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CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中國新城鎮發展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)

(Stock Code: 1278)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCT

The Board is pleased to announce that Wuxi Xincheng, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Agreement with China Everbright Wuxi Branch on 28 February 2023, pursuant to which, Wuxi Xincheng agreed to subscribe for the structured deposit product of RMB50 million (equivalent to HK\$56.43 million) using self-owned resources.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transaction under the Structured Deposit Agreement exceed 5% but all are less than 25%, the transaction under the Structured Deposit Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that Wuxi Xincheng, a wholly-owned subsidiary of the Company, entered into the Structured Deposit Agreement with China Everbright Wuxi Branch on 28 February 2023, pursuant to which, Wuxi Xincheng agreed to subscribe for the structured deposit product of RMB50 million (equivalent to HK\$56.43 million) using self-owned resources.

STRUCTURED DEPOSIT AGREEMENT

The major terms and conditions of the Structured Deposit Agreement are set out below:

Date	:	28 February 2023
Parties	:	(i) Wuxi Xincheng; and (ii) China Everbright Wuxi Branch
Name of product	:	2023 Exchange Rate-linked Monthly Structured Deposit Company Product No. 3 (Product code: 2023101040927) (2023年掛鈎匯率對公結構性存款月月存第3期(產品編號: 2023101040927))
Type of product	:	Principal-guaranteed with variable return
Custodian of product	:	China Everbright
Principal of the subscription	:	RMB50 million (equivalent to HK\$56.43 million)
Term of deposit	:	From 1 March 2023 to 31 March 2023, which will be auto-renewed on a monthly-basis provided that the remaining balance in the designated bank account of Wuxi Xincheng is equal or more than the principal of the subscription under the Structured Deposit Agreement
Risk level of product	:	Low (internal risk rating by the bank)
Expected range of annualised rate of return	:	1.1% to 2.95%
Right of early termination or redemption	:	Wuxi Xincheng has no right of early termination or redemption

The subscription for the structured deposit product is financed with the self-owned funds of Wuxi Xincheng.

BASIS OF DETERMINATION OF THE CONSIDERATION

The Directors confirm that the consideration for the subscription of the structured deposit products is determined on commercial terms upon arm's length negotiations between Wuxi Xincheng and China Everbright Wuxi Branch after taking into account the idle cash resources of Wuxi Xincheng available for the purpose of cash management, as well as the risk level, investment terms and annualised rate of return of the product.

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRUCTURED DEPOSIT AGREEMENT

Using temporarily idle funds reasonably and effectively will enhance the capital gain of Wuxi Xincheng which is consistent with the core objectives of the Company to ensure capital safety and liquidity and meet the capital needs of the Group's daily operations and dividend payment, etc. The risk associated with subscription of structured deposit products is low, while Wuxi Xincheng can enjoy a relatively higher return from investments in structural deposit products after comparing quotes from different banks.

In light of the above, the Directors are of the view that the terms of the Structured Deposit Agreement are on normal commercial terms and are fair and reasonable, and that the Structured Deposit Agreement and the transaction thereunder are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON WUXI XINCHENG AND CHINA EVERBRIGHT

Wuxi Xincheng

Wuxi Xincheng is a business company incorporated under the laws of the PRC and is wholly-owned by the Company. It is primarily engaged consulting and investment with self-owned resources.

China Everbright

China Everbright is a licensed bank established under the laws of the PRC, which is principally engaged in the provision of corporate and personal banking and other financial services in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Directors confirm that China Everbright and its ultimate beneficial owners are all third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transaction under the Structured Deposit Agreement exceed 5% but all are less than 25%, the transaction under the Structured Deposit Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“China Everbright”	China Everbright Bank Company Limited (中國光大銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability
“Company”	China New Town Development Company Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Wuxi Xincheng”	Wuxi Xincheng Consulting Management Co. Ltd, which is a wholly-owned subsidiary of the Company and established under the laws of the PRC
“Structured Deposit Agreement”	the agreement entered into between Wuxi Xincheng and China Everbright Wuxi branch on 28 February 2023 in relation to the subscription for the structured deposit product in the principal amount of RMB50 million (equivalent to HK\$56.43 million)
“%”	per cent

By Order of the Board
China New Town Development Company Limited
Hu Zhiwei
Executive Director

28 February 2023

Translations of RMB into HK\$ are for illustration purpose only, at the rate of RMB1.00 to HK\$1.1286. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rate or at all.

As at the date of this announcement, the executive directors of the Company are Mr. Hu Zhiwei, Ms. Yang Meiyu, Mr. Shi Janson Bing and Mr. Liu Fangqing; the non-executive directors of the Company are Mr. Liu Yuhai (Chairman), Mr. Li Yao Min (Vice Chairman), Mr. Wang Jiangan and Mr. Wang Hongxu; and the independent non-executive directors of the Company are Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. Lo Wai Hung.