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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)

UPDATE ON VERY SUBSTANTIAL DISPOSAL DISPOSAL OF SUBSIDIARY

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).

Reference is made to the announcements of the Company dated 30 June 2022, 12 August 2022 and 28 February 2023 (the “**Previous Announcements**”) and the circular of the Company dated 18 August 2022 (the “**Circular**”) in relation to, among others, the disposal of the entire equity interest in the Target Company. Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Previous Announcements and the Circular.

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, on 5 September 2023, the listing of the Sale Equity on the Shenyang Assets Exchange for bidding was closed. However, as disclosed in Previous Announcements and based on the communication between the management of the Company and the Purchaser, the Purchaser was unable to perform its obligations to purchase the Sale Equity in accordance with the terms of the Agreement (as supplemented by the Confirmation Letter) in the short term due to the financing difficulties faced by the Purchaser resulting from the adverse impact on the economy and the financial position of the local government, which resulted in no bid being received during the listing period of the Shenyang Assets Exchange.

The Company will continue to closely communicate with the Purchaser to urge it to perform its obligations to purchase the Sale Equity. The Company will take appropriate actions as may be necessary to protect the interests of the Company in accordance with the Agreement (as supplemented by the Confirmation Letter) as well, including requiring the Purchaser to perform its obligations under the Agreement (as supplemented by the Confirmation Letter) and/or seeking compensation from the Purchaser. Further announcement will be made by the Company as and when appropriate.

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
Hu Zhiwei
President

Hong Kong, 6 September 2023

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