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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)

POSITIVE PROFIT ALERT

This announcement is made by China New Town Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Board’s preliminary assessment of the Group’s unaudited consolidated management accounts and other information currently available to the Board, the Group is expected to record a net profit of approximately RMB131 million for the twelve months ended 31 December 2021, as compared with a net loss of approximately RMB248 million for the twelve months ended 31 December 2020.

The increase in net profit in 2021 was mainly due to the recovery of the principal of some of the risky fixed income projects, and the Group reversed the expected credit losses of approximately RMB60 million, as compared with a provision for expected credit losses of approximately RMB324 million from several of the risky fixed income projects in 2020.

The Company is still in the process of finalizing the Group’s annual results for the twelve months ended 31 December 2021, which are expected to be announced in March 2022. The information contained in this announcement is only based on the Board’s preliminary assessment of information currently available to it, has not been reviewed or confirmed by the Company’s auditor or audit committee, and may be subject to adjustments.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China New Town Development Company Limited
Liu Heqiang
Chief Executive Officer

Hong Kong, 7 February 2022

As at the date of this announcement, the executive directors of the Company are Mr. Liu Heqiang (Chief Executive Officer), Mr. Hu Zhiwei, Ms. Yang Meiyu and Mr. Shi Janson Bing; the non-executive directors of the Company are Mr. Liu Yuhai (Chairman), Mr. Li Yao Min (Vice Chairman), Mr. Wang Hongxu and Mr. Wang Jiangang; 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.