



CENTURY BRIDGE

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PRESS CONTACT:

Guy Lawrence
Ross & Lawrence
212-308-3333
gblawrence@rosslawpr.com

COMPANY CONTACT:

Jeff Tucker
Century Bridge Capital
214-270-2121
jtucker@centurybridge.com

Century Bridge Announces \$48 Million Residential Development in Huai'an China

Joint Venture with Zhongliang Real Estate To Develop 430 Units in Established In-Fill Location with Improving Infrastructure and Retail, Educational and Recreational Amenities

DALLAS, TX and BEIJING – October 4, 2018 - Century Bridge Capital announced today that it has invested \$5.6 million in a joint venture real estate development for a middle-income, residential project in Huai'an, a Tier 3 city in northern Jiangsu Province, China. The investment will be made through a joint venture with Zhongliang Real Estate Group.

Commenting on the investment Century Bridge CEO, Tom Delatour, noted, “Market dynamics in this Huai'an submarket are attractive at this point in time with strong housing demand and low inventory forecast for the short and medium term. This current imbalance in demand and supply, along with disposable income growth that has outpaced housing price growth, and the resulting increased affordability of housing in Huai'an, are among the key characteristics we look for when assessing risk and upside potential for new investments.

Given these elements we believe the project has the essential ingredients for a successful joint venture residential development. In addition to the favorable dynamic between affordability and home prices it is in an in-fill site located in a mature submarket benefiting from expanding infrastructure and stable economic growth as well as a significant growing, unfulfilled demand for middle class housing.”

Century Bridge President, Wei Deng, commented, “This is our second joint venture with Zhongliang Real Estate Group, with whom we have an effective and collaborative relationship on our Xuzhou development project which we announced in May. Zhongliang has been developing projects in China for 26 years and is ranked as a top 25 real estate developer nationwide by the State Council Research & Development Center and China Index Academy. Their focus on projects in Tier 2 and 3 cities, their history developing real estate in China, and our current working relationship with them in Xuzhou make them an ideal partner for the Huai'an investment. A key component of Century Bridge's strategy is the development of long-term relationships with our local partners, and we are pleased to be commencing our second joint venture with Zhongliang.”

KEY FACTS

- Huai'an – A vibrant Tier 3 city which benefits from steady infrastructure investment and stable economic growth. GDP grew 7.4% in 2017 and the city has experienced steady population growth for the past five years, supporting consistent long-term demand for residential housing.
- Established in-fill location – The project will be located in an in-fill location close to the local county government facilities and amenities.
- Transportation Infrastructure and Economic Growth – Two new high-speed railway stations currently under construction will connect the city with the high-speed rail system extending from Shanghai to Beijing. Huai'an Airport which began operations in 2010 is currently undergoing its first expansion. As one of the cities within the Yangtze River Delta region, Huai'an and the Huai'an Economic Development Zone are a part of the business cluster that supports many global enterprises as their global manufacturing base.
- Amenities – Located in the center of Huai'an, elementary and high schools are within walking distance of the project. The location also provides easy access to medical facilities and bus stations as well as nearby retail and commercial facilities. A large shopping mall is located to the southeast and a park located to the south of the project. The Lianshui High-speed Railway Station, scheduled to open in 2020, is a 20-minute drive from the Project and the Huai'an Lianshui Airport is a 25-minute drive away.
- Personal Income Growth – Average per capita disposable income in Huai'an has grown at an annual rate of 9.5% from 2012 reaching RMB 24,935 in 2017. During the same period, housing prices have increased at a CAGR of 3.3% resulting in improved housing affordability with price-to-income ratio of 5.6 in 2017
- Joint Venture Partner – The project is being developed by a joint venture of Century Bridge and Zhongliang Real Estate Group.
- Development – The \$48 million project includes above ground gross floor area of 56,718 square meters/610,513 square feet on a site of 31,150 square meters/339,174 square feet.
- Residential – Will comprise approximately 97% of the above ground gross floor area of the project with 55,128 square meters/591,213 square feet that will be developed into 272 high-rise units, 94 low-rise units, and 64 multi-story units (approximately 430 units).

Century Bridge is a private equity firm with offices in Beijing, China and Dallas, Texas. The firm is focused exclusively on investment in the middle-income, residential real estate sector in China's growing Tier 2 and 3 cities.

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