

[For Immediate Release]

**China New Town Turnarounds to Profit of RMB65.14 Million in 2015**

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**Expand Investment under China's Urbanization Policy,  
Enhance Project Returns by Effective Financial Leverage, and  
Strategically Extend Business to Downstream Operations,  
Investment and Financing**

(Hong Kong and Singapore, 13 March 2016) **China New Town Development Company Limited** (the “**Company**” or “**CNTD**”; HKSE: 1278.HK; SGX: D4N.SI) announced its audited annual results for the twelve months ended 31 December 2015.

Since China Development Bank Capital Corporation Limited (“CDB Capital”), a subsidiary of China Development Bank Corporation, became CNTD’s controlling shareholder two years ago, the Company has refined its strategic goals and evolved its business model, extending from primary land development to the investment and development of urbanization projects, and to the investment and management of urbanization funds. The company saw 2015 a rewarding year as a number of landmark projects were secured and a series of strategic cooperation was initiated.

The Company recorded revenue of RMB67 million in 2015, representing a year-on-year increase of 18%. Profit attributable to owners of the parent company amounted to approximately RMB65.14 million, showing a strong turnaround from a loss of RMB61.4 million after the change of a controlling shareholder.

**Integrated model of urbanization investment and development, with roots well grown in the Yangtze River Delta**

Well established in the affluent areas of the Yangtze River Delta, the Company has integrated investment with operations and established the advanced model of “Industry Investment + Industrial Park Development”, as well as improved profitability through exploring opportunities along the urbanization industry chain. At the end of 2015, the Company has accumulatively signed contracts of urbanization investment projects amounting to almost RMB1.4 billion in total, which is expected to generate fixed investment returns of nearly RMB200 million for the coming year.

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Leveraging its strong relationship with local primary land development authorities, CNTD has entered into a strategic cooperation framework agreement in September 2015 with Shenzhen Venture Capital Group Co., Ltd. (“SVCG”), a leading venture capital with state-owned background. It has also acquired 13.9% equity interest in Jiangsu Hong-tu Software Venture Capital Investment Ltd. (Jiangsu Hong-tu Software VC), an indirectly owned subsidiary of SVCG, for a consideration of RMB37.5 million. The Company has previously obtained the Nanjing Yuhuatai District Twin Bridge and Software Valley Project, and has successfully earned a guaranteed annual return of 17% through the primary land development of this project which has about 20 million sq.m. of area under development. The capital injection in Jiangsu Hong-tu Software VC has allowed the Company to participate in the secondary development of the land parcel A5 with a gross floor area of nearly 180,000 sq. m., to be developed for mixed use of commercial and research offices, in Nanjing Yuhuatai District Software Valley. This paves the way for the Company to further develop this area into a showcase new town integrating high-end industries, commercial and leisure, culture and tourism, and livelihood functions.

Riding on the “Industry Investment + Industrial Park Development” model, the Company has entered into Yangzhou Airport New Town Cooperative Agreement with the Yangzhou Airport New Town Administrative Committee and Hengfeng Bank in December 2015. Pursuant to this agreement, the Company has committed to invest RMB300 million to finance the project’s development by ways of direct equity investment and establishing dedicated funds, with such investment being able to enjoy visible and lucrative fixed annual returns which will be listed in the annual fiscal budget of the Jiangdu district government of Yangzhou city and credit enhancement by the government. In addition, through its controlled joint ventures, the Company will also participate in secondary land development in the region, as well as the construction and long term operations of high-end ancillary facilities including the smart application system and alternative energy system within the region, which is expected to generate long-term operating revenues for the Company.

### **Enhance Returns in Urbanization-related Projects through Effective Leverage**

With a registered capital of RMB50.9 billion and assets under management of more than RMB250 billion, CDB Capital, the Company’s controlling shareholder, is a state-level investment institution that focuses on investment in new towns, strategic industry investment, overseas investment and fund management. Leveraging its “China Urbanization Strategic Alliance”, the Company has obtained strong business network and other strategic support along the entire chain of the urbanization industry.

In the first half of 2015, the Company successfully completed the issuance of a 3-year offshore unrated RMB-denominated bond of RMB1.3 billion at a desirable coupon rate of 5.5%.

During the year, the Company, with the capacity as junior-tranche limited partner, invested RMB150 million in the RMB10 billion CDB (Beijing)-BOCOMM New-Type Urbanization Development Fund, which focuses on fixed-income investments in shanty-town redevelopment and urbanization projects. Through this fund, the Company has in aggregate financed 10 urbanization projects with a total amount of RMB65 million, which is expected to deliver an annual investment return of over RMB25 million, or more than 30%. In this RMB10 billion transaction, RMB2 billion capital from CDB associates was backed by low-cost funding of RMB8 billion, so the Company’s investment enjoys an effective 5x leverage.

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In addition, the Company has entered an agreement with Sino IC Capital Management Company Limited, the manager of RMB120 billion National Integrated Circuit Fund, to form strategic partnership in a series of cooperation. It has laid the foundation for the Company's large-scale industrial park projects centering around national pillar industries in the foreseeable future.

### **Increase Investment to RMB1.5-2 billion in 2016 to Cope with the Trend of Urbanization**

In 2016, the Company will capture the opportunities arising from national policies of shanty-town redevelopment, industry-township integrated development and urbanization construction by increasing efforts in project development and investment. The Company will also deepen its development in the Yangtze River Delta, "Beijing-Tianjin-Hebei" area and other first-and second-tier cities while forging long-term investment and improvement in profitability, and also exploring more financing channels in China and oversea.

The Company's investment will focus on projects with high safety margin and derive high investment returns by effective and well managed use of leverage. In the aspect of downstream operating business, the Company will fully utilize the advantage brought by operational platforms of each project and close partnership with government entities. It will also actively explore investment and development opportunities with the objective of achieving profitability from high value-added segments in the urbanization industry. Furthermore, the Company will continue to advance the progress of existing projects and unlock the cash value of the Company's historical investments.

Stepping up from the newly secured RMB1 billion investment in 2015, CNTD targets to make further investment of RMB1.5-2 billion in urbanization projects or under CDB new town new-type urbanization funds in 2016.

In fact, CNTD has been preparing itself for new project launching in the coming year. The Company has entered agreement with China Industrial Bank Wealth Management Co. and CDB Jingcheng (Beijing) Investment Fund Company Limited to jointly establish a RMB5 billion fund with an investment focus in urbanization-related projects and an investment period of 8 years. The transaction is pending independent shareholders' approval in the Company's extraordinary general meeting. The Company will make a nearly 21% contribution to the total investment, representing a 5x leverage of its funding. With the guarantee of quality projects, the investment return is expected to be enhanced by such effective use of leverage. This low cost, large-scale financing transaction will provide a strong capital base for the Company's investment in the coming few years, and therefore fuel the realization of quality projects and bring along promising prospects for the Company.

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

(HKSE: 1278.HK; SGX: D4N.SI)

China New Town Development Co. Ltd. is dual-listed on the SGX and HKEX. On 28 March 2014, China Development Bank Capital Corporation Ltd. ("CDB Capital"), a wholly owned subsidiary of China Development Bank, became the controlling shareholder of CNTD holding 54.3% equity interests. With a registered capital of RMB50.9 billion and assets under management exceeding RMB250 billion, CDB Capital focuses on investment in new cities and towns, investment in strategic industries, overseas investment and fund business.

As the only listing platform for the new town business of China Development Bank, CNTD has devoted itself to construction and investment in towns in China. Since its inception in 2002, CNTD has gained high recognition for its projects across China and overseas, including the “United Nations Development Program Pilot Town”, “National Development and Reform Pilot Small Town” granted by the National Development and Reform Commission and “Asia Pacific Member under the European New Towns Platform & Pilot Cities”. As at the end of February 2016, the Company has participated in 15 investment projects including Shanghai Luodian New Town, Nanjing Yuhuatai Twin Bridges, Yangzhou Airport City and Shenyang Lixiang New Town Development projects. It has also formed some strategic partnerships and set up a number of investment funds.

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