

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **SMART CITY DEVELOPMENT HOLDINGS LIMITED**

### **智城發展控股有限公司**

*(formerly known as Deson Construction International Holdings Limited 迪臣建設國際集團有限公司)*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8268)**

### **INSIDE INFORMATION UPDATE ON LEGAL CASE**

This announcement is made by Smart City Development Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the inside information announcement of the Company dated 21 December 2017; and (ii) the paragraph headed “Status of the legal case” in the Report of the Directors of the 2020 interim report of the Company for the six months ended 30 September 2020 regarding a suspected case of internet fraud which involved fraudulent transfers of funds of approximately HK\$22 million (approximately RMB19 million) from the bank account of Beijing Chang-de Architectural & Decoration Co., Limited (北京長迪建築裝飾工程有限公司) (“**Beijing Chang-de**”), a 60% owned subsidiary of the Company (the “**Legal Case**”).

The Directors are pleased to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that on 1 February 2021, the Company has received a judgment in favour of Beijing Chang-de on the Legal Case (the “**Judgment**”) from the People’s Court in Chaoyang District, Beijing rendered on 30 December 2020. Pursuant to the Judgement, Beijing Chang-de had claimed total damages of approximately RMB19 million from a former employee of Beijing Chang-de who was involved in the suspected case of internet fraud which involved fraudulent transfers of funds of approximately HK\$22 million (approximately RMB19 million). However, having considered, among others, the nature of works and experience of the defendant, the gravity of the mistake and the ability of the defendant to bear the loss, the People’s Court in Chaoyang District, Beijing has ordered that the defendant to bear 20% of the loss suffered by Beijing Chang-de, such that the defendant shall (i) pay a principal

amount of RMB3,789,999.40 plus interests to Beijing Chang-de within 10 days after the delivery of the Judgement; and (ii) bear litigation costs and expenses of RMB27,759.46 payable within 7 days after the delivery of the Judgement.

Based on the opinion of the People's Republic of China legal adviser of the Company, if the defendant does not make any further appeal within 15 days after the delivery of the Judgement, the Legal Case will be concluded and final. Based on the information currently available, the board of directors of the Company (the "**Board**") expects that the Judgement will have no material impact on the overall financial or operating conditions of the Group.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Smart City Development Holdings Limited**  
**Hung Kenneth**  
*Executive Director*

Hong Kong, 2 February 2021

*As at the date of this announcement, the Board comprises Mr. Hung Kenneth and Ms. Lau Po Yee as executive Directors; Mr. Wong Yuk Lun Alan, Mr. Lam Wai Hung and Ms. Au Shui Ming Anna as independent non-executive Directors.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the Latest Listed Company Information page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the date of its publication and on the Company's website at [www.smartcity-d.com](http://www.smartcity-d.com).*