

[For Immediate Release]



## China New Town Signs Memorandum of Understanding with MGM Resorts International, Intends to Set Up a Partner Fund

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### Establishes Solid Foundation for Development of Tourism Industry

(Hong Kong, 7 August 2017) – **China New Town Development Company Limited** (the “**Company**” or “**CNTD**,” HKEX: 1278.HK), is pleased to announce that, the Company has entered into a Memorandum of Understanding (the “**MOU**”) with MGM Resorts International (the “**MGM**”). According to the MOU, both parties agree to establish an industry fund focusing on non-gaming tourism, leisure and cultural development (the “**Fund**”)

According to the MOU, the parties intend to incorporate a fund by way of limited partnership. CNTD and MGM intend to subscribe for US\$200 million and US\$100 million in the Fund respectively. After the entering into the Limited Partnership Agreement (LPA) and the establishment of the Fund, the parties agree to complete the initial contribution of 10% of their respective committed capital. The rest of funding will be gradually contributed subject to the actual investment progress of projects.

The Fund will be managed on a day-to-day basis by a fund management company to be controlled by the Company. There will be an investment management committee in the fund management company comprised of representatives from both parties. The Fund’s mandate is to invest in the non-gaming tourism projects, mainly within China, while also seeking investment opportunities in strategically core cities in countries along the “One Belt One Road”. These projects will benefit from being branded or managed under MGM, Diaoyutai MGM or their other affiliates.

In October 2016, the Company collaborated with Beijing Vanke on the Beijing Junzhuang Project in Men Tougou District, which will be developed into an integrated ecotourism business park to cater for, among other consumption sectors, leisure-based vacation, eco-conservancy and healthcare, parent-child education, as well as the creative industries. The Company has identified tourism as a strategically important downstream sector of urbanization, with excellent prospects. On top of that, entering into an MOU with MGM represents another solid step of CNTD in the tourism industry and establishes its solid foundation for development of the tourism industry.

As a global leading resort, hospitality and entertainment company, MGM owns valuable brand recognition, extensive industry experience and resources, and excellent management team, etc. The cooperation of the Company and MGM will combine the strategic resources of the Company, namely its business networks and land resources, with the industrial know-how of MGM, to promote investment and operation of tourism projects in China.

Looking ahead, the parties will seek to carry out cooperation in the development of resorts and hospitality projects inside China. The parties intend to obtain land resources with a reasonable cost in high-quality urban locations, launch projects under the MGM brands and management expertise, and build large-scale tourism resort projects consistent with domestic consumption trends. Through these initiatives, CNTD will create long-term operational income, accumulate high-quality assets, and continue to create long-term core values 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 (“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 Yuhatai Twin Bridges and Yangzhou Airport City. As at 30 June 2017, the Group has a portfolio of RMB2.445 billion fixed income investments in aggregate, securing a total contractually guaranteed annual return before tax of approximately RMB290million, representing an average annualized pre-tax return of approximately 12%.

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.

**About MGM Resorts International (MGM)**

(NYSE: MGM)

MGM Resorts International is one of the world's leading global hospitality companies, operating a portfolio of destination resort brands. It owns 23 hotels in the USA and other regions and over 60 thousand rooms, with an annual revenue about \$10 billion. The brands are including Bellagio, MGM Grand, Mandalay Bay and The Mirage. As an important business layout area, MGM not only established MGM China Holding (HKEx: 2282) in China, but also established a joint venture with the Diaoyutai State Guesthouse that named Diaoyutai MGM Hospitality Management Company Limited (the “**DIAOYUTAI MGM**”), which specializes in hospitality and residential branding and management.

For more information about MGM Resorts International, visit the Company's website at [www.mgmresorts.com](http://www.mgmresorts.com).

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