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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)

VOLUNTARY ANNOUNCEMENT SETTLEMENT DEED

References are made to the joint announcements of Zhong An and CNC dated 20 July 2018 and 7 January 2019, and the circular of CNC dated 30 November 2018 in relation to the Acquisition (the “**Announcements and Circular**”). Terms used herein shall have the same meanings as defined in the Announcements and Circular unless the contents require otherwise.

THE SETTLEMENT DEED

Subsequent to the completion of the Acquisition, Hangzhou Oriental filed a lawsuit against CNC with respect to the Acquisition.

By mediation through the Court, Hangzhou Oriental, CNC and Zhong An Shenglong entered into the Settlement Deed and the Court informed the parties that the Settlement Deed became effective on 27 May 2024. Pursuant to the Settlement Deed, the parties agreed, among others, that:

- (i) a sum of RMB210 million to be paid to Hangzhou Oriental in four instalments with the last payment to be made on or before 30 June 2025 and all shareholders’ rights and interests over and in the 22.65% equity interests in Zhejiang Xinnongdou belong to Zhong An Shenglong; and
- (ii) the Consideration Shares to be returned to CNC for cancellation.

The parties further agreed that upon the effective of the Settlement Deed and the payment of the RMB210 million,

- (i) all disputes regarding the Acquisition shall be settled and resolved;
- (ii) claims and actions taken or may have been taken out by a party with respect to the Acquisition shall be withdrawn; and
- (iii) court order made with respect to the Acquisition shall not be enforced.

Implementation of the Settlement Deed may be subject to the requirements under the Listing Rules. The Company will make further announcement(s) when and where appropriate.

DEFINITIONS

Unless otherwise specified, the following terms shall have the following meanings in this announcement:

“Acquisition”	the acquisition of 22.65% equity interest in Zhejiang Xinnongdou by Zhong An Shenglong from Hangzhou Oriental as jointly announced by Zhong An and CNC on 20 July 2018
“Board”	the board of directors of the Company
“CNC” or the “Company”	China New City Group Limited, an exempted company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1321)
“Consideration Shares”	the 178,280,000 Shares allotted and issued to settle the consideration of the Acquisition
“Court”	High People’s Court of Zhejiang Province (浙江省高級人民法院)
“Hangzhou Oriental”	Hangzhou Oriental Culture Tourism Group Co., Ltd* (杭州東方文化園旅業集團有限公司), a limited liability company established in the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Deed”	the settlement deed which became effective on 27 May 2024 and entered into by Hangzhou Oriental, CNC and Zhong An Shenglong, by mediation through the Court, to resolve and settle finally and absolutely all disputes of the parties with respect to the Acquisition
“Shares”	ordinary shares of HK\$0.1 each of the Company
“Zhejiang Xinnongdou”	Zhejiang Xinnongdou Industrial Co., Ltd* (浙江新農都實業有限公司), a limited liability company established in the PRC

“Zhong An”	Zhong An Group Limited (眾安集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 672), and a Controlling Shareholder
“Zhong An Shenglong”	Zhejiang Zhongan Shenglong Commercial Co., Ltd.* (浙江眾安盛隆商業有限公司), an indirect non-wholly owned subsidiary of CNC, an indirect non-wholly owned subsidiary of Zhong An and a limited liability company established in the PRC
“%”	per cent.

* *Translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purpose only and should not be regarded as the official English translation of the Chinese names.*

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

Hong Kong, 28 May 2024

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