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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)

MAJOR AND CONNECTED TRANSACTION FORMATION OF PARTNERSHIP

FORMATION OF PARTNERSHIP

The Board is pleased to announce that on 15 December 2023, Xincheng Kaiyuan and Shanghai Jiatong (each a wholly-owned subsidiary of the Company) entered into the Limited Partnership Agreement with Wuxi Guosheng and Wuxi Tonghui to jointly set up the Partnership.

In connection with the Limited Partnership Agreement, on 15 December 2023, (1) the Partners entered into the Rights and Obligations Arrangement Agreement, pursuant to which Wuxi Tonghui agreed to make up the Shortfall for Xincheng Kaiyuan and Shanghai Jiatong, respectively, and to acquire the respective interests held by Xincheng Kaiyuan and Shanghai Jiatong in the Partnership; and (2) Wuxi Communications entered into the Guarantee Agreement with each of Xincheng Kaiyuan and Shanghai Jiatong, respectively, pursuant to which Wuxi Communications agreed to provide a general guarantee to Xincheng Kaiyuan and Shanghai Jiatong (as the case may be) on the performance of the Shortfall makeup and acquisition obligations of Wuxi Tonghui under the Rights and Obligations Arrangement Agreement.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in relation to the Formation of Partnership exceeds 25% but all of the applicable percentage ratios are less than 100%, the Formation of Partnership constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Wuxi Communications is a substantial shareholder of the Company, indirectly holding approximately 29.99% of the entire issued share capital of the Company and Wuxi Guosheng and Wuxi Tonghui are wholly-owned subsidiaries of Wuxi Communications. Therefore, Wuxi Communications and its associates (including Wuxi Guosheng and Wuxi Tonghui) are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Formation of Partnership constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Hu Zhiwei, an executive Director and the President of the Company, serves as the general manager at Xitong International. Mr. Liu Fangqing is an executive Director recommended by Wuxi Communications. Mr. Liu Yuhai, a non-executive Director, serves as the Chairman of the Board of Directors of Wuxi Communications. Given the interests of Wuxi Communications and Xitong International as set out above, for the purpose of good corporate governance, Mr. Hu Zhiwei, Mr. Liu Fangqing and Mr. Liu Yuhai have abstained from voting on the Board resolutions approving the Formation of Partnership. Save as disclosed above, none of the Directors have abstained from voting on the relevant Board resolutions.

EGM

As Xitong International is a wholly-owned subsidiary of Wuxi Communications, Xitong International will abstain from voting with respect to the relevant resolutions at the EGM. As at the date of this announcement, to the best knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolutions. The proposal will be passed by way of ordinary resolutions and voted by way of poll in accordance with the requirements under the Listing Rules.

The Independent Board Committee, comprising all of the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Formation of Partnership. The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, (i) further details of the Formation of Partnership; (ii) a letter from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; (iv) a notice convening the EGM; and (v) other information of the Company as required under the Listing Rules, is expected to be despatched to Shareholders on or before 10 January 2024.

I. BACKGROUND

The Board is pleased to announce that on 15 December 2023, Xincheng Kaiyuan and Shanghai Jiatong (each a wholly-owned subsidiary of the Company) entered into the Limited Partnership Agreement with Wuxi Guosheng and Wuxi Tonghui to jointly set up the Partnership.

In connection with the Limited Partnership Agreement, on 15 December 2023, (1) the Partners entered into the Rights and Obligations Arrangement Agreement, pursuant to which Wuxi Tonghui agreed to make up the Shortfall for Xincheng Kaiyuan and Shanghai Jiatong, respectively, and to acquire the respective interests held by Xincheng Kaiyuan and Shanghai Jiatong in the Partnership; and (2) Wuxi Communications entered into the Guarantee Agreement with each of Xincheng Kaiyuan and Shanghai Jiatong, respectively, pursuant to which Wuxi Communications agreed to provide a general guarantee to Xincheng Kaiyuan and Shanghai Jiatong (as the case may be) on the performance of the Shortfall makeup and acquisition obligations of Wuxi Tonghui under the Rights and Obligations Arrangement Agreement.

II. THE LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are summarised as follows:

Date 15 December 2023

Parties *General Partner:*

(i) Wuxi Guosheng;

Senior-Tranche Limited Partners:

(i) Xincheng Kaiyuan;

(ii) Shanghai Jiatong; and

Junior-Tranche Limited Partner:

(i) Wuxi Tonghui.

Proposed name of the Partnership	Wuxi Xinsheng Investment Partnership (Limited Partnership)* (無錫新晟投資合夥企業(有限合夥)).
Purpose of the Partnership	The purpose of the Partnership is to jointly invest, operate and gain profit in accordance with the principle of equality and mutual benefit with the Partners' own funds (not through public or non-public fundraising) and with an aim to promote the development of local economy and increase the revenue of the Partners.
Business and investment scope	The business scope of the Partnership is to engage in investment activities with the Partner's own funds. The Partnership will primarily invest in industries such as internet of things, integrated circuits, biopharmaceuticals, software and information technology services, high-end equipment, high-end manufacturing, high-end textile clothing, energy conservation and environmental protection, new materials, new energy, automobiles and spare parts (including new energy vehicles), artificial intelligence and metaverse, quantum technology, third-generation semi-conductors, hydrogen energy and energy storage, deep sea equipment and infrastructure construction.
Term of the Partnership	The term of the Partnership is five years commencing from the date of business licence, while the investment period of the Senior-Tranche Limited Partners of the Partnership is three years, commencing from the Investment Commencement Date in accordance with the Rights and Obligations Arrangement Agreement. For details, please refer to the section headed "III. The Rights and Obligations Arrangement Agreement" below.
Capital contribution	The total capital to be contributed by all Partners to the Partnership pursuant to the Limited Partnership Agreement shall be RMB901 million.

Wuxi Guosheng, as the General Partner, has committed to contribute RMB1 million. Xincheng Kaiyuan and Shanghai Jiatong, as the Senior-Tranche Limited Partners, have committed to contribute RMB250 million and RMB200 million, respectively. Wuxi Tonghui, as the Junior-Tranche Limited Partner, has committed to contribute RMB450 million.

The size of the Partnership and the respective capital contribution by the Partners to the Partnership were determined after arm's length negotiation among the Partners with reference to the potential projects' financing need. All capital contributions shall be made by cash in Renminbi, and each Partner shall make their capital contribution in a lump sum or by installments according to the capital contribution payment notice to be issued by the Executive Partner.

All Partners agree that the Executive Partner shall send the capital contribution payment notice to the relevant Partner not less than 10 business days before the payment date shown on the capital contribution payment notice.

All Partners agree that the Executive Partner shall not be entitled to require a Senior-Tranche Limited Partner to actually contribute any capital until all of the General Partner's capital has been actually contributed, and that before the Executive Partner requires a Senior-Tranche Limited Partner to contribute any capital, the Executive Partner shall obtain the evidence of the actual capital contribution by the Junior-Tranche Limited Partner or other written documents recognised by the Senior-Tranche Limited Partner.

If a Partner fails to make its capital contributions on time, it shall assume the obligation to pay back and bear the default liability to the other Partners. If a Partner fails to fulfill its contribution obligation which has been overdue for 20 days, all Partners may decide to reduce its contribution to the Partnership and its corresponding share of the assets, or to remove it from the Partnership. For the avoidance of doubt, if a Senior-Tranche Limited Partner fails to make its capital contribution in full and on time, other Partners agree to grant a grace period of not more than 20 days during which no Partner shall be entitled to require the Senior-Tranche Limited Partner to be responsible for breach of overdue in capital contribution.

Loss sharing and liability of the Partners

The loss incurred by the Partnership shall be shared according to the following principle: the Partners shall share the loss in accordance with the ratio of their committed capital contributions. The General Partner shall bear unlimited joint and several liabilities for the debts of the Partnership whereas the Limited Partners shall be liable to the extent of their committed capital contribution.

Profit Distribution

The Partnership shall distribute its profit to the Partners based on its surplus before 20 December of each calendar year (“**Profit Distribution**”). In the event when the profit available for distribution is inconsistent with that in the audited report of the year, adjustments shall be made based on the actual situation after the audit report is issued. Such Profit Distribution shall be made in the following principles and order:

- (1) regardless of whether the Partnership has withdrawn from its investment projects, first shall be distributed to the Senior-Tranche Limited Partners the basic investment return calculated at a basic rate of return of 7% per annum (pre-tax) based on its then actual amount of capital contributed (“**Basic Investment Return**”);

- (2) for the investment project(s) which the Partnership has withdrawn from, the Executive Partner shall have the right to determine whether the profit received from such project(s) will be distributed to the Partners or rolled over and invested in other investment projects. For the investment project(s) withdrawn before the distribution date and which the Executive Partner has decided to distribute the profit received from, the profit, after the distribution as mentioned in sub-paragraph (1) above, shall be distributed to the Senior-Tranche Limited Partners their capital contributions with respect to such investment project(s) until their actual capital contributions to the Partnership with respect to such investment project(s) have been fully recouped;
- (3) such profit shall be distributed to the General Partner and the Junior-Tranche Limited Partner their Basic Investment Return;
- (4) for the investment project(s) which the Partnership has withdrawn from and the Executive Partner has decided to distribute the profit received therefrom as at the distribution date, the profit shall be distributed to the General Partner and the Junior-Tranche Limited Partner their capital contributions with respect to such investment project(s) until their actual capital contributions to the Partnership with respect to such investment project(s) have been fully recouped;
- (5) the balance (if any) shall be distributed to the General Partner and Junior-Tranche Limited Partner as their additional revenue and remuneration of the Executive Partner.

The actual amount and distribution date of the Profit Distribution (in any event, not later than 20 December of each calendar year) shall be confirmed in the Partners' meeting subject to the terms and conditions of the Limited Partnership Agreement and the actual situation.

Management of the Partnership	<p>The Partners unanimously nominate Wuxi Guosheng as the Executive Partner to provide investment and operation management services of all the assets of the Partnership. Other Partners shall not operate the Partnership but are entitled to oversee the administration of the affairs of the Partnership by the Executive Partner.</p> <p>In the event of any additional revenue from its investment project(s), the Executive Partner shall be entitled to a remuneration of not more than 0.5% per annum, calculated based on the accrued actual capital contribution received by the Partnership for performing its duties under the Limited Partnership Agreement.</p>
Conditions precedent	<p>The Limited Partnership Agreement shall take effect upon the approval of the Independent Shareholders at the EGM pursuant to the Articles of Association and Listing Rules.</p>
Termination and dissolution of the Partnership	<p>The Partnership shall be terminated and dissolved upon the occurrence of one of the following events:</p> <ul style="list-style-type: none"> (i) all Partners consent to terminate; (ii) all investment projects of the Partnership have been recouped early; (iii) the Partnership suffers a significant loss or is unable to continue its operations due to the significant loss caused by force majeure (a significant loss means an amount not less than 50% of the total actual capital contribution of the Partnership); (iv) the withdrawal of interests by the General Partner from the Partnership without any other person(s) assuming its duties and obligations; (v) the General Partner has not publicly disclosed a connected transaction or the connected person has not abstained from voting in the relevant resolutions; (vi) any one or more Partners fail(s) to perform its/their obligations under the Limited Partnership Agreement causing the Partnership unable to continue its operations;

- (vii) where the Partnership consists of the Limited Partners only, it shall dissolve; where the Partnership consists of the General Partner only, it shall be converted to a general partnership;
- (viii) the business licence of the Partnership has been revoked;
- (ix) other circumstances as stipulated in the applicable laws and regulations and under the Limited Partnership Agreement.

Withdrawal of interests from the Partnership

During the term of the Partnership when the Partnership is validly subsisting, a Partner may withdraw its interests from the Partnership upon the occurrence of one of the following events:

- (i) an event of withdrawal as stipulated in the Limited Partnership Agreement has occurred;
- (ii) all Partners have consented to the withdrawal;
- (iii) certain event has occurred which prevents the Partner from continuing to participate in the Partnership;
- (iv) other Partner(s) is/are in serious breach of the obligations as stipulated in the Limited Partnership Agreement.

The Partner shall be liable for any losses to the Partnership with respect to the withdrawal which is in breach of the terms and conditions of the Limited Partnership Agreement.

III. THE RIGHTS AND OBLIGATIONS ARRANGEMENT AGREEMENT

The principal terms of the Rights and Obligations Arrangement Agreement are summarised as follows:

Date	15 December 2023
Parties	(i) Wuxi Guosheng; (ii) Xincheng Kaiyuan; (iii) Shanghai Jiatong; and (iv) Wuxi Tonghui.

Investment Commencement Date the earlier of the actual Capital Contribution Date of Xincheng Kaiyuan or Shanghai Jiatong (“**Investment Commencement Date**”).

Investment period The investment period of the Senior-Tranche Limited Partners of the Partnership is three years, commencing from the Investment Commencement Date. The Senior-Tranche Limited Partners are entitled to declare an early Investment Maturity Date and require Wuxi Tonghui to make up the Shortfall and pay the Acquisition Consideration in accordance with the Rights and Obligations Arrangement Agreement upon the occurrence of certain events as stipulated in the paragraph “Termination” below and upon no objections made by Wuxi Tonghui within 10 business days from the declaration.

Shortfall makeup Wuxi Tonghui shall make up the shortfall so as to ensure each of Xincheng Kaiyuan and Shanghai Jiatong obtains an expected investment return at annual rate of 7% (pre-tax) (the “**Shortfall**”).

As of any Accounting Date, if the aggregate amount of Profit Distribution distributed to a Senior-Tranche Limited Partner does not reach the expected investment return accrued and calculated in accordance with the Rights and Obligations Arrangement Agreement, Wuxi Tonghui shall assume the obligation to make up the Shortfall calculated by the Senior-Tranche Limited Partner upon the request by the Senior-Tranche Limited Partner.

The obligation of Shortfall make-up of Wuxi Tonghui is unconditional and irrevocable.

Acquisition

The Senior-Tranche Limited Partners shall have the right to notify Wuxi Tonghui by serving a notice of performance of acquisition obligations on or before the Acquisition Date, and require Wuxi Tonghui to acquire all or part of their interests (“**Acquisition Interests**”) in the Partnership at a consideration (“**Acquisition Consideration**”) determined in accordance with the Rights and Obligations Arrangement Agreement and with reference to (i) the actual capital contribution of the Senior-Tranche Limited Partners, (ii) the expected investment return accrued from and inclusive of the Investment Commencement Date to and exclusive of the date of payment of the Acquisition Consideration, (iii) the total Profit Distribution distributed to the Senior-Tranche Limited Partner and (iv) the Shortfall made up by Wuxi Tonghui to the Senior-Tranche Limited Partner.

Wuxi Tonghui shall commence the acquisition procedure before the specified period in the notice of performance of acquisition obligations or 10 business days upon the receipt of the notice of performance of acquisition obligation, whichever is later, and carry out related activities such as audit and valuation in accordance with the then relevant state-owned enterprise related laws, regulations and policies. Wuxi Tonghui shall sign an equity transfer agreement in relation to the Acquisition Interests and the Acquisition Consideration shall be paid to the account designated by the Senior-Tranche Limited Partner within 10 business days after the date of signing of the equity transfer agreement in relation to the Acquisition Interests.

In the event when the valuation of the Acquisition Interests after the asset assessment conducted in accordance with the then relevant state-owned enterprise related laws, regulations and policies (the “**Acquisition Interests (Valuation)**”) is lower than the Acquisition Consideration calculated in accordance with the Rights and Obligations Arrangement Agreement (the “**Acquisition Interests (Agreement)**”), the Acquisition Consideration shall equal to the Acquisition Interests (Agreement). If the Acquisition Interests (Valuation) is higher than the Acquisition Interests (Agreement), the Senior-Tranche Limited Partner shall return the difference between the value of the Acquisition Interests (Valuation) and the value of Acquisition Interests (Agreement) such that the Acquisition Consideration which the Senior-Tranche Limited Partner actually receives shall equal to the Acquisition Interests (Agreement).

Guarantee by Wuxi Communications

Wuxi Tonghui shall ensure its actual controller, Wuxi Communications, to enter into a legally valid guarantee agreement with each of Xincheng Kaiyuan and Shanghai Jiatong, respectively, pursuant to which Wuxi Communications shall provide a general guarantee to Xincheng Kaiyuan and Shanghai Jiatong (as the case may be) on the performance of the Shortfall makeup and acquisition obligations of Wuxi Tonghui as stipulated under the Rights and Obligations Arrangement Agreement. For details of the Guarantee Agreements, please refer to the section headed “IV. Guarantee Agreements” below.

Liquidated damages

If Wuxi Tonghui fails to pay the sums including the Shortfall and/or the Acquisition Consideration, etc. in full and on time in accordance with the Rights and Obligations Arrangement Agreement, Wuxi Tonghui shall continue to make the payment(s) and pay liquidated damages to Xincheng Kaiyuan and Shanghai Jiatong at the daily rate of 0.04% of the unpaid amount until Wuxi Tonghui has paid all the relevant sums.

Indemnity	In the event of any breach of the Rights and Obligations Arrangement Agreement by one party, including but not limited to the untruthfulness of its representations and warranties, the party in breach shall be liable to indemnify the other parties of all their economic losses arising from such breach and pay to the other parties relevant costs (including but not limited to litigation costs, legal fees, travel expenses, etc., for the exercise of their rights).
Conditions precedent	The Rights and Obligations Arrangement Agreement shall take effect upon the approval of the Independent Shareholders at the EGM pursuant to the Articles of Association and Listing Rules.
Termination	<p>The Rights and Obligations Arrangement Agreement shall not be terminated by one Partner unless with the unanimous consent of the Partners.</p> <p>Notwithstanding the above, the Senior-Tranche Limited Partners are entitled to declare an early Investment Maturity Date and upon no objections made by Wuxi Tonghui within 10 business days, require Wuxi Tonghui to make up the Shortfall and pay the Acquisition Consideration in accordance with the Rights and Obligations Arrangement Agreement upon the occurrence of the following events:</p> <ul style="list-style-type: none"> (i) Wuxi Tonghui fails or improperly performs its obligations under the Rights and Obligations Arrangement Agreement and/or the Limited Partnership Agreement or there is a breach of any representation, warranty or undertaking thereunder; (ii) there occurs suspension or termination of operation, dissolution, withdrawal, liquidation or bankruptcy (including reorganization) of Wuxi Tonghui;

Guarantee period	Three years commencing from the expiry date of the performance of the Shortfall makeup and acquisition obligations under the Rights and Obligations Arrangement Agreement.
Guarantee	Wuxi Communications agrees to provide a general guarantee to Shanghai Jiatong and Xincheng Kaiyuan (as the case may be) on the performance of Wuxi Tonghui under the Rights and Obligations Arrangement Agreement with respect to payment of (1) the Shortfall, (2) the Acquisition Consideration.
Conditions precedent	The Guarantee Agreements shall take effect upon the approval of the Independent Shareholders at the EGM pursuant to the Articles of Association and Listing Rules.
Termination	Unless stated otherwise in the Guarantee Agreements, the Guarantee Agreements shall not be unilaterally terminated by one party unless with unanimous consent of both parties.

V. REASONS FOR AND BENEFITS OF THE FORMATION OF PARTNERSHIP

On the one hand, by committing to contribute to the senior-tranche interests of the Partnership as the Senior-Tranche Limited Partners, the Company will receive a stable return of 7% per annum (pre-tax), which will bring more stable income to the Company. Such return of 7% per annum (pre-tax) is guaranteed in a manner of Shortfall makeup by Wuxi Tonghui under the Rights and Obligations Arrangement Agreement, which in turn is further guaranteed under the Guarantee Agreements by the Company's substantial shareholder, Wuxi Communications which has a good reputation with an international rating of Fitch Ratings BBB+. On the other hand, the establishment of the Partnership will enable the Group to gain a better understanding of the market of high-tech industries such as integrated circuits, software and information technology services, and new energy, to effectively implement its transformation strategies, and to seize investment opportunities in the field of integrated circuits, software and information technology services, and new energy in the light of favorable national policies in the PRC. The Company believes that the Partnership will create synergies with the Group's existing businesses and increase Shareholders' returns. In view of the expected returns to be generated, the Directors consider that the Formation of Partnership is beneficial to the Company and its Shareholders, as a whole.

The Directors (including independent non-executive Directors but excluding Mr. Hu Zhiwei, Mr. Liu Fangqing and Mr. Liu Yuhai) are of the view that the Formation of Partnership is conducted in the ordinary and usual course of the business of the Group and on normal commercial terms, and the terms and the amounts are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

VI. INFORMATION ON THE COMPANY, THE PARTNERSHIP, THE PARTNERS AND WUXI COMMUNICATIONS

The Company is primarily engaged in the business segment of new urbanization, which invests, develops and operates diversified urbanization projects nationwide in the PRC.

The Partnership is a limited partnership established under the laws of the PRC. The Partnership will primarily invest in the industries such as internet of things, integrated circuits, biopharmaceuticals, software and information technology services, high-end equipment, high-end manufacturing, high-end textile clothing, energy conservation and environmental protection, new materials, new energy, automobiles and spare parts (including new energy vehicles), artificial intelligence and metaverse, quantum technology, third-generation semi-conductors, hydrogen energy and energy storage, deep sea equipment and infrastructure construction.

Xincheng Kaiyuan is a company established under the laws of the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment of urbanization.

Shanghai Jiatong is a company established under the laws of the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in consultation services in the PRC, and holds 27.37% interests of Shanghai Golden Luodian Development Company., Ltd., which engages in land development in the PRC.

Wuxi Guosheng is a company established under the laws of the PRC with limited liability and is a direct wholly-owned subsidiary of Wuxi Tonghui. It is principally engaged in financial business. To the best knowledge of the Directors, as at the date of this announcement, its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government.

Wuxi Tonghui is a company established in the PRC with limited liability and is a direct wholly-owned subsidiary of Wuxi Communications. It is principally engaged in capital market services. To the best knowledge of the Directors, as at the date of this announcement, its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government.

Wuxi Communications is a company established in the PRC with limited liability. It is principally engaged in the provision of traffic transportation construction and engineering services. To the best knowledge of the Directors, as at the date of this announcement, Wuxi Communications is wholly owned by the State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government.

VII. LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in relation to the Formation of Partnership exceeds 25% but all of the applicable percentage ratios are less than 100%, the Formation of Partnership constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Wuxi Communications is a substantial shareholder of the Company, indirectly holding approximately 29.99% of the entire issued share capital of the Company and Wuxi Guosheng and Wuxi Tonghui are wholly-owned subsidiaries of Wuxi Communications. Therefore, Wuxi Communications and its associates (including Wuxi Guosheng and Wuxi Tonghui) are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Formation of Partnership constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Hu Zhiwei, an executive Director and the President of the Company, serves as the general manager at Xitong International. Mr. Liu Fangqing is an executive Director recommended by Wuxi Communications. Mr. Liu Yuhai, a non-executive Director, serves as the Chairman of the Board of Directors of Wuxi Communications. Given the interests of Wuxi Communications and Xitong International as set out above, for the purpose of good corporate governance, Mr. Hu Zhiwei, Mr. Liu Fangqing and Mr. Liu Yuhai have abstained from voting on the Board resolutions approving the Formation of Partnership. Save as disclosed above, none of the Directors have abstained from voting on the relevant Board resolutions.

VIII. EGM

An EGM will be convened to consider and, if thought fit, approve the Formation of Partnership.

As Xitong International is a wholly-owned subsidiary of Wuxi Communications, Xitong International will abstain from voting with respect to the relevant resolutions at the EGM. As at the date of this announcement, to the best knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolutions. The proposal will be passed by way of ordinary resolutions and voted by way of poll in accordance with the requirements under the Listing Rules.

The Independent Board Committee, comprising all of the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Formation of Partnership. The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, (i) further details of the Formation of Partnership; (ii) a letter from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; (iv) a notice convening the EGM; and (v) other information of the Company as required under the Listing Rules, is expected to be despatched to Shareholders on or before 10 January 2024.

IX. DEFINITIONS

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

“Accounting Date”	20 December of every calendar year and the Investment Maturity Date (including any earlier date as agreed in accordance with the Rights and Obligations Arrangement Agreement)
“Acquisition Date”	the Investment Maturity Date or any other acquisition date as agreed in accordance with the Rights and Obligations Arrangement Agreement
“Articles of Association”	the amended and restated articles of association of the Company, as amended, supplemented or otherwise modified from time to time

“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Capital Contribution Date”	the date when a Partner makes its capital contribution to the Partnership
“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 SEHK (stock code: 1278)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Formation of Partnership
“Executive Partner”	Wuxi Guosheng, the executive Partner
“Formation of Partnership”	the transactions contemplated under the Limited Partnership Agreement, the Rights and Obligations Arrangement Agreement and the Guarantee Agreements
“General Partner”	the general partner to the Partnership
“Group”	the Company and its subsidiaries
“Guarantee Agreement (Shanghai Jiatong)”	the guarantee agreement entered into between Wuxi Communications and Shanghai Jiatong on 15 December 2023
“Guarantee Agreement (Xincheng Kaiyuan)”	the guarantee agreement entered into between Wuxi Communications and Xincheng Kaiyuan on 15 December 2023
“Guarantee Agreements”	collectively, Guarantee Agreement (Xincheng Kaiyuan) and Guarantee Agreement (Shanghai Jiatong)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors independent from related matters to advise Independent Shareholders in respect of the Formation of Partnership
“Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Formation of Partnership
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the resolutions to be proposed at the EGM to approve the Formation of Partnership
“Investment Maturity Date”	expiry date of the three years from the Investment Commencement Date, or such earlier date as agreed in accordance with the Rights and Obligations Arrangement Agreement
“Junior-Tranche Limited Partner”	Wuxi Tonghui, the junior-tranche Limited Partner
“Limited Partner(s)”	the limited partner(s) to the Partnership
“Limited Partnership Agreement”	the limited partnership agreement entered into among the Partners in relation to the Formation of the Partnership on 15 December 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the SEHK
“Partner(s)”	the partner(s) to the Partnership, including the General Partners and Limited Partners
“Partnership”	Wuxi Xinsheng Investment Partnership (Limited Partnership)* (無錫新晟投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement

“Rights and Obligations Arrangement Agreement”	the rights and obligations arrangement agreement entered into among all Partners on 15 December 2023
“RMB”	Renminbi, the lawful currency of the PRC
“SEHK”	The Stock Exchange of Hong Kong Limited
“Senior-Tranche Limited Partner(s)”	Xincheng Kaiyuan and/or Shanghai Jiatong, the senior-tranche Limited Partner(s)
“Shanghai Jiatong”	Shanghai Jiatong Enterprises Co., Ltd.* (上海嘉通實業有限公司), a company established under the laws of PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of the issued share capital of the Company
“Shareholders”	the holders of the Shares
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Wuxi Communications”	Wuxi Communications Industry Group Co., Ltd* (無錫市交通產業集團有限公司), a company established under the laws of the PRC with limited liability
“Wuxi Guosheng”	Wuxi Guosheng Asset Management Company Limited* (無錫國晟資產管理有限公司), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of Wuxi Tonghui
“Wuxi Tonghui”	Wuxi Tonghui Capital Company Limited* (無錫通匯資本有限公司), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of Wuxi Communications
“Xincheng Kaiyuan”	Beijing Xincheng Kaiyuan Asset Management Company Limited* (北京新成開元資產管理有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Xitong International” Xitong International Holdings (HK) Limited, a company established under the laws of Hong Kong with limited liability and a substantial shareholder of the Company

“%” per cent

By order of the Board
China New Town Development Company Limited
Hu Zhiwei
President

Hong Kong, 15 December 2023

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

* *For identification purpose only*