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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)**

### **ISSUE OF CNY1.5 BILLION 3.98 PER CENT. GUARANTEED BONDS DUE 2026**

The Company is pleased to announce that on 20th April 2023, the Company, the Issuer and the Guarantor entered into the Subscription Agreement with the Managers in connection with the issue of the Bonds.

The Bonds are offered to the professional and institutional investors by the Issuer, CNTD Success Company Limited, a wholly owned subsidiary of the Company. The Bonds will be guaranteed by the Guarantor.

The net proceeds, after deducting commissions and other estimated expenses payable in connection with the offering of the Bonds, will be used to fund the project construction and replenish the working capital of the Company in accordance with applicable laws and regulations.

Application has been made to the SGX-ST for the listing of, and permission to deal in, the Bonds.

The Bonds and the Guarantee of the Bonds have not been and will not be registered under the Securities Act. None of the Bonds will be offered to the public in Hong Kong or to any connected person of the Company.

**As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

The Company is pleased to announce that on 20th April 2023, the Company, the Issuer and the Guarantor entered into the Subscription Agreement with the Managers in connection with the issue of the Bonds.

## **THE SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are summarised as follows:

- Date** : 20th April 2023
- Parties** : 1. The Issuer;  
2. The Company;  
3. The Guarantor; and  
4. The Managers.

In connection with the issue of the Bonds, China Securities (International) Corporate Finance Company Limited, ABCI Capital Limited, CEB International Capital Corporation Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, CMB Wing Lung Bank Limited, CNCB (Hong Kong) Capital Limited, Guotai Junan Securities (Hong Kong) Limited and Luso International Banking Limited will act as the Managers. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Managers is a third party independent of the Company and is not a connected person of the Company.

- Subscription** : Subject to the fulfillment of the conditions set out below in the section headed "*Conditions precedent*", the Managers have severally agreed to subscribe and pay for, or to procure subscriptions and payment for, the aggregate principal amount of CNY1.5 billion of the Bonds.

The Bonds are offered to the professional and institutional investors by the Issuer, a wholly owned subsidiary of the Company. The Bonds will be constituted by the Deed of Covenant to be executed by the Issuer and the Guarantor and issued subject to and with the benefit of the Guarantee and Service Agreement.

The Bonds and the Guarantee of the Bonds have not been and will not be registered under the Securities Act. None of the Bonds will be offered to the public in Hong Kong or to any connected person of the Company.

- Conditions precedent** : The obligations of the Managers to subscribe and pay for the Bonds are conditional upon, among other things, the following:
1. on the Closing Date, (i) the representations and warranties of the Issuer, the Guarantor and the Company in the Subscription Agreement being true, accurate and correct and as though they had been given and made on the Closing Date; and (ii) each of the Issuer, the Guarantor and the Company having performed all the obligations to be performed by it under the Subscription Agreement on or before the Closing Date;
  2. after the date of the Subscription Agreement up to and at the Closing Date, there shall not have occurred any adverse change or development or event which involves a prospective change, in the condition (financial or other), prospects, results of operations or general affairs of the Issuer, the Guarantor, the Company, the Guarantor Group or of the Company Group, which is material and adverse in the context of the issue and offering of the Bonds or the giving of the Guarantee of the Bonds;
  3. the SGX-ST having agreed to list the Bonds, subject to the issue of the Bonds or any conditions reasonably satisfactory to the Managers (or the Managers being satisfied that such listing will be granted); and
  4. the Bonds being eligible for clearance and settlement through the facilities of CCDC.

**Termination** : The Managers may terminate the Subscription Agreement at any time prior to payment of proceeds of the Bonds on the Closing Date by notice to the Issuer and the Guarantor in any of the following circumstances:

1. if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations of the Issuer, the Guarantor and the Company or any failure to perform any of this Issuer's or the Guarantor's undertakings or agreements in the Subscription Agreement;
2. if any of the conditions specified in the Subscription Agreement has not been satisfied or waived by the Managers;
3. if, in the Managers' opinion, there shall have been such a change since the date of the Subscription Agreement, or any development involving a prospective change, in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in their view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
4. if, in the Managers' opinion, there shall have occurred any of the following events: (i) a suspension of or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange, the Shanghai Stock Exchange, the SEHK and/or the SGX-ST and/or any other stock exchange on which the Issuer's or the Guarantor's or the Company's securities are traded; (ii) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong or the United Kingdom; or (iii) a change or development involving a prospective change in taxation affecting the Issuer, the Guarantor, the Bonds or the transfer thereof as would in their view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or

5. if, in the Managers' opinion, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

## PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

- Bonds offered** : Subject to the fulfillment of the conditions set out above in the section headed "*Conditions precedent*", the Issuer will issue the Bonds, in the aggregate principal amount of CNY1.5 billion which will mature on 27th April 2026, and the Managers have severally agreed to subscribe and pay for, or to procure subscriptions and payment for, the principal amount of the Bonds at a subscription price of 100 per cent. of the principal amount of the Bonds.
- Interest** : The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.98 per cent. per annum, payable annually in arrear on 27th April in each year commencing on 27th April 2024.
- Status of the Bonds** : Subject to the terms and conditions of the Bonds, the Bonds constitute direct, unconditional, unsubordinated and subject to the Negative Pledge, unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
- Guarantee** : The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Deed of Covenant and the Bonds. The obligations of the Guarantor under the Guarantee will, save for such exceptions as may be provided by applicable laws and regulations and subject to the Negative Pledge, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

- Form and denomination** : The Bonds will be issued in registered form in denomination of CNY2,000,000 each and integral multiples of CNY10,000 in excess thereof.
- Redemption for tax reasons** : The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders and in writing to CCDC (which notice shall be irrevocable), at their principal amount together with any unpaid interest accrued to, but excluding, the date fixed for redemption, if (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay additional tax amounts as provided in accordance with the terms and conditions of the Bonds as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC (including the China (Shanghai) Pilot Free Trade Zone), or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, or the stating of an official position with respect to, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change and/or amendment becomes effective on or after 20th April 2023, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional tax amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due.

**Redemption for Change of Control** : At any time following the occurrence of a Change of Control, a Bondholder will have the right, at such Bondholder's option, to require the Issuer to redeem all but not some only of that Bondholder's Bonds on the Put Settlement Date (as defined below) at 101 per cent. of their principal amount, together with accrued interest up to but excluding such Put Settlement Date. In order to exercise such right, the Bondholder of the relevant Bond must deposit at the specified office of CCDC or any other paying agent a duly completed and signed notice of redemption, substantially in the form set out in the Deed of Covenant or in the form for the time being current, obtainable from the specified office of CCDC, together with the certificate evidencing the Bonds to be redeemed by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with the terms and conditions of the Bonds.

Subject to the terms and conditions of the Bonds, the "Put Settlement Date" shall be the fourteenth day after the expiry of such period of 30 days as referred to above.

**Negative Pledge** : So long as any Bonds remain outstanding (as defined in the Deed of Covenant), neither the Issuer nor the Guarantor will, and each of the Issuer and the Guarantor will ensure that none of their respective subsidiaries (other than any subsidiary whose shares are at the relevant time listed on any recognised stock exchange) will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as shall be approved by an Extraordinary Resolution (as defined in the Deed of Covenant) of the Bondholders.

## **USE OF PROCEEDS**

The net proceeds, after deducting commissions and other estimated expenses payable in connection with the offering of the Bonds, will be used to fund the project construction and replenish the working capital of the Company in accordance with applicable laws and regulations.



## **INFORMATION ABOUT THE COMPANY**

The Company is a business company incorporated under the laws of the British Virgin Islands. It is primarily engaged in the business segment of new urbanization, which invests, develops and operates diversified urbanisation projects nationwide in China.

## **INFORMATION ABOUT THE GUARANTOR**

The Guarantor, Wuxi Communications, incorporated in Wuxi, China, with limited liabilities. The Guarantor, together with its subsidiaries, have focused on transportation industry and is primarily engaged in transportation services, transportation infrastructure construction and commodities sale.

## **REASONS AND BENEFITS OF ISSUANCE OF THE BONDS**

As the largest shareholder of the Company, Wuxi Communications has supported the Company in various aspects. In order to promote the expansion of the Group's business, Wuxi Communications provided guarantee support for the issuance of the RMB Bonds in China (Shanghai) Pilot Free Trade Zone, which enabled the Group to obtain capital financing with relatively lower capital cost, thereby providing sufficient financial support for the investment of subsequent projects and the Company's operation. In addition, the issuance of the RMB Bonds in the China (Shanghai) Pilot Free Trade Zone is the Group's first bond market financing issuance in recent years. Subsequently, the Group will fully utilise the financing proceeds to improve investment efficiency and rate of return on investment, achieving more returns for shareholders and long-term sustainable development of the Group.

## **LISTING**

Application has been made to the SGX-ST for the listing of, and permission to deal in, the Bonds.

## **DEFINITIONS**

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

“Bondholders”	holders of the Bonds
“Bonds”	the CNY1.5 billion, 3.98 per cent. guaranteed bonds due 2026 to be issued by the Issuer and guaranteed by the Guarantor in China (Shanghai) Pilot Free Trade Zone
“CCDC”	China Central Depository & Clearing Co., Ltd. (中央國債登記結算有限責任公司)



“Change of Control”	<p>(a) State-owned Assets Supervision and Administration Commission of Wuxi Municipal People’s Government, Wuxi Municipal People’s Government together with any person(s) directly or indirectly Controlled by the Wuxi Municipal People’s Government, together cease to directly or indirectly hold or own 80 per cent. of the issued share capital of the Guarantor; or</p> <p>(b) China New Town Development Company Limited ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer</p>
“Closing Date”	the date of settlement of the subscription of the Bonds pursuant to the Subscription Agreement which is expected to be on 27th April 2023
“CNY”	Renminbi, the lawful currency of the PRC
“Company”	China New Town Development Company Limited, a company incorporated in the BVI with limited liability, the shares of which are listed on the SEHK
“Company Group”	the Issuer, the Company and the Company’s subsidiaries taken as a whole
“connected person”	has the meaning ascribed to it under the HK Listing Rules
“Control”	<p>(a) the ownership, acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of a person;</p> <p>(b) the right to appoint and/or remove the majority of the members of the relevant person’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; or</p> <p>(c) the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of the relevant person</p>
“Deed of Covenant”	the deed of covenant to be executed by the Issuer and the Guarantor on or around 27th April 2023
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Guarantee”	the deed of guarantee to be executed by the Guarantor in connection with the issue of the Bonds on or around 27th April 2023
“Guarantor” or “Wuxi Communications”	Wuxi Communications Industry Group Co., Ltd. (無錫市交通產業集團有限公司), a limited liability company incorporated in the PRC
“Guarantor Group”	the Guarantor and the subsidiaries of the Guarantor taken as a whole
“HK Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	CNTD Success Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
“Managers”	China Securities (International) Corporate Finance Company Limited, ABCI Capital Limited, CEB International Capital Corporation Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, CMB Wing Lung Bank Limited, CNCB (Hong Kong) Capital Limited, Guotai Junan Securities (Hong Kong) Limited and Luso International Banking Limited
“PRC”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Relevant Indebtedness”	means any indebtedness issued outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market (which, for the avoidance of doubt, does not include bilateral loans, syndicated loans or club deal loans, any transferable loan facility or agreement (including any draw-down of any existing credit line or facility))
“Securities Act”	the United States Securities Act of 1933, as amended

“SEHK”	The Stock Exchange of Hong Kong Limited
“Service Agreement”	a China (Shanghai) Pilot Free Trade Zone offshore bonds service agreement (離岸債券發行人服務協議) entered into between the Issuer and CCDC on 20th March 2023
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Subscription Agreement”	the subscription agreement dated 20th April 2023 among the Issuer, the Company, the Guarantor and the Managers in relation to the subscription of the Bonds

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

Hong Kong, 20th April 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.*