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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)

SIGNING OF COOPERATION AGREEMENT WITH GUANGDONG E-HOUSE INVESTMENT HOLDINGS CO., LTD.*

This is a voluntary announcement made by the Company.

COOPERATION AGREEMENT

The Company is pleased to announce that on 26 April 2019 (after trading hours), the Company entered into a Cooperation Agreement with Guangdong E-House Investment Holdings Co., Ltd.* (廣東易居投資控股有限公司) to jointly invest in the formation of New City E-House Wenlu Hotel Management Group Co., Ltd.* (新城市易居文苑酒店管理集團有限公司) and to jointly establish the brand of Wenlu hotel business.

LISTING RULES IMPLICATIONS

The Cooperation Agreement only provides a framework for the principles of cooperation and the transactions contemplated thereunder may or may not be consummated. In the event that the cooperation materializes, the transactions contemplated thereunder may not necessarily constitute transactions that are required to be published by the Company under the Listing Rules.

Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.

Further announcement will be made by the Company in respect thereof as and when required by the Listing Rules.

This is a voluntary announcement made by the New City Development Group Limited (the “**Company**”).

COOPERATION AGREEMENT

The board of directors of the Company (the “**Board**”) is pleased to announce that on 26 April 2019 (after trading hours), the Company entered into a cooperation agreement (the “**Cooperation Agreement**”) with Guangdong E-House Investment Holdings Co., Ltd.* (廣東易居投資控股有限公司) (“**Guangdong E-House**”).

The Company and Guangdong E-House will jointly invest in the formation of New City E-House Wenlu Hotel Management Group Co., Ltd.* (新城易居文旅酒店管理集團有限公司) (the “**Joint Venture**”) and jointly establish the brand of Wenlu hotel business. Among which, the Joint Venture will be held by the Company and Guangdong E-House as to 51% and 49% equity interest, respectively. The Company and Guangdong E-House agreed unanimously that the newly established Joint Venture will invest in the merger and acquisition and re-organization of domestic hotel projects or lands and integrate the operation of outstanding hotel assets through chain-brands across China.

Duties of the Company and Guangdong E-House under the Cooperation Agreement are as follows:

Duties of the Company:

1. To formulate strategies and objectives for the development of the Joint Venture;
2. To formulate the assets management approach and enhance the value of assets;
3. To conduct professional evaluation on the value, risks and prospect of projects of the Joint Venture, and provide feasible solutions.

Duties of Guangdong E-House:

1. To promote the brand image of the Joint Venture in China;
2. To conduct pre-negotiation and due diligence regarding the project lands, cooperative investment of assets and merger and acquisition and re-organization progress of the Joint Venture;
3. To be responsible for planning, construction, sales, investment and operation of the Joint Venture;
4. To arrange and coordinate the duties of the construction team, sales and investment team and hotel management team.

To the best of the knowledge, information and belief of the directors of the Company after having made all reasonable enquiries, Guangdong E-House is a third party independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

REASONS FOR THE SIGNING OF COOPERATION AGREEMENT

Guangdong E-House has experience in investing in and operating cultural and travel scenic spot projects.

The Company has become a strategic cooperative partner with Guangdong E-House upon friendly negotiation. Leveraging the international capital platform of the Company and the operation management experience in joint ventures of Guangdong E-House, both parties will further develop the three sectors including resorts, hostels and living ecosphere in China with the sharing of high-quality lifestyle as their mutual development vision, striving to become the leading hotel chain operator in China.

Accordingly, the Board is of the view that the terms and conditions of the Cooperation Agreement are determined upon arm's length negotiation between the Company and Guangdong E-House and are entered into on normal commercial terms and fair and reasonable, and the signing of the Cooperation Agreement is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The Cooperation Agreement only provides a framework for the principles of cooperation and the transactions contemplated thereunder may or may not be consummated. In the event that the cooperation materializes, the transactions contemplated thereunder may not necessarily constitute transactions that are required to be published by the Company under the Listing Rules.

Shareholders and potential investors should note that the Cooperation Agreement only sets out certain initial terms in relation to the strategic cooperation. As at the date of this announcement, no transaction has been entered into under the Cooperation Agreement. As the transactions contemplated thereunder of the Cooperation Agreement are subject to further negotiations and the above may or may not be consummated by the Company, shareholders and investors of the Company are urged to be aware that the strategic cooperation may or may not proceed.

Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.

Further announcement will be made by the Company in respect thereof as and when required by the Listing Rules.

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

Hong Kong, 28 April 2019

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Han Junran (Chairman) and Mr. Luo Min; and (ii) four independent non-executive Directors, namely Mr. Chan Yiu Tung, Anthony, Dr. Ouyang Qingru, Mr. Leung Kwai Wah, Alex and Mr. Zhang Jing.

* *For identification purposes only*