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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 THE GENERAL MANDATE**

The Board is pleased to announce that on 17 January 2025 (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 21,000,000 Subscription Shares at the Subscription Price of HK\$0.325 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\$6,825,000.00 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: 17 January 2025

Parties: (i) the Company; and  
(ii) the Subscriber

The Subscriber is a professional investor and is engaging in investments to achieve medium to long-term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Subscriber is an Independent Third Party. As at the date of this announcement, the Subscriber does not have any interest in the Shares. Upon Completion, it will hold approximately 15.19% of the total number of issued Shares and shall become a substantial shareholder (as defined under the Listing Rules) of the Company.

### **The Subscription**

Pursuant to the Subscription Agreement, the Company agreed to issue (pursuant to the General Mandate), and the Subscriber agreed to subscribe for, the Subscription Shares at the Subscription Price (payable in full at Completion).

### **The Subscription Shares**

The total number of Subscription Shares is 21,000,000 Shares, which represents approximately 17.91% of the existing total number of issued Shares and approximately 15.19% of the enlarged total number of issued Shares immediately following the Completion.

The aggregate nominal value of the Subscription Shares is HK\$4,200,000.

### **The Subscription Price**

The Subscription Price of HK\$0.325 per Subscription Share represents:

- (i) a discount of approximately 18.75% to the closing price of HK\$0.400 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 18.75% to the average of the closing price of HK\$0.400 per Share quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and

The aggregate Subscription Price of HK\$6,825,000.00 is payable in cash by the Subscriber on or before Completion.

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 (including all independent non-executive Directors) 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.

### **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**

Completion of the Subscription Agreement is conditional upon the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Subscription Shares and such listing and permission not being subsequently revoked prior to the Completion.

In the event that the above Condition Precedent cannot be fulfilled on or before 7 February 2025 (or such other date as agreed between the parties in writing), the Subscription Agreement will lapse and become null and void forthwith and the parties thereto shall be released from all obligations thereunder.

### **Completion**

The Completion shall take place within three (3) Business Days after fulfilment of the Condition Precedent or any other date as agreed by the Subscriber and the Company in writing.

## **USE OF PROCEEDS**

The gross proceeds from the issue of the Subscription Shares will amount to HK\$6,825,000.00. The net proceeds from the Subscription after deducting related expenses payable by the Company will amount to approximately HK\$6,625,000.00, the net price is approximately HK\$0.325 per Subscription Share. The Directors intend to use the net proceeds for general working capital of the Group.

## **GENERAL MANDATE TO ISSUE SHARES**

The Subscription Shares will be allotted and issued pursuant to the General Mandate and will not be subject to further Shareholders' approval. As at the date of this announcement, the General Mandate has not been utilised. The 21,000,000 Subscription Shares will utilise approximately 89.56% of the General Mandate.

## **REASONS FOR AND BENEFIT OF THE SUBSCRIPTION**

The Company is an investment holding company incorporated in the Cayman Islands. The Group is principally engaged in (i) property development and investment in the PRC; and (ii) operation of supermarket retail.

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.

## **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 following illustrates the Company's shareholding structure, assuming no further change to the share capital of the Company: (i) as at the date of this announcement; and (ii) immediately following the Completion:

|  | As at the date of this<br>announcement |               | Immediately following<br>Completion |               |
|--|--|---------------|-------------------------------------|---------------|
|  | No. of Shares                          | Approximate % | No. of Shares                       | Approximate % |
| <b>Substantial Shareholders</b>  |  |               |                                     |               |
| Han Junran <sup>1</sup>  | 70,255,009                             | 59.92         | 70,255,009                          | 50.82         |
| Qilu International Funds SPC<br>(acting for and on behalf of<br>Zhongtai Dingfeng Classified Fund SP) <sup>2</sup> | 59,794,972                             | 50.99         | 59,794,972                          | 43.25         |
| Zhongtai International Asset<br>Management Limited <sup>2</sup>  | 59,794,972                             | 50.99         | 59,794,972                          | 43.25         |
| The Subscriber   | —                                      |               | <u>21,000,000</u>                   | 15.19         |
| Public Shareholders  | <u>46,990,035</u>                      | 40.08         | <u>46,990,035</u>                   | 33.99         |
| <b>Total:</b>  | <b><u>117,245,044</u></b>              | <b>100.00</b> | <b><u>138,245,044</u></b>           | <b>100.00</b> |

*Notes:*

1. Junyi Investments Limited (a company wholly-owned by Mr. Han Junran) held 37,733,255 Shares, representing 32.18% of the issued share capital as at the date of this announcement. For the purposes of the SFO, Mr. Han Junran was deemed to be interested in the 37,733,255 Shares held by Junyi Investments Limited.
2. The security interest of the 59,794,972 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.

**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, the following expressions have the meanings set out below unless the context otherwise requires:

|                       |  |
|-----------------------|--|
| “Board”               | the board of Directors;  |
| “Business Day”        | a day (excluding Saturday) on which 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”          | completion of the Subscription pursuant to the Subscription Agreement;   |
| “Completion Date”     | any day within three (3) Business Days following the date on which the Condition Precedent is fulfilled or otherwise such other date as the Subscriber and the Company may agree in writing; |
| “Condition Precedent” | the condition precedent in respect of the Completion set out in the Subscription Agreement;  |
| “connected person”    | has the meaning ascribed to it under the Listing Rules   |
| “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 2024 to allot, issue or otherwise deal in up to 23,449,008 new Shares;                             |
| “Group”               | the Company together with its subsidiaries;  |
| “HK\$”                | Hong Kong dollars, the lawful currency of Hong Kong;   |

|                           |   |
|---------------------------|---|
| “Hong Kong”               | the Hong Kong Special Administrative Region of the PRC;   |
| “Independent Third Party” | a third party who is independent of the Company and not a connected person of the Company;  |
| “Last Trading Date”       | 17 January 2025, 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 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;               |
| “Shareholder(s)”          | holder(s) of the Shares;  |
| “Shares”                  | the ordinary shares of HK\$0.2 each in the issued share capital of the Company;   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited;  |
| “Subscriber”              | Wang Jiakang, a natural person and an Independent Third Party;  |
| “Subscription”            | the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement;   |
| “Subscription Agreement”  | the conditional subscription agreement dated 17 January 2025 entered into between the Company and the Subscriber in relation to the Subscription;               |
| “Subscription Price”      | HK\$6,825,000.00, being the aggregate subscription price for the Subscription Shares and representing a subscription price of HK\$0.325 per Subscription Share; |

“Subscription Shares” the 21,000,000 new and fully paid Shares to be subscribed for by the Subscriber under the Subscription Agreement; and

“%” per cent.

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

Hong Kong, 17 January 2025

*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.*