

Dated 6th, September 2023

NEW CITY DEVELOPMENT GROUP LIMITED

新城市建設發展集團有限公司

and

HAN JUNRAN

韓軍然

SUBSCRIPTION AGREEMENT

relating to shares in

NEW CITY DEVELOPMENT GROUP LIMITED

THIS AGREEMENT is dated 6th September 2023 and made

BETWEEN:

- (1) **NEW CITY DEVELOPMENT GROUP LIMITED** 新城市建設發展集團有限公司, a company incorporated in Cayman Islands whose principal place of business in Hong Kong is at Unit D, 17/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong (the “**Company**”); and
- (2) **HAN JUNRAN** 韓軍然, holder of Hong Kong Identity Card No. 110103195701250436 of Unit D, 17/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong (the “**Subscriber**”).

WHEREAS:

- (A) The Company is listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 456). As at the date of this Agreement, the Company has an authorised share capital of HK\$40,000,000 divided into 200,000,000 Shares, of which 86,543,290 Shares have been issued and are fully paid up.
- (B) The Company has agreed to issue and the Subscriber has agreed to subscribe, or procure it nominee(s) to subscribe, the Subscription Shares (as defined below), on the terms and subject to the conditions set out in this Agreement.
- (C) The Subscriber and Junyi Investments Limited, a company incorporated in the British Virgin Islands and solely owned by the Subscriber collectively owns 45,553,255 shares of the Company, representing 52.64% of its issued share capital, being controlling shareholders (as defined in the Listing Rules (as defined below) and connected persons (as defined under the Listing Rules) of the Company. The Subscription shall be approved by the Independent Shareholders (as defined below) in an extraordinary general meeting of the Company.
- (D) As at the date of this announcement, the Company is indebted to the Subscriber the Shareholder’s Loan (as defined below). The Subscriber now intends to capitalise the entire Shareholder’s Loan and to subscribe for the Subscription Shares.
- (E) Application shall be made to the Stock Exchange on behalf of the Company for the listing of, and permission to deal in, the Subscription Shares.

IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:

“Business Day”	any day (excluding Saturday, Sunday and public holidays) on which banks generally open for business in Hong Kong;
“Completion”	completion of this Agreement;
“Completion Date”	the third Business Day immediately after the date upon which the last of the conditions set out in Clause 3.1 shall have been satisfied;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the extraordinary general meeting to approve the terms of the Agreement and the transactions contemplated under the Agreement (including the granting of Specific Mandate to allot and issue the Subscription Shares pursuant to the Agreement);
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Party”	a named party to this Agreement and its successors and permitted assigns;
“SFC”	Securities and Futures Commission of Hong Kong;
“Shares”	ordinary shares of HK\$0.2 each in the capital of the Company;
“Shareholder’s Loan”	a sum of HK\$17.50 million advanced by the Subscriber to the Company;
“Specific Mandate”	the specific mandate to be granted to the directors of the Company by the Independent Shareholders at the extraordinary general meeting to allot, issue and deal with the

Subscription Shares to be Subscriber as contemplated under the Agreement;

“Stock Exchange”

The Stock Exchange of Hong Kong Limited;

“Subscription”

the subscription by the Subscriber for the Subscription Shares on the terms and subject to the conditions set out in this Agreement;

“Subscription Announcement”

the announcement proposed to be issued on behalf of the Company in respect of this Agreement immediately following the execution of this Agreement in the agreed form;

“Subscription Price”

HK\$0.57 per Subscription Share;

“Subscription Shares”

30,701,754 Shares, representing approximately 35.48% of the existing issued share capital of the Company and approximately 26.19% of the enlarged issued share capital of the Company after completion of the Subscription; and

“HK\$”

Hong Kong dollar, the lawful currency of Hong Kong.

- 1.2 Any reference to a document being **“in the agreed form”** means in the form of the document or the draft thereof signed for identification on behalf of the Subscriber and the Company with (in the case of a draft) such alterations (if any) as may be agreed between the Subscriber and the Company.
- 1.3 Save as otherwise expressly stated herein, references to any statute, statutory provision or the Listing Rules includes a reference to that statute, statutory provision or the Listing Rules as from time to time amended, extended or re-enacted.
- 1.4 In this Agreement, references to:
- (a) **“Recitals”** and **“Clauses”** are to recitals and clauses of this Agreement;
 - (b) the singular includes the plural and vice versa;
 - (c) words importing gender or the neuter include both genders and the neuter; and
 - (d) persons include bodies corporate or unincorporate.
- 1.5 Headings are for convenience only and shall not affect the interpretation of this Agreement.

2. **AGREEMENT TO SUBSCRIBE**

- 2.1 The Subscriber agrees to subscribe, or procure its nominee(s) to subscribe, and the Company agrees to issue the Subscription Shares at the Subscription Price, free from all liens, charges, security interests, encumbrances and adverse claims on the Completion Date on the terms and subject to the conditions set out in this Agreement.
- 2.2 The Company agrees that the Subscription Shares shall, upon allotment and issue, rank pari passu in all respects with the other Shares in issue on the Completion Date including the rights to all dividends and other distributions declared, made or paid at any time on or after the Completion Date.

3. **CONDITIONS**

- 3.1 Completion of this Agreement is conditional upon:
- (a) the passing by the Independent Shareholders of the Company (other than those prohibited from voting under the Listing Rules), as required under the Listing Rules of all necessary resolution at its extraordinary general meeting(s) approving this Agreement, including but not limited to the Specific Mandate and the allotment and issue of the Subscription Shares and other transactions contemplated hereunder; and
 - (b) the listing of and permission to deal in the Subscription Shares being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares).
- 3.2 The Company shall each use its best endeavours to procure the fulfilment of the conditions set out in **Clause 3.1** and in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other and/or the Stock Exchange in connection with the fulfilment of such conditions. The Company shall give the Subscriber no less than three Business Days' prior written notice of the Completion Date upon fulfilment (or waiver, as the case may be) of the conditions set out in **Clauses 3.1(a) and (b)**.
- 3.3 If the conditions set out in **Clause 3.1** are not fulfilled on or before 30 November 2023, this Agreement shall terminate with immediate effect (other than the surviving provisions and without prejudice to the rights and/or obligations of any Party in respect of any antecedent breach), and the Parties shall be released and discharged from their respective obligations under the Agreement.

4. **COMPLETION OF THE SUBSCRIPTION**

Subject to the fulfilment of the conditions set out in **Clause 3.1**, completion of the Subscription shall take place at the office of the Company at 4:30 p.m. (Hong Kong time) on the Completion Date or such other time as the Parties may agree, at which time:

- (a) the Company shall:
 - (i) allot and issue to the Subscriber (or as it may direct) the Subscription Shares and shall promptly thereafter register the Subscriber and/or its nominee(s) as a member or members of the Company and shall cause to be delivered to the Subscriber definitive certificates of title in respect thereof in the name of the Subscriber or as it may direct;
 - (ii) deliver to the Subscriber a certified copy of the minutes of the general meeting of the Company approving this Agreement, the Specific Mandate and the issue of the Subscription Shares and other transactions contemplated hereunder as set out in **Clause 3.1(a)**;
 - (iii) deliver to the Subscriber a certified copy of the approval from the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares;
 - (iv) deliver to the Subscriber a certified copy of the resolutions of the board of directors of the Company approving the execution and performance of this Agreement, the Specific Mandate and the issue and allotment of the Subscription Shares; and
- (b) the Subscriber shall pay or cause to be paid to the Company the aggregate Subscription Price of all the Subscription Shares of HK\$17.50 million payable by the Subscriber by way of capitalisation of the entire Shareholders' Loan on the Completion Date.

5. **EXPENSES**

Each Party shall pay its own costs and disbursements of its own legal and other professional advisers incurred in connection with and of incidental to the negotiation and preparation of this Agreement, the transactions contemplated hereunder and Completion.

6. **WARRANTIES AND REPRESENTATIONS**

- 6.1 In consideration of the Subscriber entering into this Agreement and agreeing to perform its obligations hereunder and subject to the terms and conditions of this Agreement, the Company hereby warrants and represents, in relation to the Subscription Shares, to and for the benefit of

the Subscriber as follows:

- (a) subject to fulfillment of the conditions as set out in **Clause 3.1**, all necessary consents and authorisations have been obtained to enable the Company to issue and allot the Subscription Shares. The Company has power under its constitutional documents to enter into and perform this Agreement and this Agreement is duly authorised and when duly executed shall constitute valid and legally binding and enforceable obligations of the Company; and
 - (b) the Subscription Shares, when issued, shall be free from all liens, charges, security interests, encumbrances and adverse claims and shall rank pari passu in all respects with other Shares in issue including the rights to all dividends and other distributions declared, made or paid at any time after the Completion Date.
- 6.2 Each of the representations, warranties and undertakings contained in **Clauses 6.1** shall be construed as a separate representation or warranty or undertaking and shall not be limited or restricted by reference to or inference from the terms of any other representation, warranty and undertaking or any other term of this Agreement.
- 6.3 The representations, warranties and undertakings contained in this **Clauses 6.1** shall be deemed to be repeated by the Subscriber at any time up to and including the Completion Date and shall remain in full force and effect notwithstanding completion of the Subscription and all matters contemplated in this Agreement.
- 7. ANNOUNCEMENTS AND CONFIDENTIALITY**
- 7.1 The Parties hereby authorise the release for publication of the Subscription Announcement, immediately following the signing of this Agreement.
- 7.2 Save as otherwise required by law or by the the Stock Exchange and/or the SFC or by virtue of the Listing Rules or of any other regulatory requirements, neither Party shall make any public announcement or communication other than the Subscription Announcement in relation to the Subscription without the prior approval of the other Party.
- 7.3 None of the Parties shall, without the prior written consent of the other Party, disclose the terms of, or any matters referred to in, this Agreement except to its professional advisers and senior management whose province is to know such terms or matters and to those persons to whom it may be necessary to disclose such terms or matters for the purpose of or in connection with this Agreement and subject as required by law or by the SFC and/or the Stock Exchange or by virtue of the Listing Rules or of any other regulatory requirements or to defend any legal proceedings.

8. TIME OF THE ESSENCE

Any date or period mentioned in any Clause may be extended by mutual agreement between the Parties in writing, but, as regards any date or period originally fixed or any date or period so extended as aforesaid, time shall be of the essence.

9. NOTICES

9.1 All notices delivered hereunder shall be in writing and shall be communicated to the following addresses:

If to the Company, to:

Address : Unit D, 17/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong

Facsimile : (852) 2528 9191

Attention : Board of Directors

If to the Subscriber, to:

Address : Unit D, 17/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong

Facsimile : (852) 2528 9191

Attention : Mr. Han Junran

9.2 Any such notice shall be served either by hand, by facsimile or by post. Any notice shall be deemed to have been served, if served by hand, when delivered, and if sent by facsimile, on receipt of confirmation of transmission and if served by post, within two Business Days after the date of posting. Any notice received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

10. MISCELLANEOUS

10.1 This Agreement may be executed in any number of counterparts each of which when executed and delivered is an original, but all the counterparts together constitute the same document.

10.2 No failure or delay by any Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by any Party of any breach by the other Party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

10.3 This Agreement shall not be assignable by a Party unless otherwise agreed by the other Parties

or provided in this Agreement.

- 10.4 This Agreement (together with any documents referred to herein) constitutes the whole agreement between the Parties in relation to its subject matter and supersedes any previous agreement amongst the parties with respect thereto. It is expressly declared that no variations hereof shall be effective unless made in writing and signed by or on behalf of each Party.
- 10.5 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

11. **GOVERNING LAW AND JURISDICTION**

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong for the time being in force and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in connection herewith.

12. **THIRD PARTY RIGHTS**

Except as expressly provided for under this Agreement, a person who is not a party to this Agreement (other than a permitted successor or assign) has no right under the Contracts (Right of Third Parties) Ordinance (Cap. 623 of the laws of Hong Kong) to enforce or enjoy the benefit of any terms of this Agreement.

IN WITNESS WHEREOF this Agreement has been executed on the day and year first before written.

SIGNED by

for and on behalf of

New City Development Group Limited

in the presence of:

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For and on behalf of
NEW CITY DEVELOPMENT GROUP LIMITED
新城市建設發展集團有限公司



Authorized Signature(s)

SIGNED by

Han Junran 韓軍然

in the presence of:

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