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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)
Hong Kong Stock Code: 1278

**DISCLOSEABLE TRANSACTION
RELATING TO THE PROVISION OF THE LOAN AND
THE GUARANTEE**

THE LOAN AGREEMENT

Previously on 17 December 2020, CDB Nanjing, an indirect wholly-owned subsidiary of the Company, and the First Construction Company of JPC, an Independent Third Party, entered into the Loan Agreement with the Joint Venture, pursuant to which each of CDB Nanjing and the First Construction Company of JPC has agreed to lend to the Joint Venture a loan in the principal amount of RMB22,500,000 respectively (totaling RMB45,000,000).

THE GUARANTEE

On 21 January 2021 (after trading hours), CDB New Town and JPC entered into the Guarantee with the Bank, pursuant to which CDB New Town and JPC have agreed to guarantee the punctual due payment of the Bank Loan granted by the Bank to the Joint Venture.

THE LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Loan Agreement shall be aggregated with transactions contemplated under the Guarantee for the purposes of compliance with Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan and the Guarantee as aggregated exceeds 5% but all of them are less than 25%, the Loan and the Guarantee constitute a discloseable transaction of the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE LOAN AGREEMENT

Previously, on 17 December 2020, CDB Nanjing, an indirect wholly-owned subsidiary of the Company, and The First Construction Company of JPC, an Independent Third Party, entered into the Loan Agreement with the Joint Venture, pursuant to which each of CDB Nanjing and the First Construction Company of JPC has agreed to lend to the Joint Venture a Loan in the principal amount of RMB22,500,000 respectively (totaling RMB 45,000,000).

The principal terms of the Loan Agreement are as follows:

Date: 17 December 2020

Lender: (1) CDB Nanjing, an indirect wholly-owned subsidiary of the Company
(2) the First Construction Company of JPC, an Independent Third Party

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the First Construction Company of JPC and its ultimate beneficial owners is an Independent Third Party. The First Construction Company of JPC is a wholly-owned subsidiary of JPC.

Borrower: Joint Venture, which is owned by the Group as to 50% as at the date of this announcement and a jointly controlled entity of the Group (but not a subsidiary of the Company under the Listing Rules). The remaining 50% equity interest in the Joint Venture is owned by the First Construction Company of JPC.

Aggregate Principal Loan Amount: An aggregate of RMB45,000,000, whereby each of CDB Nanjing and the First Construction Company of JPC has agreed to lend to the Joint Venture a loan in the principal amount of RMB22,500,000 respectively

Repayment Date: To be further determined by the parties

Interest: At the interest rate of 5.7% per annum which shall be payable at the time of repayment date of the Loan

Security for the Loan: Unsecured

The terms of the Loan Agreement, including the interest, were arrived at after arm's length negotiations between each of CDB Nanjing, the First Construction Company of JPC and the Joint Venture, taking into account the following factors (including but not limited to) (i) the amount of funding required for the construction and development of the international school ("**School Projects**"); (ii) the comprehensive income of the School Projects and (iii) the prevailing market interest rates and practice in relation to similar borrowings.

THE GUARANTEE

On 21 January 2021 (after trading hours), at the request of the Bank, CDB New Town and JPC entered into the Guarantee with the Bank, pursuant to which each of CDB New Town and JPC have agreed to guarantee the punctual due payment of the Bank Loan under a facility up to RMB500,000,000 granted by the Bank to the Joint Venture. CDB New Town and JPC shall guarantee RMB250,000,000 each according to the proportion of its equity.

Principal terms of the Guarantee

The principal terms of the Guarantee are as follows:

Date: 21 January 2021

Parties: (1) CDB New Town, as one of the guarantors for the Guarantee;
(2) JPC, an Independent Third Party, as one of the guarantors for the Guarantee; and
(3) the Bank, as lender.

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. JPC is founded in 1956 with headquarter located in Nanjing, and has a registered capital of RMB1.25658 billion, whereas the Bank is principally engaged in banking business.

Term of the Guarantee:	The term of the Guarantee is from the date of the Guarantee and ending on the date of three years commencing from the expiry date of the repayment obligation of the Bank Loan.
Scope of the Guarantee:	The Bank Loan in the principal amount of up to RMB500,000,000 and the interest, compound interest, penalty interest, liquidated damages, damages and the expenses from realization of debt rights. The expenses from realization of debt rights include but are not limited to chaser fees, litigation costs, arbitration costs, property security fees, announcement fees, execution fees, legal fees, travel expenses and other fees
Method of the Guarantee:	Joint and several liability, CDB New Town and JPC shall guarantee RMB250,000,000 each according to the proportion of its equity , The guarantors shall not be jointly and severally liable for each other's guarantee scope
Effective Date of the Guarantee:	The Guarantee becomes effective when the parties' company seals have been duly affixed thereon.

REASONS FOR THE LOAN AND THE GUARANTEE

The Company is the listed platform of China Development Bank Capital in the business segment of new urbanization, which invests, develops and operates diversified urbanization projects nationwide in China.

CDB Nanjing is principally engaged in investment and construction of urbanization, such as shanty towns' transformation, industrial park, cultural tourism and healthcare etc.

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

The Joint Venture is a jointly controlled entity of the Group which is principally engaged in the construction and development of the School Projects in Nanjing.

The Loan and the Bank Loan are provided to the Joint Venture to facilitate development of the the School Projects. Currently, the Reigate Grammar School Nanjing in the Chilin High-tech Industrial Development Zone in Jiangning District has gradually entered into operation. Among which, kindergarten and primary school have started to recruit students in 2020. The Reigate Grammar School is a top British private school and has accumulated the education philosophy and resources for more than 300 years. Carrying on its education philosophy and resources, the Reigate Grammar School Nanjing will leverage the essential values of the Eastern and Western education systems to develop future community members with a strong cultural confidence and international vision in strict compliance with the national policies on education. The provision of the Loan also enables the Group to generate revenue from the interest income.

The Directors are of the view that the terms of the Loan and the Guarantee are entered into on normal commercial terms and their terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

THE LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Loan Agreement shall be aggregated with transactions contemplated under the Guarantee for the purposes of compliance with Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan and the Guarantee as aggregated exceeds 5% but all of them are less than 25%, the Loan and the Guarantee constitute a discloseable transaction of the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Bank”	Agricultural Bank of China Limited
“Bank Loan”	a loan facility up to RMB500,000,000 granted by the Bank to the Joint Venture
“Board”	the board of Directors

“CDB Nanjing”	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 indirect wholly-owned subsidiary of the Company
“CDB New Town”	CDB New Town (Beijing) Asset Management Company Limited (國開新城（北京）資產管理有限公司), an indirect wholly-owned subsidiary of the Company established under the laws of PRC
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“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
“Group”	the Company and its subsidiaries
“Guarantee”	a guarantee dated 21 January 2021 entered into by CDB New Town and JPC in favour of the Bank relating to the Bank Loan
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	person or company which is not connected (as defined in the Listing Rules) of the Company
“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
“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

“Listing Rules”	the Rules Governing the Listing of Securities on the SEHK
“Loan”	a loan in the aggregate principal amount of RMB45,000,000 granted by CDB Nanjing and the First Construction Company of JPC to the Joint Venture pursuant to the terms of the Loan Agreement
“Loan Agreement”	a loan agreement dated 17 December 2020 entered into between CDB Nanjing, the First Construction Company of JPC and the Joint Venture relating to the provision of the Loan
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the Lawful currency of the PRC
“Shareholders”	shareholders of the Company
“SEHK”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 21 January 2021

As at the date of this announcement, the executive Directors are Mr. Liu Heqiang (Chief Executive Officer), Ms. Yang Meiyu, Mr. Ren Xiaowei and Mr. Shi Janson Bing; the non-executive Directors are Mr. Zuo Kun (Chairman), Mr. Li Yao Min (Vice Chairman), Mr. Wei Dongzheng and Mr. Wang Jiangang; and the independent non-executive Directors are Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.

**for identification purpose only*