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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

Reference is made to the two announcements (the “**Announcements**”) of New City Development Group Limited (the “**Company**”) both dated 28 September 2023 relating to the decisions (the “**Decisions**”) by 廣州市增城區人民法院 (Guangzhou Zengcheng People’s Court*) (the “**PRC Court**”) against 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**”), subsidiaries of the Company (the “**Subsidiaries**”) in the total sum of RMB57.90 million plus interest for a claim on breach of contract commenced by five individuals (the “**Plaintiffs**”) in relation to the acquisition of the equity interest in 廣州市聯瑋物業有限公司 (Guangzhou Lianwei Property Limited*) and 廣州優暢商業管理有限公司 (Guangzhou Youchang Business Management Limited*) under a contract dated 28 December 2020 (supplemented by a supplemental contract dated 31 May 2021) (the “**Contracts**”) entered into between the Plaintiff as vendors, Guangdong Changyang as buyer and Guangdong Changliu as guarantor and Guangdong Changyang which has commenced an action on breach of warranties under the Contracts and rescission of the Contracts against the Plaintiffs. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

The Board has recently been notified by the Subsidiaries that the Appeals have been dismissed by the competent court in the PRC and that the Decisions have been upheld by the competent court in the PRC.

The Subsidiaries have sought PRC legal advice and considered that they have good merits in applying to the higher court in the PRC for a re-trial of the above matters. 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, 15 July 2024

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.

* *For identification purposes only*