

[For Immediate Release]



China New Town's 2016 Profit Attributable to Equity Holders of the Parent Soars by 395% to RMB323 Million

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Implements “Invest in Primary Land Development + Cultivate and Operate Downstream Business” Strategy Creates China's Leading Urbanization Development Platform and Products

(Hong Kong, 2 April 2017) **China New Town Development Company Limited** (“the **Company**” or “**CNTD**”; HKSE: 1278.HK) announced its audited annual results for the year ended 31 December 2016, with substantial growth in both revenue and profit. Its revenue from continuing operations for the year amounted to RMB303 million, up 43.8% year-on-year, whereas profit attributable to equity holders of the parent was RMB323 million, representing a surge of 395% year-on-year.

The outstanding business performances of the Company in 2016 were owed primarily to the development strategy it set at the beginning of the year and the strong resources and system advantages of its controlling shareholder. During the year, guided by its “invest in primary land + cultivate and operate downstream business” development strategy, the Company fully tapped the system advantages of CDB system, which enabled it to make positive and significant progress in business deployment, investment in new projects, financing, capital operation and asset reorganization. It kicked off a good number of projects during the year, including investment in primary development and downstream operation projects, laying a solid foundation for continuous investment in the future.

Keep expanding fixed-income urbanization investment portfolio to generate stable cash flow

Fixed-income investment in urbanization development is one of the major businesses of and a stable source of cash flow for the Company. During the year, facing the new economic environment in China, the Company was able to leverage CDB system's network, brand and resources advantages to maintain relatively stable investment returns as well as strengthen control over investment risks. As at the end of 2016, the Company's fixed-income urbanization investment portfolio worth in all RMB2.067 billion and it brought annualized return on realized investment before tax of approximately RMB262 million to CNTD. The average annualized rate of return on investment before tax of the business was approximately 12.67%.

To better finance its investment portfolio, raise the rate of return on leveraged investments and integrate with the resources and experiences in management of urbanization funds of its controlling shareholder China Development Bank Capital Corporation (CDB Capital), the Company announced at the beginning of 2016 the establishment of a RMB5 billion new-type urbanization development fund with CDB Capital and Industrial Bank and that it would be managing the fund. With a five times leverage ratio, the fund is mainly used for fixed-income investment in urbanization projects. Apart from raising return on investment via leveraging, the fund can also allow CNTD to participate in more urbanization investment of different types, including shanty-town re-development and various types of Public-Private-Partnership (PPP) projects, using relatively less capital.

Actively develop downstream business focusing on education, tourism and industrial park industries with development potential

In 2016, the Company clearly defined its overall investment strategy for downstream urbanization-related operations. It selected education, tourism and industrial park industries, which boast strong development potential and agree with the requirements of residents and local governments, as its key development focus. It fully applied the advantages of CDB system's business network and resources and those of its own to amass project resources. After a year of hard work and expansion, the Company has built up a reserve of diverse projects in the realm of education, tourism and industrial park development in economically advanced regions such as the Yangtze River Delta, Southern China and Central China. A solid ground has been built by the Company for pursuit of such projects in the future.

In October 2016, CNTD announced that it would cooperate with Vanke to develop the Junzhuang Project in Beijing Mentougou District. The project is a large-scale integrated development project rare in city area of Beijing and also a priority township project of the Beijing municipality. The planned site area of the project is approximately 414 hectares. The marriage of strengths between the Company, as an integrated new town developer in Mainland China, and leading property developer Vanke mirrored the determination of the Company to build an iconic integrated tourism and healthcare product in core quality areas in China. CNTD will also be able to accumulate a mix of quality assets in core cities and gradually consolidate its "investment + operation" revenue mix. Looking ahead, the Company will replicate the project model in mainland cities or economic zones, the fastest growing and with a thriving economy, and also continue to cooperate with strong business partners to identify opportunities to develop sizeable and high quality land parcels.

Lose historical baggage, establish firm foothold in Hong Kong and build and urbanization listing platform for CDB Capital

During the year, the CNTD actively restructured its assets making notable progress. It duly sold a number of for disposal assets in Shanghai in April 2016 and by year end basically completed disposal of all such assets and retrieved substantial cash. As at the end of 2016, the Company had RMB2.35 billion in cash. With those for disposal assets all sold, the Company's debt ratio was reduced to 47%, giving its balance sheet an improved structure. In the future, CNTD will move forward without burdens and focus on developing its core businesses.

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In October 2016, the Company announced its voluntary delisting from the SGX-ST by way of selective share buyback. In January 2017, an EGM was held and the delisting resolution was voted on and approved, high at 98.24%, by shareholders. Shares of the Company were delisted from the SGX-ST on 17 February, after which the Company's shares are listed only in Hong Kong on the HKEX. In the future, CDB Capital will offer long term support to the Company for achieving sustainable development, enhance cooperation and synergy with the Company in terms of resources and businesses, build an urbanization listing platform and an unique brand for CDB system as a listed entity.

Follow national policies and strategies and persist in carrying out core development strategies

Looking at 2017, the Company will continue to implement its core development strategies, keeping pace with national new-type urbanization polices, striving to achieve greater synergies with its controlling shareholder in terms of resources and businesses, and building an urbanization listing platform for the CDB system. Capitalizing on the planned and incubated projects, CNTD will pursue development in core cities and core industries, bring in advanced brand resources domestic and overseas and commence win-win cooperation. Continuous efforts will be mounted to help the Company diversify its income sources and generate stable and sustainable returns for shareholders.

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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 (“CBD 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, Nanjing Yuhuatai Twin Bridges and Yangzhou Airport City. As at the end of 2016, the Company has invested a total of RMB2.067 billion in fixed-income urbanization investment portfolio with an annualised average return of 12.67%, thereby contributing to an improvement of financial performance. It realised a profit attributable to equity holders of the parent of RMB323 million in 2016.

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 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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