

[For Immediate Release]



China New Town Announces the Signing of A Co-operation Agreement of Reigate Grammar School Project in Zhangjiagang High-Tech Zone

Marks the Second Education Project in Nanjing Advances the Overall Strategic Layout of Kaiyuan Fund in the Education Sector

(Hong Kong, 6 Aug 2019) **China New Town Development Company Limited** (“the **Company**” or “**CNTD**,” HKSE: 1278.HK) has announced that, China Development Bank Education Company Limited (“**CDB Education**”), a wholly-owned subsidiary of the Company, has recently entered into a co-operation agreement with the administrative committee of the High-tech Industry Development Zone in Zhangjiagang, Jiangsu Province (“Zhangjiagang High-Tech Zone”), in relation to the investment in operating Reigate Grammar Bilingual School (“Zhangjiagang Reigate School”). Pursuant to the agreement, CDB Education is to promote the investment and operation by Kaiyuan Education Fund LP (“Kaiyuan Fund”) in Zhangjiagang Reigate School, which covers 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. Kaiyuan Fund will be responsible for the long-term operation of the school and will gain operation income.

Zhangjiagang Reigate School is the second project after the Nanjing Reigate invested by Kaiyuan Fund in the K12 school sector. The project advances the overall strategic layout of Kaiyuan Fund in the education sector and further spreads the brand of Reigate Grammar School through operating in the asset-light mode. Zhangjiagang Reigate School will be a full-time K12 school integrating the advanced theories in education and curriculum both domestically and abroad, and will interact with its sister school in Nanjing. It will deeply cultivate the concept of K12 bilingual teaching and curriculum into Jiangsu, so as to establish a favourable reputation and a positive cycle of growth with enrolment.

Kaiyuan Fund is a private equity fund initiated by CDB Education and other partners in 2018, mainly investing in the private education sector in Greater China. CDB Education holds 40% interest in the general partner of the Fund as its strategic shareholder and actively participates in the management of the Fund, mainly seeking quality education investment projects for the Fund by leveraging its nationwide network and resources. At the same time, CDB Education has subscribed for a share of USD40,000,000 as a limited partner in Kaiyuan Fund, while committing to a contribution of an amount equivalent to other limited partners in aggregate to the Fund.

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The Kaiyuan Fund has obtained the exclusive authorisation of Reigate Grammar School to develop a series of Reigate bilingual schools in China, with comprehensive operational support from Reigate Grammar School. Founded in 1675, Reigate Grammar School is an independent full-time K12 coeducation school, and is one of the top private schools in the UK, which is regarded as exceptional by ISI, the official rating institution of the education industry in the UK.

Since 2017, the Company has regarded the education industry as an important part of improving people's livelihood. In the face of the needs of social development, the Group has combined providing comprehensive and diversified education products and services with its principal business of urbanisation. CDB Education, a wholly-owned subsidiary, was thus established and is dedicated to investment in the education industry. Currently, the Company holds 50% of Nanjing Guoying Zhongxi Development Co., Ltd. through its wholly-owned subsidiary, CDB Nanjing Investment Development Co., Ltd. and China New Town Holding Company Limited, which is implementing the development and construction of a private international school in Jiangning District, Nanjing. The school will be managed by Kaiyuan Fund under the Reigate brand, and named as the Nanjing Reigate School. The project is currently undergoing good progress and the school is expected to be partially open for classes this year. The ultimate aim is to build an international bilingual K12 school with roots in Chinese culture as a starting point and implement the Group's footprint in the education sector.

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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 Group, 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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