

[For Immediate Release]



**CNTD and Sichuan Zhongxi Properties
Jointly Develop and Construct a K-12 Bilingual School
in Jiangning District, Nanjing City**

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**Co-establish “Kaiyuan Education Fund”
with Initial Injection of US\$65 Million to Enter the Education Industry
within the Greater China Region
Creating a Complete Education Business Chain**

(Hong Kong, 22 January 2018) – China New Town Development Company Limited (“the Company” or “CNTD”; HKEX: 1278.HK, together with its subsidiaries “the Group”) is pleased to announce that the Group has entered into a cooperation agreement with Sichuan Zhongxi Properties Company Limited (“Sichuan Zhongxi”) to engage in the construction and development of the private “all-through” school covering pre-primary education to secondary education, offering a bilingual International curriculum (K-12 bilingual curriculum). Meanwhile, the Group has announced its participation in the establishment of an education industry investment fund with an initial injection of US\$65 million. The fund is set mainly to invest in the companies, projects and businesses within the education industry across the Greater China region. Through these two significant business developments, the Group is able to extend its presence in the school construction and investment of the private school to form a complete education industry chain, thereby cultivating a virtuous cycle of a revenue system with growth and a stable cash flow.

Targets Nanjing Province High-end Technology and Innovative Industrial Park to Develop K-12 Bilingual School Education

The Group’s wholly-owned subsidiaries CDB Nanjing Investment Development Co., Ltd. (“CDB Nanjing”) and China New Town Holding Company Limited (“CNT Holding”), and Sichuan Zhongxi will inject RMB34.54 million, RMB73.26 million and RMB112.20 million respectively into the joint venture, Nanjing Guoying Zhongxi Development Company Limited (“Nanjing Guoying Zhongxi Development”). Upon completion of the Capital Injection, each of party will have interests of 15.7%, 33.3% and 51% of the enlarged capital equity interest respectively.

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After securing the certificate for the use of state-owned land by **Nanjing Guoying Zhongxi Development, CDB Nanjing** shall acquire 1% equity interest in **Nanjing Guoying Zhongxi Development** at a consideration of RMB2.20 million, after which **the Group** will hold up to a 50% equity interest from its initial 49% equity interest in the joint venture. Depending on the development needs of the joint venture, all parties shall further inject capital according to the proportion of equity, up to RMB300 million. Thus, **the Group's** maximum contribution will be RMB150 million.

Nanjing Guoying Zhongxi Development will carry out development and construction of the K-12 bilingual school on a 122,233.96-sq. m. land parcel located East of the Qilin Transportation River (麒麟運糧河以東), North of Qidi Street (啓迪大街以北) and South of Nanwan Camp (南灣營以南) in Jiangning District, Nanjing City.

The land parcel is located in Qilin Science Park, Jiangning District, Nanjing City and will be used for science development and education purposes (kindergarten, primary and secondary schools) during its 50-year land use period. The Qilin Science Park is an important innovative industrial park in Nanjing City, and is also planned to be a technological and innovative base for high-end industry and talents. The Science Park currently has a population of more than 100,000 and the planned population will reach 500,000. Currently, there are plenty of residential properties nearby, which will create a good demand for the school enrollment as the population increases.

Leveraging Existing Regional Resources to Create Milestone in Education Sector and Synergies with the Group's Urbanization Business

Believing that the target land parcel has a high development value, **the Group** has negotiated with **Sichuan Zhongxi**, to co-develop the land and build the school. **The Group** for its part intends to introduce quality overseas education brands that it owns to boost student recruitment and school operations, and secure stable long term rentals and benefit from the potential appreciation of education assets through ownership of the school, creating an important milestone in its development of the education sector. As part of the key development of a strategic location, **the Group** has acquired a large number of quality assets in Nanjing, including investment in the Two-Bridge Project in Yuhuatai District and the Nanjing Subway Superstructure Project. The long-term accumulation of these high-potential resources in the region should create synergies between the education sector and other existing businesses, and further promote the **Group's** overall business expansion, including the business operations and commercial property development project.

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Moreover, **New Town Education Company Limited** (“**New Town Education**”), an indirect wholly-owned subsidiary of **the Group**, has entered into a subscription and commitment agreement with the General Partner **Kaiyuan Education Fund GP Limited** to subscribe for the interest of the “**Kaiyuan Education Fund LP**” (“**Kaiyuan Education Fund**”). **New Town Education** holds a 40% equity interest and is the strategic shareholder, while **China-West Education Investment Holdings Company Limited**, **Excel Access International Limited** and **Smart Sphere Limited** hold 15%, 25% and 20% equity interest of **Kaiyuan Education Fund GP Holdings Limited**, the parent company of the General Partner, and their respective ultimate beneficial owners are independent third parties.

The initial investment of the **Kaiyuan Education Fund** is US\$65 million. As the Partner of the fund, **New Town Education** has committed US\$40 million at initial stage; if all other partners commit more than US\$40 million, **New Town Education** would increase its commitment to no more than US\$50 million. (including the initial subscription of the Interest of US\$40 million). **New Town Education** as the strategic shareholder of the General Partner, would actively participate in the investment management of the fund.

The Group has long been engaged in the strategic search for downstream expansion opportunities in China’s private education sector. As its main investment platform within the education industry, **New Town Education** is to actively participate in the investment management of the fund, which will be managed by the General Partner, through private negotiations to invest in companies, projects and businesses in the education industry within the Greater China region and other global regions as identified by the General Partner aimed at long term capital appreciation.

Remarkable Achievements in the Education Industry Leveraging Brand Value and Synergies with the Urbanization Businesses

The investment fund is well-positioned to blend in multiple strategic resources and independently develops and offers cutting-edge private education solutions with international curriculum elements, which predominate in the fastest-growing education segments in China’s leading cities and the country’s middle-class households. In the long run, participation in the education investment fund can generate value through a stable operating income of education business and the value appreciation of such assets, and also strategically balance **the Group’s** asset mix as well as augment its potential product offering within a downstream urbanization value chain, thus enhancing its core businesses and shareholders’ value.

CNTD has set its development goals on “Quality Education, Tourism and Industrial Parks,” as education is a key industry in urbanization development which is highly appreciated by local governments and citizens alike. Integrating the strategic resources and brand impact of **the Group’s** controlling shareholder **CDB**, together with the quality and wide business network accumulated from the existing urbanization business of **the Group**, as well as the good relations with the government and its ability to secure scarce land resources in China’s leading cities have reinforced the operating capability of its education industry business. The integration of resources also has introduced premium education resources to leveraging the intrinsic value of the city, and further increases the core competitiveness of **the Group** as an Urbanization Developer and Operator to win large-scale development projects and land reserves in attractive areas, and create synergies with other urbanization businesses to enhance its brand value and form a complementary virtuous development cycle.

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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 urbanization business of China Development Bank (“CDB”), China’s largest financial institution 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 capitalized on this strong shareholder background and its expertise in aspects of urbanization to re-optimize its business model, expanding the scope of its business from primary land development exclusively to include investment, development and operation of urbanization projects across China. The Company has participated in numerous projects including the Junzhuang Project in Beijing Mentougou District, Shanghai Luodian New Town, Nanjing Yuhuatai Twin Bridges and Yangzhou Airport City. It also found strategic cooperative partners including the National IC Industry Fund, Vanke, Shenzhen Capital Group, etc. As at 31 December 2017, the Company had a portfolio of RMB2.19 billion fixed income investments in aggregate, with annualized average ROI at 11.9%, reflecting its improving financial status. In the first half of 2017, profit attributable to equity holders of the parent was approximately RMB117 million.

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 urbanization. It will also devote itself to develop and create urbanization 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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