

TARGET

Intelligence Report

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**CHINA NEW TOWN DEVELOPMENT COMPANY LTD:
TIMES ARE TOUGH, TO BE SURE, BUT THERE ARE,
ALWAYS, MONEYED FRIENDS TO COME
TO ONE'S RESCUE WHEN NEEDS BE SUCH**

In an '**OVERVIEW**' of the 2022 Annual Report of China New Town Development Company Ltd (中國新城鎮發展有限公司) (Code: 1278, Main Board, The Stock Exchange of Hongkong Ltd), found on the inside cover of the front page of the 204-Page Report of the Company, one was apprised of the following intelligence:

*'China New Town Development Company Limited (SEHK stock code: 1278) (the "**Company**" or "**CNTD**") has been listed by introduction on the main board of The Stock Exchange of Hong Kong Limited since 22 October 2010.*

*'In March 2014, China Development Bank International Holdings Limited (國開國際控股有限公司) ("**CDBIH**") , a wholly-owned subsidiary of China Development Bank Capital Corporation Limited (國開金融有限責任公司) ("**CDBC**" or "**CDB Capital**") completed its subscription for CNTD's 5,347,921,071 issued shares, and became CNTD's controlling shareholder. CDB Capital is a wholly-owned subsidiary of China Development Bank Corporation (國家開發銀行股份有限公司) ("**CDB**") and based on CDB's resources and brand advantage, CDB Capital has a national network layout in the business segment of new town development. On 11 June 2021, CDBIH signed a share transfer agreement in respect of approximately 29.99% shares of the Company with Wuxi Communications Industry Group Co., Ltd. (無錫市交通產業集團有限公司) ("**Wuxi Communications**") and Xitong International Holdings (HK) Limited (錫通國際[香港]控股有限公司) ("**Xitong International**") , a wholly-owned subsidiary of Wuxi Communications. CDBIH agreed to transfer 29.99% shares of the Company held by it to Xitong International by agreement ("**Share Transfer**"). On 28 September 2021, upon the completion of this Share Transfer, Xitong International held approximately 29.99% shares of the Company and CDBIH held approximately 24.99% shares of the Company. Till then, the Company has held a composite shareholder structure of "**local state-owned enterprise + central enterprise financial***

institution”, combining the industrial advantages and financial advantages of the two substantial shareholders.

‘Since 2014, with the trend of new urbanization in China and the Company’s advantage in resources, the Company is gradually shaping development concepts and specifying business strategies. Going on with the basis to continuously follow the guidelines of national policy and with the demand of regional economic development and city life, we shall improve the residents’ living quality and experience and introduce brand products in the field of people’s livelihood such as tourism, healthcare, medical care, etc. With the shareholders’ support of Xitong International and CDBIH, through integrating the resources and advantages of substantial shareholders, the Company gradually specified new development strategy for its business and initiated the business transformation plan. By actively increasing appropriate investments in industries that are in line with the development prospects of the new economy, such as big health industries, strategic emerging industries, and information technology application innovation, we cultivated new businesses and principal business goals...’.

In short, it could rightly be held that, with a 29.99-percent equity stake in the target company, the entire Issued and Fully Paid-Up Share Capital of which is listed on the premier equity market of The Stock Exchange of Hongkong Ltd, China Development Bank Capital Corporation Ltd obtained an absolute ‘*Controlling Stake*’ by its cash purchase of 5,347,921,071 Shares in the Issued and Fully Paid-Up Share Capital of China New Town Development Company Ltd.

And, on scanning the 2022 Annual Report of China New Town Development Company Ltd, the aforementioned statement becomes crystal clear.

At Page Two of the 2022 Annual Report of China New Town Development Company Ltd, under the heading, ‘**OUR BUSINESS**’, one learns, inter alia:

*‘Upon becoming a subsidiary of CDB Capital, we have made good use of these operating experience, together with the national resources advantage of the CDB Capital, to actively make an optimization of project operation model. We have established the business model of “**investment + production operation**”, rapidly expanded the business scale, and achieved a good scale effect and financial basis and brand advantages. On top of fixed income investment in urbanization projects, and with the opportunity and business network of in-depth cooperation with various regional governments, we introduce brands of urbanization to the region in the field of people’s livelihood improvement at the same time, such as tourism, healthcare, medical care and etc. In 2021, CDB Capital transferred its 29.99% equity in the Company to Wuxi Communications, realizing the diversity of the Company’s shareholding structure.*

‘In the sector of fixed income investments, the Company has participated in various kinds of investing urbanization projects through equity or mezzanine investment. In these investments, the Company shall receive a

fixed investment gain based on the amount we have invested, according to the agreement.

*‘In the sector of livelihood improvement investments, we have chosen tourism, healthcare and medical care, etc. as our main downstream strategies, and fully leveraged the advantage of resources of shareholders. In October, 2016, the Company announced that it cooperated with Beijing Vanke Enterprises Co. Ltd (北京萬科企業有限公司) (“**Vanke BJ**”) to develop Beijing Junzhuang Project in Mentougou District. By combining the premier partnership resources in the fields of healthcare, integrated tourism and other aspects established through the CDB Urbanization Strategic Alliance and the top-notch development and operation capability of Vanke BJ in China, the Project is positioned to be developed into Beijing’s integrated tourism and consumption destination. In June 2018, the Company completed the acquisition of Optical Valley New Development International Center Project at the High-Tech Development Zone in Donghu District, Wuhan. The project operates well in attracting investments after more than three years of operation. In addition, we actively explore new direction for business strategy transition through combining new shareholders’ background and resource advantage over the past year or so. We intend to cultivate new business for the segments of big health industries, strategic emerging industries, and information technology application innovation that are in line with the development prospects of the new economy, and have invested certain equity projects and reserved a number of premium project resources.*

‘The Company shall ... [CLICK TO ORDER FULL ARTICLE](#)

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