



## China New Town Proposes to Inject RMB300 Million in the Construction of Nanjing Normal University Zhongbei College in Danyang Municipal

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### Marks the First Foray into Education Industry and Forms Solid Foundation for Downstream Expansion of its Business

(Hong Kong and Singapore, 9 September 2016) **China New Town Development Company Limited** (“the Company” or “CNTD”; HKSE: 1278.HK; SGX: D4N.SI) has announced that it has entered into a strategic cooperation framework agreement (the “Framework Agreement”) with Danyang Municipal Government for a long-term strategic partnership in the area of urbanization and comprehensive cooperation in the development, investment and operation of education industry in the future. This marks a major strategic initiative for the Company to expand its downstream urbanization business and enter education industry.

The Framework Agreement will see closer cooperation between the two parties in promoting the investment in and development of educational resources in the Danyang region. The Danyang Municipal Government will leverage its governmental capacity to introduce related educational investment opportunities to the Company and provide necessary support in the areas of policy and land to the Company, while the Company will ride on its advantages in the integrated development of towns to assist Danyang Municipal to attract high-quality educational resources. Through joint investment and project cooperation, the parties will commence the development and operation of the education industry in the region, with respect to (including but not limited to) different types of schools, professional training institutes, educational campuses, etc.

As a start-up project under the Framework Agreement, the Company intends to inject RMB300 million of capital into Danyang Education Investment and Development Company Limited (“Danyang Education”), a subsidiary of the Danyang Municipal Government, to hold 27.27% equity interest in Danyang Education and participate in the construction of Nanjing Normal University (Zhongbei College) in Danyang. The Company is entitled to a guaranteed annual investment return of 9.8% during an investment period of one year. Upon the expiration of the investment period, Danyang Municipal Government will repurchase the equity interest of the Company at a consideration of RMB300 million. The Company’s investment returns and the consideration of the repurchase of equity interest will be included as a provision in the fiscal budget of Danyang city and will be secured by collaterals provided by Danyang Municipal Government.

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As a comprehensive national grade platform for the urbanization business, China New Town has cooperated with Danyang Municipal Government to invest in the Danyang Water Conservancy Project and the Xinmeng River Project in 2015. Both parties have accumulated extensive experience and reaped results through these projects in upgrading the facilities of the city. Capitalizing on this foundation, the parties have further explored the opportunities to invest in and develop the education business and decided to commence the construction project of the Nanjing Normal University Zhongbei College as introduced by Danyang Municipal Government.

Nanjing Normal University is a provincial core university in Jiangsu Province under construction as part of the national "211 Project." The planned total gross floor area of Zhongbei College is approximately 330,900 square meters and it occupies a land area of approximately 900 mu. The project involves the construction of various campus facilities such as student apartments, a recreation center, a career center, academic buildings, a library, etc. The total investment of the project is approximately RMB2.75 billion.

The year 2016 represents a year of accelerating development and business transformation for the Company after completion of its acquisition by CDB Capital. Through making fixed-income based investments, the Company further affirms the development strategy of downstream urbanization development and operations to improve its overall asset mix quality and to enhance the return on long-term investments. At the beginning of this year, the Company has focused on several downstream directions to achieve breakthroughs, such as education, tourism, health care, senior housing, etc., with strong market demand and attractive added-value. Supported by the strong network and resources of its controlling shareholder CDB Capital, the Company has expanded into Beijing, Shanghai, Sanya and the Yangtze River Delta Economic Zone within the past half-year in areas such as emerging industrial parks, tourism, education, etc. The cooperation with Danyang Municipal Government to develop the education business is another confirmation of the Company's strong brand and capital position and capabilities in operation of projects. The implementation of downstream projects one-by-one is expected to generate new profit growth drivers for the Company and further enhance its core value.

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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.

**For Enquiries:**

**Strategic Financial Relations (China) Limited**

Ms. Winnie Lau      Tel: (852) 2864 4876

Ms. Karen Li        Tel: (852) 2864 4837

Mr. Tommy Chan    Tel: (852) 2864 4838

Ms. Carven Tsui    Tel: (852) 2114 4947

Mr. David Ye        Tel: (852) 2864 4893

Email: [sprg-chinanewtown@sprg.com.hk](mailto:sprg-chinanewtown@sprg.com.hk)