THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China New Town Development Company Limited, you should at once hand this Circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

NEW TOWN

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)

(Company Registration Number: 1003373)

(Stock Code: 1278)

MAJOR TRANSACTION
IN RELATION TO
PROVISION OF FINANCIAL ASSISTANCE TO
THE JOINT VENTURE

Capitalized terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Circular.

A letter from the Board is set out on pages 4 to 10 of this Circular.

The 2025 Financial Assistance and the transaction contemplated thereunder has been approved by written shareholders' approval from Shareholders holding more than 50% of the issued share capital of the Company pursuant to Rule 14.44 of the Listing Rules. This Circular is being despatched to the Shareholders for information only.

3 December 2025

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In this Circular, the following expressions shall have the following meanings unless the context indicates otherwise:

"2021 Bank Loan"	the loan facility of RMB500 million granted by the Bank to the Joint Venture pursuant to the fixed asset facility agreement (no.32010420200001328) entered into between the Joint Venture and the Bank. As at the date of the Announcement, the outstanding principal amount under the 2021 Bank Loan was approximately RMB423 million;
"2021 Guarantee"	the guarantee dated 21 January 2021 entered into by Xincheng Kaiyuan and JPC in favour of the Bank relating to the 2021 Bank Loan;
"2024 Financial Assistance"	the payment by Guoxi Nanjing (for and on behalf of the Joint Venture) to the Bank of an aggregate sum of no more than RMB35 million to assist the Joint Venture in repaying the then overdue principal, the accrued Interest and related penalty interest in relation to the 2021 Bank Loan in the then remaining period of 2024, further details of which were set out in the announcement of the Company dated 23 August 2024. Guoxi Nanjing has already paid approximately RMB34.41 million in 2024;
"2025 Financial Assistance"	the provision of the 2025 Guarantee (through the entering into of the Loan Extension Agreement) and the Liquidity Support Letter by Xincheng Kaiyuan;
"2025 Guarantee"	has the meaning ascribed to it under section headed "Provision of the 2025 Financial Assistance" in the Circular;
"Announcement"	the announcement of the Company dated 22 October 2025 in relation to provision of financial assistance to the Joint Venture;
"Articles of Association"	the articles of association of the Company as amended and restated from time to time;
"Bank"	Agricultural Bank of China Limited, Nanjing Yuhuatai Sub-branch;
"Board"	the board of Directors;
"CDBIH"	China Development Bank International Holdings Limited, a company incorporated in Hong Kong and a substantial shareholder of the Company;
"Circular"	this Circular;

"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;
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time;
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"Extended Loan"	has the meaning ascribed to it under section headed "Provision of 2025 Financial Assistance" in the Circular;
"Group"	the Company and its subsidiaries;
"Group Member"	any company within the Group;
"Guoxi Nanjing"	Guoxi Nanjing Investment Development Co., Ltd.* (國錫南京投資發展有限公司), formerly known as CDB Nanjing Investment Development Co., Ltd.* (國開南京投資發展有限公司), a company established in the PRC and an indirectly wholly-owned subsidiary of the Company;
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Third Party(ies)"	the independent third party(ies) who is/are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company;
"Joint Venture"	Nanjing Guoying Zhongxi Development Company Limited* (南京國英中西建設開發有限公司), a company established in the PRC and a jointly controlled entity of the Group;
"JPC"	Jiangsu Provincial Construction Group Co., Ltd.* (江蘇省建築工程集團有限公司), a company established in the PRC and a non-wholly owned subsidiary of Greenland Holdings Corporation Limited (the shares of which are listed on the Shanghai Stock Exchange (600606.SH));
"Latest Practicable Date"	the latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information contained in this Circular, being 27 November 2025;

"Liquidity Support Letter'"	has the meaning ascribed to it under section headed "Letter from the Board — 2. Provision of the 2025 Financial Assistance'" in this Circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Loan Extension Agreement"	the loan extension agreement dated 22 October 2025 entered into among the Joint Venture (as the borrower), the Bank (as the lender), Xincheng Kaiyuan (as guarantor) and JPC (as guarantor), the details of which are set out in the section headed "Letter from the Board — 2. Provision of the 2025 Financial Assistance" in this Circular;
"PRC"	the People's Republic of China, for the purpose of this Circular only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
"RMB"	Renminbi, the lawful currency of the PRC;
"Share(s)"	ordinary share(s) of the Company;
"Shareholder(s)"	the holder(s) of the Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules;
"The First Construction Company of JPC"	The First Construction Company of Jiangsu Provincial Construction Group Co., Ltd.* (江蘇省建築工程集團第一工程有限公司), a company established in the PRC and the ultimate beneficial owner of which is Mr. Zhao Jinpei;
"Xincheng Kaiyuan"	Beijing Xincheng Kaiyuan Asset Management Company Limited* (北京新成開元資產管理有限公司), previously known as CDB New Town (Beijing) Asset Management Company Limited* (國開新城(北京)資產管理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
"Xitong International"	Xitong International Holdings (HK) Limited, a company incorporated in Hong Kong and a substantial shareholder of the Company;
"%"	per cent.

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)

(Company Registration Number: 1003373)

(Stock Code: 1278)

Executive Directors:
Ms. Yang Meiyu *(President)*
Mr. Shi Janson Bing

Non-executive Directors:
Ms. Liu Yanhong *(Chairman)*
Mr. Wang Yi
Mr. Xie Zhen
Ms. Qin Yangfan

Independent Non-executive Directors:
Mr. Lo Wai Hung *(Lead Independent Non-executive Director)*
Mr. Ji Jiaming
Mr. Yuan Kejian

Registered Office:
Vistra (BVI) Limited
Vistra Corporate Services Centre
Wickhams Cay II
Road Town
Tortola
British Virgin Islands VG 1110

Headquarters and principal place of business in Hong Kong:
Suite 6508, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Hong Kong, 3 December 2025

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
IN RELATION TO
PROVISION OF FINANCIAL ASSISTANCE TO
THE JOINT VENTURE

1. INTRODUCTION

References are made to the announcements issued by the Company on 21 January 2021, 23 August 2024 and 22 October 2025 in relation to the provision of financial assistance to the Joint Venture.

On 21 January 2021, Xincheng Kaiyuan (a wholly-owned subsidiary of the Company) and JPC entered into a guarantee in favor of the Bank relating to the 2021 Bank Loan, pursuant to which each of Xincheng Kaiyuan and JPC agreed to guarantee the due and punctual payment of the 2021 Bank Loan (including interest) by the Joint Venture according to the proportion of their respective equity interest in the Joint Venture. Subsequently, as disclosed in the announcement of the Company dated 23 August 2024, the Company provided the 2024 Financial Assistance to the Joint Venture after negotiations held with the Bank in relation to the delayed payment of the 2021 Bank Loan by the Joint Venture.

The Board is pleased to announce that on 22 October 2025, the Joint Venture (as borrower), the Bank (as lender), Xincheng Kaiyuan (as guarantor) and JPC (as guarantor) entered into the Loan Extension Agreement, pursuant to which the expiry dates of the 2021 Bank Loan and its repayment schedule shall be extended by two years from 4 January 2031 (before extension) to 4 January 2033 (after extension) (i.e. the Extended Loan), and both Xincheng Kaiyuan and JPC (as guarantors under the 2021 Guarantee) shall, on the terms of the 2021 Guarantee, continue to guarantee the due and punctual payment of the Extended Loan by the Joint Venture, according to the guarantee ratio (i.e. 50% for each guarantor) under the 2021 Guarantee.

The purpose of this Circular is to provide you with, among other things, (i) further details of the provision of the 2025 Financial Assistance to the Joint Venture; (ii) the financial information of the Group; and (iii) other information of the Company as required under the Listing Rules.

2. PROVISION OF THE 2025 FINANCIAL ASSISTANCE

In view of the current financial conditions of the Joint Venture, on 22 October 2025, the Joint Venture (as borrower), the Bank (as lender), Xincheng Kaiyuan (as guarantor) and JPC (as guarantor) entered into the Loan Extension Agreement, the principal terms of which are set out as follows:

Date: 22 October 2025

Parties:
(1) the Joint Venture (as the borrower);

(2) the Bank (as the lender);

(3) Xincheng Kaiyuan (as guarantor); and

(4) JPC (as guarantor).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of JPC, the Bank and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matter:

(1) The expiry dates of the 2021 Bank Loan (a loan facility of RMB500 million principal amount) and its repayment schedule shall be extended by two years from 4 January 2031 (before extension) to 4 January 2033 (after extension) (the 2021 Bank Loan so extended shall hereinafter be referred to as the "**Extended Loan**"). As at the Latest Practicable Date, the outstanding principal amount owed by the Joint Venture to the Bank is approximately RMB423 million.

(2) Both Xincheng Kaiyuan and JPC (as guarantors under the 2021 Guarantee) shall, on the terms of the 2021 Guarantee, continue to guarantee ("**2025 Guarantee**") the due and punctual payment of the Extended Loan (including the relevant interests) by the Joint Venture, according to the guarantee ratio (i.e. 50% for each guarantor) under the 2021 Guarantee. The guarantee period shall end on the date of the third anniversary of the expiry date of the repayment obligation of the Extended Loan.

(3) The Loan Extension Agreement shall be an amendment and supplement to the 2021 Bank Loan and the 2021 Guarantee; save and except the above, all other terms and conditions (including interest rate) of the 2021 Bank Loan and the 2021 Guarantee shall remain unchanged.

As part of the above arrangement, on 22 October 2025,

(i) Xincheng Kaiyuan has executed a liquidity support letter ("**Liquidity Support Letter**"), pursuant to which, in the event that the Joint Venture is unable to fulfil its repayment obligations under the Extended Loan, Xincheng Kaiyuan shall provide liquidity support to the Joint Venture for the shortfall between the required repayment amount and the actual repayment amount made by the Joint Venture. The liquidity support shall be limited to the guarantee amount and guarantee ratio attributable to Xincheng Kaiyuan under the 2025 Guarantee (therefore not increasing the overall level of financial assistance provided to the Joint Venture) and shall be used by the Joint Venture for the purpose of fulfilling its repayment obligations under the Extended Loan; and

(ii) the Company has entered into a letter of undertaking, pursuant to which it undertakes that it shall continue to beneficially own the entire equity interest in Xincheng Kaiyuan during the period of the Extended Loan.

3. REASON AND BASIS FOR THE PROVISION OF THE 2025 FINANCIAL ASSISTANCE

Considering the macroeconomic environment and the financial condition of the Joint Venture, the loan extension is an active measure to manage the potential risks of the Joint Venture and the Group. Through extending the 2021 Bank Loan (i.e. the Extended Loan) and the 2021 Guarantee (i.e. the 2025 Guarantee), the guarantors (Xincheng Kaiyuan and JPC) continue to provide guarantee in favour of the Joint Venture according to the original guarantee ratio (50% by each guarantor) without enhancing or widening risk exposure. As such, the provision of the 2025 Financial Assistance will allow the Joint Venture more time and room to arrange and optimize its finances and operational efficiency and provide a more stable environment to the Joint Venture, thereby lowering the risk of triggering the 2021 Guarantee of Xincheng Kaiyuan and subsequently alleviating the pressure on the Group's financial performance and liquidity. The 2025 Financial Assistance therefore represents a more economical solution to manage the potential risks faced by the Joint Venture. As demonstrated above, the terms of the 2025 Financial Assistance were determined after arm's length negotiations between the parties to the Loan Extension Agreement, taking into account the financial conditions of the Joint Venture and with a view to managing the potential risks faced by it and avoiding the potential risk of triggering the 2021 Guarantee.

The Joint Venture currently owns three separate plots of land with a total site area of approximately 106,300 square meters, among which, the construction of a kindergarten commenced in 2018 and completed in 2019 on one plot of land; and the construction of a primary school and a secondary school commenced on another plot in 2020, which was completed in July 2023. In view of the current market environment and the need for optimizing overall project planning, the specific development plan for the undeveloped land parcel has not yet been determined. The Joint Venture and the Company will continue to monitor industry policies, changes in market demand and the actual operation of the existing school projects, and prudently assess the development feasibility and development plan of the undeveloped land parcel.

As at 30 June 2025, the unaudited total assets and total liabilities of the Joint Venture were approximately RMB863 million and 624 million, respectively, with a gearing ratio of approximately 72.3%. For the year ended 31 December 2024, the Joint Venture recorded revenue of approximately RMB24.8 million with a net loss of approximately RMB28.5 million. The Company noted that the Joint Venture has been attempting to implement various measures to optimize its operations and financial capabilities and, in particular, has been considering measures to enhance operational efficiency and occupancy rates of its properties, implement stringent cost controls, accelerate capital recovery through exploring various proposals on asset disposals, and reduce overall financial costs through structured financing. The Company continuously conducts systematic assessments of the credit and potential default risks of the projects of the Joint Venture. Although the Joint Venture has faced phased debt repayment pressure and certain risk exposure, the short-term debt repayment pressure has been effectively alleviated through the implementation of the loan extension and repayment schedule optimization. In addition, the school campus assets held by the Joint Venture have the potential for sustainable cash flow. With the advancement of investment promotion, the increase in occupancy rate and the strengthening of cost control, the debt repayment schedule can be more readily aligned with the project's cash flow, further ensuring control over the risks. The Company is also actively promoting debt restructuring of the Joint Venture to achieve risk resolution.

Furthermore, the provision of the 2025 Financial Assistance can also help to maintain a stable operation and continuity of the international school, the campus of which is let by the Joint Venture (as lessor), and to avoid the potential adverse effect affecting the normal education activities in the campus at this stage. The Board believes that not only can this protect the Group's socially responsible image as a state-owned enterprise, it can also ensure the stable stream of rental income of the Joint Venture and maintain the corporate value of the Joint Venture.

As such, the Directors are of the view that the 2025 Financial Assistance and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Group will finance the 2025 Financial Assistance from its internal resources.

4. FINANCIAL EFFECTS OF THE PROVISION OF THE 2025 FINANCIAL ASSISTANCE

In view of the nature of the 2025 Financial Assistance as a guarantee, it will not have any immediate effect on the earnings, assets and liabilities of the Company on the date of the Loan Extension Agreement. However, if the Joint Venture fails to make repayment for the Extended Loan, it is expected that Xincheng Kaiyuan (and therefore the Group), as the guarantor, will be responsible for approximately RMB251.5 million, after taking into account the 50% guarantee ratio, and such amount of liabilities will be recorded in the Group's consolidated statement of financial position.

Save as disclosed above, the Directors are of the view that the provision of the 2025 Financial Assistance will not have any material effects on the earnings, assets and liabilities of the Group.

5. INFORMATION ON THE GROUP AND XINCHENG KAIYUAN

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

Xincheng Kaiyuan, a wholly-owned subsidiary of the Company, is principally engaged in investment and operation of township development business.

6. INFORMATION ON THE JOINT VENTURE

The Joint Venture is a jointly controlled entity of the Group, which was established in the PRC with limited liability. It is principally engaged in the construction and development of the school projects in Nanjing, China. As at the Latest Practicable Date, the Joint Venture is held as to 50% by Guoxi Nanjing and 50% by the First Construction Company of JPC. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the ultimate beneficial owner of the First Construction Company of JPC is an individual (Mr. Zhao Jinpei), who is an Independent Third Party.

7. LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the 2025 Financial Assistance (whether (i) aggregated with the 2024 Financial Assistance or (ii) on a standalone basis) is more than 25% but less than 100%, the 2025 Financial Assistance and the transactions contemplated thereunder constitute a major transaction of the Company under Chapter14 of the Listing Rules, and are therefore subject to the reporting, announcement, circular, and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the 2025 Financial Assistance and the transactions contemplated thereunder. As such, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the provision of the 2025 Financial Assistance and the transactions contemplated thereunder.

The Company has obtained a written approval from Xitong International and CDBIH (being a closely allied group of Shareholders as further described below), which respectively held 2,917,000,000 Shares and 2,430,921,071 Shares as at the Latest Practicable Date, representing approximately 29.99% and 24.99% of the issued share capital of the Company, respectively, for the 2025 Financial Assistance and the transactions contemplated thereunder in lieu of a resolution to be passed at a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As such, no extraordinary general meeting will be convened by the Company to approve the provision of the 2025 Financial Assistance and the transactions contemplated thereunder. Xitong International and CDBIH are regarded as a closely allied group of Shareholders under Rule 14.45 of the Listing Rules, taking into account the following factors: (i) both of them are state-owned enterprises of the government of the People's Republic of China. Xitong International acquired the Shares from CDBIH in 2021 and has since then become a substantial shareholder of the Company; (ii) further, CDBIH (and its controlling shareholders and associates (with the meanings as respectively ascribed to them under the Listing Rules)) has established a long-term business relationship with Xitong International (and its controlling shareholders and associates) for over 10 years since 2010. CDBIH's holding company, China Development Bank, as a state-funded and state-owned development finance institution in the PRC, is the leading bank in the PRC specialising in providing medium- and long-term financing services. In particular, China Development Bank has from time to time granted banking facilities to

Wuxi Communications Industry Group Co., Ltd (無錫市交通產業集團有限公司) ("**Wuxi Communications**"), the holding company of Xitong International, thereby indicating the solid business relationship established between CDBIH (and its controlling shareholders and associates) and Xitong International (and its controlling shareholders and associates); (iii) the board representatives of Wuxi Communications and Xitong International, namely, Ms. Liu Yanhong (as a non-executive Director and the chairman of the Board) and Ms. Qin Yangfan (as a non-executive Director), and the board representatives of CDBIH, namely Mr. Wang Yi and Mr. Xie Zhen (both as non-executive Directors) have been actively involved in the decision-making of major resolutions at the Board meetings of the Company and have voted in the same way on all resolutions at the Board meetings of the Company in recent years, except for the cases requiring them to abstain from voting or absence from the Board meetings; (iv) subsequent to the acquisition of the Shares by Xitong International from CDBIH, although there is no formal agreement between CDBIH and Xitong International governing the way of voting at general meetings of the Company, CDBIH and Xitong International have cast their votes unanimously in the same direction at the annual general meetings held on 19 June 2025, 21 June 2024, 16 June 2023 and 24 June 2022 and the extraordinary general meetings held on 5 September 2022 and 22 March 2024 (except for the cases requiring them to abstain from voting as required under the Listing Rules).

None of the Directors (i) has any material interest in the 2025 Financial Assistance and transactions contemplated thereunder, and (ii) is required to abstain from voting on the relevant Board resolution of the Company in respect of the 2025 Financial Assistance and transactions contemplated thereunder.

8. RECOMMENDATION

For the reasons set out above and for Shareholders' reference, the Directors consider that the 2025 Financial Assistance and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would have recommended the Shareholders to vote in favour of the resolutions if the Company were to convene an extraordinary general meeting for the approval of the provision of the 2025 Financial Assistance and the transactions contemplated thereunder.

9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Circular.

Yours faithfully,
On behalf of the Board
China New Town Development Company Limited
Yang Meiyu
President and Executive Director

1. CONSOLIDATED FINANCIAL STATEMENTS

The financial information of the Group for each of the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and the six months ended 30 June 2025 are disclosed in the following documents of the Company published on 27 April 2023, 24 April 2024, 24 April 2025 and 28 August 2025 respectively, on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.china-newtown.com):

(i) annual report of the Company for the financial year ended 31 December 2022 (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702568.pdf);

(ii) annual report of the Company for the financial year ended 31 December 2023 (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042401914.pdf);

(iii) annual report of the Company for the financial year ended 31 December 2024 (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0424/2025042400869.pdf); and

(iv) interim report of the Company for the six months ended 30 June 2025 (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0828/2025082801010.pdf).

2. INDEBTEDNESS STATEMENT

Borrowings

As at the close of business on 31 October 2025, being the latest practicable date for the purpose of preparing this indebtedness statement, the indebtedness of the Group was as follows:

(i) secured and guaranteed borrowings of approximately RMB579.0 million, secured by the investment property;

(ii) unsecured and unguaranteed borrowings of approximately RMB150.0 million;

(iii) lease liabilities of approximately RMB16.6 million relating to buildings and motor vehicles;

(iv) a financial guarantee to the extent of approximately RMB250.0 million; and

(v) guaranteed bonds of approximately RMB1,530.1 million.

Pledge of assets

As at the close of business on 31 October 2025, being the latest practicable date for the purpose of preparing this indebtedness statement, the secured and guaranteed borrowings of the Group with carrying amount of approximately RMB579.0 million are secured by investment properties of the Group with a carrying amount of approximately RMB1,465.7 million at 31 October 2025.

Contingent liabilities

Save as otherwise mentioned herein, and apart from intra-group liabilities and normal account payables in the ordinary course of business, the Group did not have any outstanding borrowings, mortgages, charges, debentures, loan capital and overdraft, debt securities or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities at the close of business on 31 October 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Circular. The Group confirms that there has not been any material change in its indebtedness position since 31 October 2025.

3. NO MATERIAL ADVERSE CHANGE

The Directors confirmed that there were no material adverse changes in the financial or trading position or prospects of the Group since 31 December 2024 (being the date which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

4. WORKING CAPITAL

The Directors are of the opinion that after taking into account the provision of the 2025 Financial Assistance, the Group's business prospects, the financial resources available to the Group, including the continuing availability of the financing facilities, and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for at least the next twelve months from the date of this Circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group has been committed to high-quality development in the new era. On top of the fixed-income investment, the Group will continue to seek investment opportunities and maintain business transformation prudently amid challenges, and leverage resource advantages from shareholders. For fixed income investment sector, the Group will maintain a stable portfolio and try to seek a good balance of investment return and risk management. Meanwhile, the Group will expand equity investment business in new economic areas based on market demands and aligned with national policies. The Group is aiming to promote high quality and stable development of the business and create long-term and sustainable core values for the shareholders.

1. RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN EQUITY OR DEBT SECURITIES

As at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in any Shares and underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or (b) which were entered in the register required to be kept by the Company under Section 352 of the SFO, or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") to the Listing Rules.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at the Latest Practicable Date, to the best of the Directors' knowledge, the following persons who (other than a Director and the chief executive of the Company) or organisations which had or were deemed or taken to have an interest and/or a short position in the Shares or the underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange were as follows:

Long Position in Shares

Name of Substantial Shareholder	Capacity	Number of Shares held: Direct Interest	Corporate interests	Other interests	Total	Approximate percentage of interest in the Company (%)
Xitong International[1]	Beneficial owner	2,917,000,000	—	—	2,917,000,000	29.99%
Wuxi Communications[1]	Interest of controlled corporation	—	2,917,000,000	—	2,917,000,000	29.99%
CDBIH[2]	Beneficial owner	2,430,921,071	—	—	2,430,921,071	24.99%
China Development Bank Capital Corporation Limited ("**CDB Capital**")[2]	Interest of controlled corporation	—	2,430,921,071	—	2,430,921,071	24.99%

Name of Substantial Shareholder	Capacity	Direct Interest	Number of Shares held Corporate interests	Other interests	Total	Approximate percentage of interest in the Company *(%)*
China Development Bank Corporation ("**CDB**")(2)	Interest of controlled corporation	—	2,430,921,071	—	2,430,921,071	24.99%
SRE Investment Holding Limited ("**SREI**")	Beneficial owner	1,468,356,862	—	—	1,468,356,862	15.10%
Shi Jian ("**Mr. Shi**")(3)	Beneficial owner and Interest of controlled corporation	6,104,938	1,468,356,862	—	1,474,461,800	15.16%
Jia Yun Investment Limited ("**Jia Yun**")(4)	Person having a security interest in shares	—	—	1,027,849,803	1,027,849,803	10.57%
Jiabo Investment Limited ("**Jiabo**")(4)	Interests of a controlled corporation	—	1,027,849,803	—	1,027,849,803	10.57%
Jiashun (Holding) Investment Limited ("**Jiashun**")(4)	Interests of a controlled corporation	—	1,027,849,803	—	1,027,849,803	10.57%
Jiasheng (Holding) Investment Limited ("**Jiasheng**")(4)	Interests of a controlled corporation	—	1,027,849,803	—	1,027,849,803	10.57%
Jiaxin Investment (Shanghai) Co., Ltd. ("**Jiaxin**")(4)	Interests of a controlled corporation	—	1,027,849,803	—	1,027,849,803	10.57%
China Minsheng Jiaye Investment Co., Ltd. ("**China Minsheng Jiaye**")(4)	Interests of a controlled corporation	—	1,027,849,803	—	1,027,849,803	10.57%
China Minsheng Investment Corp., Ltd. ("**China Minsheng**")(4)	Interests of a controlled corporation	—	1,027,849,803	—	1,027,849,803	10.57%

Notes:

1. Xitong International is a wholly-owned subsidiary of Wuxi Communications. Wuxi Communications is, therefore, deemed under Part XV of the SFO to be interested in the 2,917,000,000 Shares held by Xitong International.

2. CDBIH is a wholly-owned subsidiary of CDB Capital and CDB Capital, in turn, is wholly owned by CDB. Both CDB and CDB Capital are, therefore, deemed under Part XV of the SFO to be interested in the 2,430,921,071 Shares held by CDBIH.

3. Pursuant to Part XV of the SFO, Mr. Shi is deemed interested in a total of 1,474,461,800 Shares for the following reasons: (i) Mr. Shi holds 6,104,938 Shares directly; and (ii) Mr. Shi is deemed interested in 1,468,356,862 Shares held by SREI by virtue of the fact that he and his wife, Ms. Si Xiao Dong together beneficially own 81% of the issued share capital of SREI as a controlling shareholder. On 4 March 2022, the Company has confirmed with Mr. Shi that all 6,104,938 Shares held directly by him have been sold.

4. Jia Yun acquired the security interests of 1,027,849,803 Shares from SREI on 28 December 2017. Jia Yun is a wholly-owned subsidiary of Jiabo, which in turn, is a wholly-owned subsidiary of Jiashun. Jiashun is a wholly-owned subsidiary of Jiasheng and Jiasheng is in turn a wholly-owned subsidiary of Jiaxin. Jiaxin is a wholly-owned subsidiary of China Minsheng Jiaye, which in turn, 62.60% owned by China Minsheng. All of Jiabo, Jiashun, Jiasheng, Jiaxin, China Minsheng Jiaye and China Minsheng are, therefore, deemed under Part XV of the SFO to be interested in the 1,027,849,803 Shares of security interest held by Jia Yun. Based on the public information available to the Company, the shareholding interest of China Minsheng in China Minsheng Jiaye has been changed to 67.26%.

Saved as disclosed above, the Directors are not aware of any other person who (other than a Director or the chief executive of the Company) or organisation which, as at the Latest Practicable Date, had an interest and/or short position in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register kept by the Company pursuant to section 336 of the SFO.

4. LITIGATION

Shanghai Management has been a defendant in the lawsuits brought by Shanghai Hengchang and Shanghai Yuanyi which were alleged for the over-received amount of RMB14,400,000 and RMB1,000,000, respectively. Shanghai Management obtained the first instance judgment from Shanghai Baoshan District's People's Court on 28 June 2022 pursuant to which the Shanghai Baoshan District's People's Court ruled in favour of Shanghai Management and the respective claims of Shanghai Hengchang and Shanghai Yuanyi were rejected. Shanghai Hengchang and Shanghai Yuanyi subsequently appealed to the Shanghai No. 2 Intermediate People's Court and a retrial has been ordered and which commenced in March 2024. Shanghai Management received notice on 3 April 2024 that the retrial was completed on 29 March 2024 in which Shanghai Baoshan District's People's Court ruled in favour of Shanghai Hengchang and Shanghai Yuanyi and the appeal judgment was rendered against Shanghai Management. Shanghai Management subsequently appealed to Shanghai Higher People's Court for a retrial and received decisions ruling against Shanghai Management on 17 October 2025. Shanghai Management is considering lodging protest application to the Procuratorate.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

5. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, to the best of knowledge of the Directors, none of the Directors and their respective close associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

7. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP

As of the Latest Practicable Date,

(a) none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group; and

(b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

8. MATERIAL CONTRACTS

The following are contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) entered into by the members of the Group within the two years immediately preceding the date of this Circular and which is or may be material:

(i) the (a) limited partnership agreement dated 15 December 2023 entered into by Beijing Xincheng, Shanghai Jiatong Enterprises Co., Ltd.* (上海嘉通實業有限公司), each a wholly-owned subsidiary of the Company and as senior-tranche limited partners, Wuxi Guosheng Asset Management Company Limited* (無錫國晟資產管理有限公司) as the general partner and Wuxi Tonghui Capital Company Limited* (無錫通匯資本有限公司) as the junior-tranche limited partner in relation to the formation of the Wuxi Xinsheng Investment Partnership (Limited Partnership)* (無錫新晟投資合夥企業(有限合夥)). The total contribution by the partners to Wuxi Xinsheng Investment Partnership (Limited Partnership)* (無錫新晟投資合夥企業(有限合夥)) pursuant to the limited partnership agreement is RMB901 million, of which Beijing Xincheng and Shanghai Jiatong Enterprises Co., Ltd.* (上海嘉通實業有限公司) will contribute RMB450 million; (b) rights and obligations arrangement agreement dated 15 December 2023 entered into by Beijing Xincheng, Shanghai Jiatong Enterprises Co., Ltd.* (上海嘉通實業有限公司) as Wuxi Guosheng Asset Management Company Limited* (無錫國晟資產管理有限公司) and Wuxi Tonghui Capital Company Limited* (無錫通匯資本有限公司) in relation to the make up of any shortfall by Wuxi Tonghui Capital Company Limited* (無錫通匯資本有限公司) so as to ensure each of Beijing Xincheng and Shanghai Jiatong Enterprises Co., Ltd.* (上海嘉通實業有限公司) obtains an expected investment return at annual rate of 7% (pre-tax); and (c) guarantee agreements dated 15 December 2023 entered into between Wuxi Communications Industry Group Co., Ltd* ((無錫市交通產業集團有限公司) with each of Beijing Xincheng and Shanghai Jiatong Enterprises Co., Ltd.* (上海嘉通實業有限公司) guaranteeing the performance of Wuxi Tonghui Capital Company Limited* (無錫通匯資本有限公司) under the rights and obligations arrangement agreement as mentioned in (b) above, further details of which are set out in the announcement of the Company dated 15 December 2023 and the circular of the Company dated 6 March 2024; and

(ii) the capital increase agreement dated 25 April 2024 entered into by Hainan Xincheng Kaiyuan Investment Co., Ltd* (海南新成開元投資有限責任公司) with existing shareholders of Meidi Elderly Care Service (Shanghai) Co., Ltd.* (美邸養老服務(上海)有限公司) in relation to the acquisition of 30% equity of Meidi Elderly Care Service (Shanghai) Co., Ltd.* (美邸養老服務(上海)有限公司) by way of a capital contribution of RMB50 million, further details of which are set out in the announcement of the Company dated 25 April 2024.

9. GENERAL

(a) The registered office of the Company is at Vistra (BVI) Limited, Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands VG 1110.

(b) The principal office of the Company is Suite 6508, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

(c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) The company secretary of the Company is Ms. Mei Zhe. Ms. Mei Zhe is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.china-newtown.com) for a period of 14 days from the date of this Circular:

(a) the Loan Extension Agreement, the Liquidity Support Letter and the abovementioned letter of undertaking issued by the Company in respect of the entire equity interest of Xincheng Kaiyuan; and

(b) this Circular.

11. MISCELLANEOUS

In the event of any inconsistency, the English language text of this Circular shall prevail over the Chinese language text.