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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)

SUPPLEMENTAL ANNOUNCEMENT TO 2020 ANNUAL REPORT — USE OF PROCEEDS

References are made to (i) the announcements of New City Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 16 May 2018 and 25 June 2018 (the “**2018 Announcement**”), (ii) the 2019 annual report of the Company (the “**2019 Annual Report**”), (iii) the announcement of the Company dated 15 April 2020 (the “**2020 Announcement**”) and (iv) the 2020 annual report of the Company (the “**2020 Annual Report**”). Unless otherwise defined, capitalized items used in this announcement shall have the same meanings as those defined in the 2020 Annual Report.

This announcement is made to provide supplementary information to the 2020 Annual Report.

USE OF PROCEEDS FROM THE ISSUANCE OF CONVERTIBLE NOTES

As disclosed in the 2018 Announcement and the 2019 Annual Report, the net proceeds from the issue of the convertible notes, after deduction of expenses, were approximately HK\$35 million and HK\$43 million respectively. In accordance with the requirements of paragraph 11(8) and 11A of Appendix 16 to the Listing Rules, the table below is a summary of the Group's use of proceeds from the issue of the convertible notes up to 31 December 2020:

	Intended use of the net proceeds <i>HK\$ million</i>	Actual use of the net proceeds as at 31 December 2019 <i>HK\$ million</i>	Actual use of the net proceeds as at 31 December 2020 <i>HK\$ million</i>	Balance as at 31 December 2020 <i>HK\$ million</i>
General working capital to develop the Group's existing and future business	35	42.8	4.3	—
Possible acquisition and investment	42.8	30.9	—	—
Total	<u>78</u>	<u>73.7</u>	<u>4.3</u>	<u>—</u>

USE OF PROCEEDS FROM THE SUBSCRIPTION OF NEW SHARES

As disclosed in the 2020 Announcement and the 2020 Annual Report, the net proceeds from the subscription of new shares, after deduction of expenses, were approximately HK\$51.5 million. In accordance with the requirements of paragraph 11(8) of Appendix 16 to the Listing Rules, the table below is a summary of the Group's use of proceeds up to 31 December 2020:

	Intended use of the net proceeds	Actual use of the net proceeds as at 31-Dec-20	Actual use of the net proceeds as at 30-Jun-21	Balance as at 30-Jun-21	Expected timeline
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
General working capital to develop the Group's existing and future business	36.25	23.70	29.20	7.05	End of 2021
Possible acquisition and investment	15.25	15.25	15.25	—	End of 2021
Total	<u>51.50</u>	<u>38.95</u>	<u>44.45</u>	<u>7.05</u>	

The board of directors of the Company (the "Board") confirmed that the above supplemental information does not affect other information contained in the 2020 Annual Report and, save as disclosed above, the content of the 2020 Annual Report remains accurate and correct.

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

Hong Kong, 12 October 2021

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