
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 City Group Limited, you should at once hand this circular together with 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 transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



China New City Group Limited

中國新城市集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1321)

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at 9:30 a.m. at Crystal Hall, 4th Floor, Holiday Inn Hangzhou Xiaoshan, No. 688 Shanyin Road, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC on Thursday, 6 June 2024 is set out on pages AGM-1 to AGM-6 of this circular.

Whether or not you are able to attend the Annual General Meeting or any adjournment thereof, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the Annual General Meeting (i.e. at or before 9:30 a.m. on Tuesday, 4 June 2024 (Hong Kong time)), or any adjournment thereof to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

10 May 2024

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
– Introduction	4
– General Mandates to Issue and Repurchase Shares	5
– Re-election of Directors	6
– Actions to be taken	7
– Voting at the Annual General Meeting	7
– Responsibility statement	8
– Recommendation	8
– Closure of Register of Members	8
– General information	8
 Appendix I – Explanatory statement	 I-1
 Appendix II – Particulars of Directors for re-election	 II-1
 Notice of Annual General Meeting	 AGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at 9:30 a.m. at Crystal Hall, 4th Floor, Holiday Inn Hangzhou Xiaoshan, No. 688 Shanyin Road, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC on Thursday, 6 June 2024, the notice of which is set out on pages AGM-1 to AGM-6 of this circular, and any adjournment thereof
“Articles”	the second amended and restated articles of association of the Company adopted on 9 June 2022 (as amended from time to time)
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China New City Group Limited (Stock Code: 1321), an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted, issued and dealt with (or sold or transferred out of treasury) under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue or otherwise deal with additional Shares (including any sale or transfer of treasury Shares out of treasury) up to a maximum of 20% of the aggregate number of Shares in issue (excluding treasury Shares) as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	6 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase the Shares on the Stock Exchange, the aggregate number of which shall not exceed 10% of the aggregate number of Shares in issue (excluding treasury Shares) as at the date of passing the relevant resolution at the Annual General Meeting, and to determine such Shares repurchased shall be held as treasury Shares by the Company or otherwise be cancelled
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Security and Futures Commission of Hong Kong
“treasury Shares”	has the meaning ascribed to it under the Listing Rules coming into effect on 11 June 2024
“%”	per cent.

LETTER FROM THE BOARD



China New City Group Limited

中國新城市集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1321)

Executive Directors:

Mr Shi Nanlu (*Chief Executive Officer*)

Mr Jin Jianrong

Non-executive Director:

Mr Shi Zhongan (*Chairperson*)

Independent non-executive Directors:

Mr Xu Chengfa

Mr Lam Yau Yiu

Mr Yuan Yuan

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Room 4010, 40th Floor

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

10 May 2024

Dear Shareholder(s),

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Ordinary resolutions to be proposed at the Annual General Meeting include, among other things, (a) the proposed grant of each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, and (b) the proposed re-election of Directors.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

As the existing general mandates granted to the Directors to exercise all powers of the Company to allot, issue and deal with and repurchase Shares pursuant to the resolutions passed by the Shareholders at the annual general meeting of the Company held on 8 June 2023 will expire at the conclusion of the Annual General Meeting, separate ordinary resolutions will be proposed at the Annual General Meeting to renew the grant of such general mandates. The relevant proposed resolutions, in summary, are:

- (a) to grant the Directors the Issue Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to allot, issue and deal with additional Shares (including any sale or transfer of treasury Shares out of treasury) up to 20% of the aggregate number of Shares in issue (excluding treasury Shares) as at the date of passing of the relevant resolution;
- (b) to grant the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase Shares on the Stock Exchange up to a maximum of 10% of the number of Shares in issue (excluding treasury Shares) as at the date of passing of the relevant resolution; and
- (c) conditional on the passing of the proposed resolutions approving the grant of the Issue Mandate and the Repurchase Mandate, to grant the Directors the Extension Mandate, i.e. a general and unconditional mandate to increase the total number of Shares which may be allotted, issued and dealt with (or sold or transferred out of treasury) under the Issue Mandate by an additional number representing such number of Shares actually repurchased by the Company under the Repurchase Mandate.

As at the Latest Practicable Date, the total number of Shares in issue was 2,010,768,000 Shares. Assuming that (i) the proposed resolutions approving the grant of the Issue Mandate and the Repurchase Mandate are passed at the Annual General Meeting and (ii) there is no issue or repurchase of Shares from the Latest Practicable Date and up to the date of the Annual General Meeting, the Company would be allowed to allot and issue a maximum of 402,153,600 Shares under the Issue Mandate and repurchase a maximum of 201,076,800 Shares under the Repurchase Mandate, representing 20% and 10% of the aggregate number of Shares in issue (excluding treasury Shares) as at the date of the Annual General Meeting, respectively.

LETTER FROM THE BOARD

Subject to the approval of the above proposed resolutions by the Shareholders at the Annual General Meeting, the Issue Mandate and the Repurchase Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles, the Companies Act or by any other applicable laws of the Cayman Islands; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in the Appendix I to this circular.

RE-ELECTION OF DIRECTORS

According to Article 105(A) of the Articles, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

According to Article 105(B) of the Articles, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

By virtue of Articles 105(A) and 105(B) of the Articles, Mr Shi Zhongan and Mr Shi Nanlu will retire as Directors at the Annual General Meeting, and they, being eligible, will offer themselves for re-election at the Annual General Meeting.

In accordance with the terms of reference of the nomination committee of the Company (the “**Nomination Committee**”), the Nomination Committee has evaluated the performance and the contribution of each of the retiring Directors for re-election during the last financial year of the Company and the period thereafter up to the date of evaluation. The Nomination Committee is of the opinion that the performance of each of the retiring Directors was satisfactory. Accordingly, the Nomination Committee and the Board proposed to recommend the re-election of Mr Shi Zhongan and Mr Shi Nanlu as Directors at the Annual General Meeting.

Particulars of Mr Shi Zhongan and Mr Shi Nanlu are set out in Appendix II to this circular.

LETTER FROM THE BOARD

ACTIONS TO BE TAKEN

At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; and
- (b) the proposed re-election of Directors.

To the best information of the Directors after making reasonable enquires, no Shareholder is required to abstain from voting for any resolution proposed to be adopted at the Annual General Meeting. Holders of treasury Shares (if any) shall abstain from voting on matters that require shareholders' approval at the Company's general meetings. The notice convening the Annual General Meeting and a form of proxy for use at the Annual General Meeting are enclosed herewith and published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.chinanewcity.com.cn. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time for the Annual General Meeting (i.e. at or before 9:30 a.m. on Tuesday, 4 June 2024 (Hong Kong time)), or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders on all resolutions at the general meetings must be taken by poll. The chairman of the Annual General Meeting will therefore demand a poll for every resolution put to the vote at the Annual General Meeting pursuant to Article 72 of the Articles. An announcement on the poll results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

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 Company. 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.

RECOMMENDATION

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the proposed resolutions at the Annual General Meeting.

CLOSURE OF REGISTER OF MEMBERS

For determination of the entitlement to attend and vote at the Annual General Meeting, the transfer books and register of members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024 (both days inclusive) during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 31 May 2024.

GENERAL INFORMATION

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

Yours faithfully,
By order of the Board
China New City Group Limited
中國新城市集團有限公司
Shi Zhongan
Chairperson

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 2,010,768,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no further Shares are issued or repurchased from the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 201,076,800 Shares which represents 10% of the aggregate number of Shares in issue (excluding treasury Shares) as at the date of passing such resolution.

3. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed.

Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. On the other hand, Shares repurchased and held by the Company as treasury Shares may be resold on the market at market prices to raise funds for the Company, or transferred or used for other purposes, subject to compliance with the Listing Rules, the memorandum of association of the Company as amended from time to time, the Articles and the applicable laws of the Cayman Islands. Share repurchase will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

4. FUNDING OF SHARE REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with the Company's memorandum of association, the Articles, the Companies Act and other applicable laws of the Cayman Islands.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2023, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve calendar months immediately preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
May 2023	1.05	0.80
June 2023	1.03	0.85
July 2023	1.03	0.88
August 2023	1.02	0.85
September 2023	0.91	0.58
October 2023	0.82	0.66
November 2023	0.80	0.66
December 2023	0.85	0.46
January 2024	0.79	0.58
February 2024	0.80	0.72
March 2024	0.79	0.60
April 2024	0.79	0.68
May 2024 ^(Note)	0.70	0.69

Note: Up to the Latest Practicable Date

6. STATUS OF REPURCHASED SHARES

Shares repurchased by the Company may be held by the Company as treasury Shares or cancelled as determined by the Directors, depending on the market conditions and the Group's capital management needs at the relevant time of the repurchase.

For any treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC to vote at general meetings of the Company for the treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury Shares.

7. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases upon the Company exercises its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

On the basis of the respective shareholding held by Ideal World Investments Limited ("**Ideal World**") and Whole Good Management Limited ("**Whole Good**") (all being companies controlled by Mr. Shi Zhongan) as at the Latest Practicable Date set out below, the exercise in full of the Repurchase Mandate will not result in any of Ideal World and/or Whole Good (being presumed to be parties acting in concert under the Takeovers Code) being obliged to make a mandatory offer under Rule 26 of the Takeovers Code. In addition, as at the Latest Practicable Date, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Name	Number of Shares	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Ideal World	1,327,556,000 Shares <i>(Note 1)</i>	66.02%	73.36%
Whole Good	31,303,594 Shares <i>(Note 2)</i>	1.56%	1.73%
Total:		<u>67.58%</u>	<u>75.09%</u>

Notes:

1. These 1,327,556,000 Shares were registered in the name of and beneficially owned by Ideal World, the entire issued share capital of which is beneficially owned by Zhong An Group Limited (“**Zhong An**”). The entire issued shares of Zhong An are owned as to about 57.89% by Whole Good, which is wholly-owned by Mr. Shi Zhongan, a non-executive Director of the Company.
2. These 31,303,594 Shares were registered in the name of and beneficially owned by Whole Good.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares held by the public falling below 25% of the issued Shares of the Company (excluding treasury Shares).

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

9. GENERAL

None of the Directors (to the best of their knowledge having made all reasonable enquiries) nor any of their respective close associates have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors will only exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands, the regulations set out in the memorandum of association of the Company and the Articles. Neither the explanatory statement in this Appendix I nor the proposed share repurchase has any unusual features.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her to the Company in the event that the Repurchase Mandate is granted to the Directors and is exercised.

The biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:

EXECUTIVE DIRECTORS**Mr Shi Nanlu, aged 41**

Mr Shi Nanlu (“**Mr Shi**”) is an executive Director and the chief executive officer of the Company. He was appointed as an executive Director on 3 April 2020. He is the chairman of the corporate governance committee and a member of the remuneration committee and the nomination committee of the Company. He is responsible for the daily operation and management, strategic investments and new business exploration of the Group.

Mr Shi joined Zhong An Group Limited (“**Zhong An Group**”), a company listed on the Stock Exchange (stock code: 00672), in June 2010. He had served as the manager of the capital management department, manager of the fund management department and deputy director of the Zhong An Group. He has many years of experience in financial management. Mr Shi resigned from all of his management positions in the Zhong An Group prior to joining the Group. He has been a vice president of the Group since June 2015. Mr Shi received his undergraduate degree in finance and accounting from The University of Manitoba in Canada in June 2007.

Mr Shi entered into a service contract with the Company for an initial term of three years with effect from 3 April 2020, which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term, until terminated either by Mr Shi or the Company by giving not less than three months’ written notice at any time during the said initial term or any time thereafter. As at the Latest Practicable Date, he is entitled to an annual salary of RMB1,000,000 under his service contract. Such salary is subject to an annual adjustment at the discretion of the Board. Mr Shi’s emoluments were determined by the Board with reference to his duties and responsibilities.

Save as disclosed herein, as at the Latest Practicable Date, Mr Shi (i) did not have any interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO; (ii) was not connected and had no relationship with any other Directors, senior management, or substantial or controlling shareholders of the Company; and (iii) did not hold directorship in other listed public companies in the last three years.

NON-EXECUTIVE DIRECTOR

Mr Shi Zhongan, aged 61

Mr Shi Zhongan (“**Mr Shi**”) is a non-executive Director and chairperson of the Board. He was appointed as a Director on 2 July 2013 and re-designated as non-executive Director on 30 September 2013. He is responsible for assisting the Board in the strategic planning of the Group, leading the Board to ensure that it will perform its roles and carry out its responsibilities effectively, and ensuring proper corporate governance practices and procedures are implemented within the Group. However, he does not participate in the day-to-day management of the business operations of the Group.

Mr Shi has over 30 years of experience in property development and property investment. Mr Shi currently serves as the executive director and chairman of Zhong An Group Limited (stock code: 00672) (“**Zhong An**”). Mr Shi served as a tax officer in the finance and revenue bureau of Xiaoshan District of Hangzhou (formerly known as Xiaoshan City) and the general manager of Hangzhou Xiaoshan Milkyway Real Estate Development Co., Ltd. Mr Shi completed an Executive Master of Business Administration Program (Finance Track) organised by Shanghai National Accounting Institute and obtained a CFO Qualifying Training Certificate in June 2007. From 2005 to 2006, Mr Shi completed a program for executive officers, focusing on globalisation and real estate developers, co-organised by Harvard University, Tsinghua University, The University of Hong Kong and the United States Military Academy and a program for presidents of real estate companies organised by Zhejiang University in July 2006. Mr Shi obtained a doctoral degree of business administration program jointly organised by Shanghai Advanced Institute of Finance (SAIF) and W. P. Carey School of Business, Arizona State University (ASU) in the US in May 2017. Mr Shi is also a director of certain members of Zhong An (excluding the Group) and the Group. Mr Shi is the sole director and the sole shareholder of Whole Good Management Limited (“**Whole Good**”), which is the controlling shareholder of the Group.

Mr Shi entered into an appointment letter with the Company for an initial term of three years with effect from 31 May 2014 to act as a non-executive Director, which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term, until terminated either by him by giving not less than three months’ written notice expiring at the end of the initial term of his appointment or any time thereafter to the Company, or by the Company by giving not less than three months’ written notice expiring at the first anniversary of the initial term of his appointment or any time thereafter to him. As at the Latest Practicable Date, he shall be entitled to a director’s fee of RMB200,000 per annum under his appointment letter. Furthermore, Mr Shi will be entitled to the usage of a company car with chauffeur. Save for the director’s fee, Mr Shi is not expected to receive any other remuneration for holding his office as a non-executive Director. Mr Shi’s emoluments was determined by the Board with reference to his duties and responsibilities.

As at the Latest Practicable Date, Mr Shi was interested in 1,358,859,594 Shares. Among these 1,358,859,594 Shares, 1,327,556,000 Shares were held by Ideal World Investments Limited (“**Ideal World**”), the wholly-owned subsidiary of Zhong An. The entire issued shares of Zhong An was owned as to approximately 57.89% by Whole Good, which is wholly-owned by Mr Shi. In addition, 31,303,594 Shares were held by Whole Good. By virtue of the SFO, Mr Shi is taken to be interested in the Shares in which each of Ideal World and Whole Good is interested.

Save as disclosed herein, as at the Latest Practicable Date, Mr Shi (i) did not have any other interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO; (ii) was not connected and had no other relationship with any other Directors, senior management, or substantial or controlling shareholders of the Company; and (iii) did not hold directorship in other listed public companies in the last three years.

GENERAL

Save as disclosed above, there are no other matters concerning any of the above Directors that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules in relation to their proposed re-election as Directors.

NOTICE OF ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this notice.



China New City Group Limited

中國新城市集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1321)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China New City Group Limited (“**Company**”) will be held at 9:30 a.m. at Crystal Hall, 4th Floor, Holiday Inn Hangzhou Xiaoshan, No. 688 Shanyin Road, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC on Thursday, 6 June 2024 to consider and, if thought fit, transact the following ordinary businesses:

ORDINARY RESOLUTIONS

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company and the auditors of the Company for the year ended 31 December 2023;
2. (a) to re-elect the following directors of the Company:
 - (i) Mr Shi Nanlu as an executive director of the Company; and
 - (ii) Mr Shi Zhongan as a non-executive director of the Company;
- (b) to authorise the board of directors of the Company to fix the directors’ remuneration for the year ending 31 December 2024;
3. to re-appoint Ernst & Young as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

4. **“THAT:**
- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the directors of China New City Group Limited (the “**Company**”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional ordinary shares (each, a “**Share**”) in the capital of the Company (including any sale or transfer of treasury shares (which shall have the meaning ascribed to it under the Listing Rules coming into effect on 11 June 2024) out of treasury if permitted under the Listing Rules) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate number of Shares allotted and issued (or transferred out of treasury) or agreed conditionally or unconditionally to be allotted and issued (or transferred out of treasury) (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
 - (aa) 20% of the aggregate number of Shares in issue (excluding treasury shares) as at the date of the passing of this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate number of Shares in issue (excluding treasury shares) as at the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law or the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

5. **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to repurchase shares (each, a **“Share”**) in the capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose and, if permitted under the Listing Rules, to determine whether such Shares repurchased shall be held as treasury Shares by the Company or otherwise be cancelled, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
 - (b) the aggregate number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate number of Shares in issue (excluding treasury Shares) as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
 - (c) for the purposes of this resolution, **“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law or the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 4 above be and is hereby extended by the addition to the aggregate number of shares (each, a “**Share**”) in the capital of the Company which may be allotted, issued and dealt with (or sold or transferred out of treasury) or agreed conditionally or unconditionally to be allotted, issued and dealt with (or sold or transferred out of treasury) by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate number of Shares repurchased or agreed to be repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above, provided that the amount of Shares repurchased by the Company shall not exceed 10% of the aggregate number of shares of the Company in issue (excluding treasury shares) as at the date of passing of this resolution.”

The PRC, 10 May 2024

By order of the Board
China New City Group Limited
中國新城市集團有限公司
Shi Zhongan
Chairperson

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business

in Hong Kong:
Room 4010, 40th Floor
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company’s Hong Kong branch registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 48 hours before the time of the above meeting (i.e. at or before 9:30 a.m. on Tuesday, 4 June 2024 (Hong Kong time)), or any adjourned meeting.

NOTICE OF ANNUAL GENERAL MEETING

3. For the purpose of determining members who are qualified for attending the annual general meeting, the register of members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024, both days inclusive, during which no transfer of share will be effected. In order to qualify for attending the annual general meeting, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch register and transfer office in Hong Kong at the address stated in note 2 above not later than 4:30 p.m. on Friday, 31 May 2024 for registration.
4. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto to, but if more than one of such joint holders are present at the above meeting, personally or by proxy, that one of the said person so present whose name stands first in the register in respect of such Share shall alone be entitled to vote in respect thereof.
6. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the board of directors of the Company comprises Mr Shi Nanlu and Mr Jin Jianrong as executive directors of the Company; Mr Shi Zhongan as non-executive director of the Company; and Mr Xu Chengfa, Mr Lam Yau Yiu and Mr Yuan Yuan, as independent non-executive directors of the Company.