of the Company’s business, breakthroughs have been made in remaining projects. The Luodian Project in Baoshan District, Shanghai, the first new town project developed by the Company since 2002, has re-signed a cooperation agreement with the Baoshan District Government of Shanghai on 29 December 2018, due to the expiration of the original cooperation agreement on 20 August 2017 and after several rounds of communication with the local government of Shanghai. The agreement is expected to improve the Company’s cash flow. Although the original cooperation model cannot continue due to the change of national policy, the Company is still seeking further cooperation and opportunities under the new cooperation model leveraging intensive development and extending its presence in Shanghai in the years to come.

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Looking ahead to 2019, the economy is still full of challenges. The Company will continue to make steady progress in the face of these challenges, carefully allocate investment and formulate its own business transformation strategy. In executing its strategy, it will adhere to national policies and fully utilise the synergy of projects and network resources with CDB and CDB Capital. It will further explore opportunities and resources in the downstream sector of its principal businesses while maintaining the steady income of urbanisation portfolio. The Company will continuously enhance the core competitiveness of its brand and create value for shareholders in the long run, in a bid to further develop and explore new opportunities and achieve stable results amidst the challenges.

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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 urbanisation 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 capitalised on this strong shareholder background and its expertise in urbanisation 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 urbanisation projects across China. The Company has participated in numerous projects including the Junzhuang Project in Beijing Mentougou District, Shanghai Luodian New Town, Wuhan Guanggu Industrial Base projects, commercial and office property development in Nanjing Yuhuatai District and development of Kirin Bilingual School in Nanjing Jiangning District. It has also engaged in cooperation with strategic partners including the National IC Industry Fund, Vanke, Shenzhen Capital Group, etc. As at 31 December 2018, the Company has a portfolio of RMB3.25 billion fixed income investments in aggregate, securing a total contractually guaranteed annual return before tax on investment of approximately RMB340 million, representing an average annualised pre-tax return on investment of about 10.5%.

Looking ahead, riding on the resource and brand advantages of its controlling shareholder CDB and CDB Capital’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 dedicate itself to develop and create urbanisation 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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