



**China New Town Partners with Tongchuang to Acquire All Equity of
Lenovo Mobile (Wuhan)**

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**Apply Resource Advantages and Rich Property Development and Operation
Experience of Both
to Jointly Develop High-quality Integrated Circuit Industrial Park**

(Hong Kong, 1 June 2018) **China New Town Development Company Limited** (“the **Company**” or “**CNTD**,” HKSE: 1278.HK) announced that it has brought in a partner in the acquisition of 100% equity interest in Lenovo Mobile Communication Software (Wuhan) Limited (“Lenovo Mobile (Wuhan)” or the “Target Company”), an indirectly wholly-owned subsidiary of Lenovo Group Ltd. (992.HK), It has set up a joint venture company with Huzhou Tongchuang Jintai Huizhong Enterprise Management Partnership (Limited Partnership) (“Tongchuang LP”) to acquire 80% equity interest in the Target Company and CNTD itself shall acquire the remaining 20% equity interest.

The First and Second Announcement of the transaction were issued on 28 November 2017 and 7 February 2018 respectively. According to the updated equity interest transfer and framework agreement, the registered capital of the joint venture company will be RMB10,000,000, with CNTD contributing 58% (RMB5,800,000) and Tongchuang LP 42% (RMB4,200,000), and the two companies will provide RMB267,960,000 and RMB194,040,000 respectively in shareholder loan to the company. The joint venture company will become a non-wholly-owned subsidiary of CNTD. Through the transfer of equity, CNTD shall at a consideration of not more than RMB199.2 million own 66.4% of Lenovo Mobile (Wuhan), including certain debts and responsibility for project fees and costs of the Target Company. As at June 1, in accordance with the Equity Interest Transfer Framework Agreement, CNTD has paid RMB200,000,000, the first instalment of the consideration for the Acquisition and RMB150,518,204.86, the construction cost, to Motorola (Beijing) Mobility Technologies Company Limited.

When the acquisition is completed, CNTD and the joint venture company will provide shareholder loans to Lenovo Mobile (Wuhan) in the amount of RMB58,000,000 and RMB232,000,000 respectively. Moreover, in the relevant stage of the Target Project, CNTD will provide the Target Company a shareholder loan of not exceeding RMB60,000,000 at an annual interest rate of 7%. The Target Company shall use the loan to settle liabilities, and to pay for construction and renovation of property.

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The aim of the acquisition is to build an integrated circuit industrial park supportive of such as opto-electronics and semi-conductor fields. The Target Project will be in the Donghu high-tech industrial development zone in Wuhan, a national high-tech industrial park and development base of opto-electronics and semi-conductors in China, which agrees well with the Company's aspiration of developing integrated circuit industrial parks. After the Target Project is completed and in operation, with its own and access to resources of China Development Bank Corporation ("CDB"), CNTD will be able to offer premium office buildings in the industrial park and derive long-term rental income and benefit for asset value appreciation of those properties, ensuring the project's operational quality and profitability. By investing in and including such quality items into its asset portfolio, the Company shall be able to generate stable cashflow and gain from long term asset appreciation.

Bringing in Tongchuang LP, whose general partner is Co-Create Golden Technique Project Management (Beijing) Co., Ltd ("CCGTECH"), will allow the Target Project to leverage CCGTECH's experience in engineering management to ensure its quality and delivery standard, plus optimize the interior designs and premise layout. At the same time, the Company can marry its operational capabilities with those of CCGTECH to better operate and manage the properties in the project and increase their value.

CNTD's joint venture partner Tongchuang LP is in enterprise management, commercial and economic information consulting, and real estate investment businesses, and CCGTECH offers complete professional solutions that cover the entire real estate development cycle. Armed with industry leading expertise in commercial planning, planning management, design and construction management, contractual management and operation management, CCGTECH's management team has completed and helped recruit tenants for and operate various development and construction projects in first- and second-tier mainland cities such as Beijing, Tianjin and Shenzhen.

The Company has been looking for best locations of integrated circuit industrial parks in first- and second-tier cities across the country to build up its project reserve, and it boasts good relationship with quality enterprises in different industries that it has built drawing on resources of its own and the CDB family. It will, via the joint venture operation with Tongchuang LP, push to achieve long term development in the integrated circuit industrial park arena.

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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, Nanjing Yuhuatai Twin Bridges and Yangzhou Airport City. As at 31 December 2017, the Group had invested a total of

approximately RMB2.1 billion in the integrated development projects with an annualised average return of 11.9%, thereby contributing to an improvement of financial performance. It realised 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 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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