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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)

CLARIFICATION ON POSITIVE PROFIT ALERT

Reference is made to the announcement of China New City Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 15 August 2024 with respect to the expected positive profit alert (the “**Profit Alert**”) for the six months ended 30 June 2024 (the “**Profit Alert Announcement**”).

Reference is also made to the announcement of the Company dated 5 August 2024 with respect to, among other things, the Share Buy-Back (the “**Buy-Back Announcement**”, together with the Profit Alert Announcement, the “**Announcements**”). Capitalised terms used herein shall have the same meanings as defined in the Announcements unless the contents require otherwise.

Pursuant to Rule 10 of the Takeovers Code, the Profit Alert constitutes a profit forecast which would be required to be reported on by the Company’s financial advisers and its accountants or auditors in accordance with Rule 10.4 of the Takeovers Code. The Profit Alert Announcement was made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which require the Company to issue the Profit Alert Announcement as soon as practicable. Given the time constraints when issuing the Profit Alert Announcement, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code. The Company would like to draw the attention of the CNC Shareholders and potential investors of the Company that the Profit Alert does not meet the standard required by Rule 10 of the Takeovers Code.

Pursuant to Rule 10.4 of the Takeovers Code and Practice Note 2 to the Takeovers Code, as the Profit Alert was published first in an announcement, it must be repeated in full, together with the reports from the Company’s financial advisers and accountants or auditors on the Profit Alert in the circular in respect of the Share Buy-Back to be despatched to the CNC Shareholders (the “**Circular**”), being the next document to be sent to the CNC Shareholders by the Company. However, it is expected that the interim results announcement of the Company for the six months ended 30 June 2024, which falls within the ambit of Rule 10.9 of the Takeovers Code, will be published prior to the despatch of the Circular. If this is the case, the requirement under Rule 10 of the Takeovers Code to report on the Profit Alert will no longer apply.

The Company would like to clarify that the Profit Alert Announcement has not been filed to the Executive for comment before its publication pursuant to Rule 12.1 of the Takeovers Code, as the Company was not aware of the obligations under Rule 12.1 of the Takeovers Code due to unintentional inadvertence. The Company will observe and comply with the requirements under the Takeovers Code when and where appropriate. Save for the clarification stated in this announcement, all information in the Profit Alert Announcement remains unchanged.

The Company would like to draw the attention of the CNC Shareholders and potential investors of the Company that the Profit Alert does not meet the standard required by Rule 10 of the Takeovers Code. CNC Shareholders and potential investors should exercise caution in placing reliance on the Profit Alert in assessing the merits and demerits of the Share Buy-Back and when dealing in the shares of the Company.

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

The People's Republic of China, 21 August 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and the Profit Alert Announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement and the Profit Alert Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement or the Profit Alert Announcement the omission of which would make any statement in this announcement or the Profit Alert Announcement misleading.