



China New Town Contributes RMB445 Million to Establish an Education Assets Investment Fund

* * * * *

Optimizes Education Industrial Chain

Enhances Core Value in Urbanization Development and Operation

(Hong Kong, 17 September 2018) China New Town Development Company Limited (“the Company” or “CNTD” ; HKSE: 1278.HK) is pleased to announce that, CDB New Town (Beijing) Asset Management Company Limited (“CDB New Town”), a wholly owned subsidiary of the Company, has signed a Limited Partnership Agreement (“Agreement”) with Zhejiang Kailian Investment Management Company Limited (“Zhejiang Kailian”) and Kailian (Beijing) Investment Fund Management Company Limited (“Kailian Beijing”) to establish the Qingdao Kailian Huimeng Education Assets Investment LP (Limited Partnership) (青島開聯慧蒙教育產業投資合夥企業(有限合夥)) (“Investment Fund”) in the PRC for the purpose of making long term investment in the education sector in the PRC.

Pursuant to the Agreement, as an anchor Limited Partner, the Company is to contribute RMB445 million to the Investment Fund, whereas Zhejiang Kailian and Kailian Beijing as General Partners shall contribute RMB10 million and RMB1 million respectively. Furthermore, the Company contributed RMB5 million to the capital of Zhejiang Kailian and owned 50% equity interest in Zhejiang Kailian. The Investment Fund shall operate for a term of five years, and subsequent capital required will be raised by new Limited Partner(s) or existing Limited Partner(s). CDB New Town, as an anchor Limited Partner, shall contribute no more than 50% of the Investment Fund directly or indirectly. Profit from the Investment Fund will be first allocated to the Company’s projects and proportional to the actual capital requirement of those projects, and the Limited Partners shall receive an annual entitlement equivalent to 8% of their actual capital contribution. The rest of the profit shall be shared 80% and 20% respectively between the Company and the General Partners .

To be managed by CDB New Town Fund (wholly-owned subsidiary of the Company) and Kailian Beijing, the Investment Fund aims to make long-term investment in quality education projects in the PRC, particularly in the pre-school education area. The purpose of the Investment Fund agrees with the Company’s strategic deployment in urbanization development pinpointing the education sector. The Company has been looking for strategic downstream expansion opportunities in the private education sector in China. At present, demand for pre-school education in China is on steady increase and the sector has good fundamentals and bright development prospectus. As the operating model of its education business matures, the Company expects to reap notable synergies from the business developing in complement with its urbanization business. Education business will generate a stable source of operating income and value appreciation of assets of the Company, hence befitting for long-term investment.

The Investment Fund is another major strategic investment in China's education sector for CNTD after its investment in Kaiyuan Education Fund LP. Through investing in the two funds, the Company will be able to establish a comprehensive education business chain and focus on offering top quality private education solutions entailing international curriculum elements. Backed by its wide business network, good government relations and ability to secure scarce land resources in leading cities in China, the Company will seize development opportunities to become an outstanding education operator. Furthermore, by bringing quality educational resources to a city, the Company hopes to help enhance the city's value, and also its own core competitiveness as a player in urbanization development.

In the future, CNTD will strategically balance its asset portfolio, enrich products in downstream of the urbanization value chain and seek long-term and stable capital appreciation, thereby create greater value for shareholders.

~ End ~

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 property development project, commercial and office property development in Nanjing Yuhuatai District and Kirin bilingual school development in Nanjing Jiangning District. It also found strategic cooperative partners including the National IC Industry Fund, Vanke, Shenzhen Capital Group, etc. As at 30 June 2018, the Group had invested a total of approximately RMB2.57 billion in the integrated development projects with an annualised average return of 11.0%, thereby contributing to an improvement of financial performance. It realised a net profit of RMB336 million in the year of 2017.

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.

For Enquiries:
Strategic Financial Relations (China) Limited

Ms. Winnie Lau	Tel: (852) 2864 4876
Ms. Karen Li	Tel: (852) 2864 4837
Ms. Sherry Liu	Tel: (852) 2114 4907
Ms. Yoki Zhao	Tel: (852) 2114 4949

Ms. Michelle Ma Tel: (852) 2114 4954
Email: sprg-chinaneatown@sprg.com.hk