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NEW CITY DEVELOPMENT GROUP LIMITED

新城市建設發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0456)

INSIDE INFORMATION – LITIGATION

This announcement is made by New City Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company has recently been notified by 廣東暢揚投資股份有限公司 (Guangdong Changyang Investment Company Limited*) (“**Guangdong Changyang**”) and 廣東暢流投資有限公司 (Guangdong Changliu Investment Company Limited*) (“**Guangdong Changliu**”), wholly-owned subsidiaries of the Company (the “**Subsidiaries**”), that a decision (“**First Decision**”) has made by 廣州市增城區人民法院 (Guangzhou Zengcheng People’s Court*) (the “**PRC Court**”) against the Subsidiaries for a claim on breach of contract commenced by five individuals (the “**Plaintiffs**”) in the PRC in relation to the acquisition of the entire equity interest in 廣州市聯瑋物業有限公司 (Guangzhou Lianwei Property Limited*) (“**Guangzhou Lianwei**”) and 廣州優暢商業管理有限公司 (Guangzhou Youchang Business Management Limited*) (“**Guangzhou Youchang**”) under a contract dated 28 December 2020 (supplemented by a supplemental contract dated 31 May 2021) (collectively, the “**Contracts**”) entered into between the Plaintiff as vendors, Guangdong Changyang as buyer and Guangdong Changliu as guarantor. The Subsidiaries have been adjudicated to pay the Plaintiffs a total sum of RMB5,790 million plus interest and costs under the First Decision. A related decision (the “**Second Decision**”, together with the First Decision, the “**Decisions**”) has also been made by the PRC Court against Guangdong Changyang which has commenced an action on breach of warranties under the Contracts and rescission of the Contracts against the Plaintiffs.

* For identification purposes only

The Subsidiaries have sought legal advice in the PRC and considered that they have good merits in appealing against the Decisions, Guangdong Changyang has recently filed an appeal (the “**Appeals**”) against the Decisions. The Company shall update its shareholders and potential investors on material developments regarding the Appeals when appropriate in compliance with the Listing Rules.

The board of the directors of the Company is of the view that the Decisions have no material impact on the financial performance and operations of the Group.

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

By order of the Board
New City Development Group Limited
Han Junran
Chairman

Hong Kong, 28 September 2023

As at the date of this announcement, the executive directors are Mr. Han Junran (Chairman) and Mr. Luo Min; and independent non-executive directors are Mr. Chan Yiu Tung, Anthony, Dr. Ouyang Qingru, Mr. Zhang Jing, Mr. Leung Kwai Wah, Alex, and Mr. Luo Zhen.