

[For Immediate Release]



**China New Town 2019 Interim Results Achieve Turnaround
Realises Profit Attributable to Equity Owners of the Parent Company of
RMB88.85 Million**

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**Education Sector and Lenovo Wuhan Research and Development Base Project
Make Milestone Progress**

(Hong Kong, 9 Aug 2019) **China New Town Development Company Limited** (“the **Company**” or “**CNTD**,” HKSE: 1278.HK) has announced its unaudited interim results for the six months ended 30 June 2019.

During the first half of 2019, with the fluctuation in the economic environment domestically and abroad, the Company still persisted with the stability of investment in new urbanisation construction. Leveraging its extensive experience in risk control and the nationwide resources advantage of the China Development Bank (“CDB”) system, the Company achieved turnaround during the period. In the first half of 2019, the Company recorded revenue of RMB198 million, an increase of 34% as compared with the same period of 2018. The profit attributable to equity owners of the parent company turned around to approximately RMB88.85 million compared with a loss in the first half of 2018 of RMB33.81 million. The main reason for the increase was that the Company's operating income increased by 47% in the first half of 2019 to approximately RMB253 million, and the Company realised exchange gains of approximately RMB8.59 million during the period, compared with exchange losses of RMB 63.39 million in the same period of 2018.

The Company maintained stable in its fixed income portfolio. As at 30 June 2019, the sum of portfolio of fixed return investment in urbanisation was RMB2.64 billion, securing a total contractually guaranteed annual return before tax of approximately RMB270 million, with a pre-tax average annualised rate of return exceeding 10.3%.

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In the education sector, the Company has made milestone progress in the education business. In January 2019, Reigate Grammar School held a cornerstone ceremony for this major project in Nanjing Qilin Hi-tech Zone. Following the Nanjing project, the company announced in early August 2019 that it has signed a cooperation agreement with Zhangjiagang High-tech Industrial Development Zone in Jiangsu Province, to invest in and operate the Reigate Grammar Bilingual School (“Zhangjiagang Reigate School”), spanning fifteen years of education from kindergarten to high school. The Company expects that the investment for the construction of the school will be approximately RMB600 million in total, and will be developed by the government under a PPP model. The Company’s Kaiyuan Fund will be responsible for the long-term operation of the school and will gain income from its operation. Through the Reigate School initiatives, the Company aims at introducing quality education resources which are of great significance in meeting the needs of the public for quality education. The Company will actively expand in the education sector in which the State is providing incentives for capital participation. In this area, it will give full play to the advantages of the controlling shareholders of CDB and China Development Bank Capital and leverage the professional competence of the education team. The Company will work for the progress of existing projects, as it plans for NanjingQilinBilingual School to partially open this academic year, so as to actively expand new education projects to achieve the coordination and synergy with the internal business, with a view to building an integrated education sector that provides comprehensive education solutions for children aged 0-18 years.

In managing quality property assets, the Company has completed the acquisition of the Lenovo Wuhan Research and Development Base Project located in the Optical Valley High-Tech Development Zone in Donghu District, Wuhan from Lenovo Wuhan. Top-notch enterprises mainly from the integrated circuit (IC) industry would be introduced by the Company to achieve the objectives, including operation quality and profitability, of the targeted project. At the same time, the Company will also fully leverage the investment capabilities of various business segments within CDB and attract local enterprises with expansion and upgrade needs to move into the target project, to further enhance its operating efficiency and return on investment. Currently, the Lenovo Wuhan Research and Development Base Project has started to invite investment. Leveraging the resource advantages accumulated in the IC industry, a large number of enterprises have signed lease contracts. It is expected that by the end of 2019, the invitation to investment will have been basically completed and the project put into operation, and the Company will continue to take advantages of the network of controlling shareholders to develop new quality industrial base project channels while accumulating quality projects, so as to provide long-term stable income to the Company.

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Looking ahead, the Company will continue to maintain stability of its fixed-income investment portfolio to achieve a stable cash return as a basis for long-term dividend sustainability. Moreover, it will continue to extend its presence in downstream industry sectors, such as education, industrial parks and tourism, so as to generate substantial operating income from the downstream businesses to effectively replenish income from fixed investments. The Company will put the advantage of CDB's systematical network resources into full play and fully utilise its extensive experience in urbanization. Under the leadership of its management team, the Company will integrate its advantages and unite its workforce as one with sincerity, with the aim of developing itself into China's leading investment and operation platform in areas that improve people's livelihood, and creating long-term value 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, 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 Company, etc. As at 30 June 2019, the Company has an aggregate fixed income investment portfolio of RMB2.64 billion, securing a total contractually guaranteed annual return before tax on investment of approximately RMB270 million, representing an average annualised pre-tax return on investment of about 10.3%.

Looking ahead, on the back of the resources 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 the 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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