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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)

SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTION

The Board is pleased to announce that on 4 May 2026 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Company agreed to issue (pursuant to the General Mandate), and the Subscriber agreed to subscribe for, an aggregate of 27,649,000 Subscription Shares at the Subscription Price of HK\$0.373 per Share.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber is an Independent Third Party. The Company will use the net proceeds from the Subscription of approximately HK\$10,013,000 for the purpose of general working capital of the Group.

The Subscription is conditional upon the granting of approval for the listing of and permission to deal in the Subscription Shares. Application will be made to the Listing Committee of the Stock Exchange for the same.

As the Subscription is subject to the satisfaction of the condition precedent and may or may not proceed to Completion, Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

Date: 4 May 2026

Parties: (i) the Company, as issuer; and
(ii) the Subscriber

Number of Subscription Shares: 27,649,000

Subscription Price: HK\$0.373

Pursuant to the terms of the Subscription Agreement, the Subscriber have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 27,649,000 Subscription Shares at HK\$0.373 per Subscription Share, representing:

(i) 14.82% of the existing issued share capital of the Company as at the date of this announcement;

and

(ii) approximately 12.91% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there is no other change to the issued share capital of the Company between the date of the Subscription Agreement and the Completion Date).

The Subscription Price

The Subscription Price of HK\$0.373 per Subscription Share represents:

(i) a discount of approximately 12.24% to the closing price of HK\$0.425 per Share as quoted on the Stock Exchange on the Last Trading Date;

(ii) a discount of approximately 17.84% to the average of the closing price of HK\$0.454 per Share quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber taking into account the prevailing market price of the Shares, the Group's historical performance and present financial position as well as current market conditions. The Board considers that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Subscriber

The Subscriber is a professional investor and has been engaging in various kinds of investments to achieve medium to long-term capital appreciation. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Subscriber is an Independent Third Party.

Ranking

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with Shares in issue at the time of allotment and issue of the Subscription Shares.

Condition precedent to the Subscription Agreement

Completion of the Subscription Agreement is conditional upon the Company having obtained the listing approval issued by the Stock Exchange in connection with the listing of and permission to deal in the Subscription Shares.

If the foregoing condition is not fulfilled by 5:00 p.m. on 26 May 2026, or such other time and date as may be agreed by the Subscriber and the Company, all rights, obligations and liabilities of the Subscriber and the Company under the Subscription Agreement shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the terms thereof.

Completion of the Subscription Agreement

Completion of the Subscription Agreement shall take place at 4:00 p.m. on a date within five Business Days (or such other date and time as may be agreed by the Company) after the satisfaction of the condition precedent of the Subscription Agreement.

General Mandate

Pursuant to the General Mandate granted to the Directors at the AGM, the total number of new Shares that the Company is authorised to allot and issue is 27,649,008 Shares, representing 20% of the then issued share capital of the Company as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Share has been allotted and issued by the Company under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares, and the issue of the Subscription Shares will not be subject to further approval by the Shareholders.

The Subscription Shares to be allotted and issued will utilise approximately 100% of the General Mandate.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION AND THE USE OF PROCEEDS

The Company is an investment holding company incorporated in the Cayman Islands. The Group is principally engaged in property development and investment, retail and consumer spending related business operation and construction materials supply chain in the PRC.

The Directors consider that the Subscription will provide additional funding for the Company's business operation, and also strengthen the capital base of the Company. The Directors (including all of the independent non-executive Directors) are of the view that the Subscription is in the interests of the Company and the Shareholders as a whole and the issue of the Subscription Shares is an appropriate means of raising additional capital for the Company since it will provide the Company with immediate funding and the capital base of the Company will be enlarged. The Directors consider that the terms of the Subscription Agreement are fair and reasonable.

The gross proceeds from the issue of the Subscription Shares will amount to HK\$10,313,077. The net proceeds from the Subscription after deducting related expenses payable by the Company will amount to approximately HK\$10,013,000, the net price is approximately HK\$0.362 per Subscription Share. The Directors intend to use the net proceeds for general working capital of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

The Company has not conducted any fund raising activities in the past twelve months immediately prior to the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The table below sets out the changes to the shareholding structure of the Company as a result of completion of the Subscription Agreement (assuming there being no other change in the share capital and shareholding structure of the Company between the date of this announcement and Completion Date):

Shareholders	Shareholding as at the date of this announcement		Shareholding immediately after the allotment and issue of the Subscription Shares in full	
	<i>Number of shares</i>	<i>Approximate %</i>	<i>Number of shares</i>	<i>Approximate %</i>
Junyi Investments Limited ¹	37,733,255	20.22	37,733,255	17.61
Qilu International Funds SPC (acting for and on behalf of Zhongtai Dingfeng Classified Fund SP) ²	86,485,742	46.35	86,485,742	40.37
Zhongtai International Asset Management Limited ²	86,485,742	46.35	86,485,742	40.37
Lai Wing Lun ³	86,485,742	46.35	86,485,742	40.37
Osman Mohammed Arab ³	86,485,742	46.35	86,485,742	40.37
The Subscriber	–	–	27,649,000	12.91
Other Shareholders	<u>100,094,143</u>	<u>53.65</u>	<u>100,094,143</u>	<u>46.72</u>
Total	<u><u>186,579,885</u></u>	<u><u>100.00</u></u>	<u><u>214,228,885</u></u>	<u><u>100.00</u></u>

Notes:

1. Junyi Investments Limited, a company incorporated with limited liability in the British Virgin Islands, is wholly-owned by Mr. Han Junran who is an Executive Director of the Company.
2. The security interest of the 86,485,742 shares of the Company is held by Qilu International Funds SPC (acting for and on behalf of Zhongtai Dingfeng Classified Fund SP), an investment fund managed by Zhongtai International Asset Management Limited.

3. The Company had been notified that on 8 January 2026, Osman Mohammed Arab and Lai Wing Lun of Acclime Corporate Advisory (Hong Kong) Limited were appointed as joint and several receivers and managers over 86,485,742 shares of the Company pursuant to two Share Charges dated 4 May 2018 and 25 July 2019 created by Junyi Investments Limited and Han Junran respectively in favour of Qilu International Funds SPC acting for and on behalf of Zhongtai Dingfeng Classified Fund SP.

As the Subscription is subject to the satisfaction of the condition precedent and may or may not proceed to Completion, Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 5 June 2025;
“Board”	the board of directors of the Company;
“Business Days”	a day (excluding Saturday, Sunday and public holidays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;
“Company”	New City Development Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange;
“Completion”	the completion of the Subscription in accordance with the Subscription Agreement;
“Completion Date”	a date within five Business Days (or such other date and time as may be agreed by the Company) after the satisfaction of the condition precedent of the Subscription Agreement;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors at the annual general meeting held on 5 June 2025 to allot, issue or otherwise deal in up to 27,649,008 new Shares;
“Group”	the Company and its subsidiaries;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	A third party independent of and not connected with the Company and its connected persons;
“Last Trading Date”	4 May 2026, being the last full trading day of the Shares on the Stock Exchange immediately prior to the release of this announcement;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on main board of the Stock Exchange;
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	ZHANG XI (張喜*), a natural person and an Independent Third Party;
“Subscription”	the subscription of Subscription Shares in total at the Subscription Price pursuant to terms and conditions of the Subscription Agreement;
“Subscription Agreement”	the conditional subscription agreement dated 4 May 2026 entered into between the Company and the Subscriber in relation to the Subscription;
“Subscription Price”	the issue price of HK\$0.373 per Subscription Share for the Subscription;

“Subscription Share(s)” new Shares to be allotted and issued under the Subscription Agreement at the Subscription Price, and each a “Subscription Share”;

“%” per cent.

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

Hong Kong, 4 May 2026

* *For identification purposes only*

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Han Junran (Chairman), Mr. Luo Min and Mr. Luo Zhen; and (ii) four independent non-executive Directors, namely Dr. Ouyang Qingru, Mr. Zhang Jing, Mr. Wong Pak Wing and Mr. Lam Chi Cheung Albert.