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NEW CITY (CHINA) DEVELOPMENT LIMITED

新城市 (中國) 建設有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 456)

RESULT OF THE OPEN OFFER OF TWENTY THREE (23) OFFER SHARES FOR EVERY THREE (3) CONSOLIDATED SHARES HELD ON THE RECORD DATE

Joint Financial Advisers

VEDA | CAPITAL
智 略 資 本

 **統一證券(香港)有限公司**
PRESIDENT SECURITIES (HONG KONG) LTD.

Underwriters

Junyi Investments Limited

 **統一證券(香港)有限公司**
PRESIDENT SECURITIES (HONG KONG) LTD.

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 8 February 2012, being the latest time for acceptance of and payment for the Offer Shares, a total of 14 valid acceptances in respect of 26,895,441 Offer Shares were received, representing approximately 5.16% of the total number of 520,869,500 Offer Shares available for subscription under the Open Offer.

As the Offer Shares were not fully subscribed for, the unsubscribed 493,974,059 Offer Shares, representing approximately 94.84% of the total number of 520,869,500 Offer Shares available for subscription under the Open Offer, will be taken up by the Underwriters in accordance with the terms of the Underwriting Agreement.

Reference is made to the prospectus of New City (China) Development Limited (the “**Company**”) dated 20 January 2012 (the “**Prospectus**”) in respect of the Open Offer and the circular of the Company dated 23 December 2011 (the “**Circular**”) in respect of, among other things, (i) status of Resumption Proposal; (ii) the Share Consolidation and the change of board lot size; (iii) the Authorised Capital Increase; (iv) the issue of the Remuneration Shares and the Remuneration Warrants; (v) the Open Offer, the Subscription, the Whitewash Waiver and the Special Deal; (vi) the Bonus Issue; and (vii) the Acquisition. Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Prospectus and the Circular.

RESULTS OF THE OPEN OFFER

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 8 February 2012, being the latest time for acceptance of and payment for the Offer Shares, a total of 14 valid acceptances in respect of 26,895,441 Offer Shares were received, representing approximately 5.16% of the total number of 520,869,500 Offer Shares available for subscription under the Open Offer.

UNDERWRITING AGREEMENT

As the Offer Shares were not fully subscribed for, the unsubscribed 493,974,059 Offer Shares, representing approximately 94.84% of the total number of 520,869,500 Offer Shares available for subscription under the Open Offer, will be taken up by the Underwriters in accordance with the terms of the Underwriting Agreement.

Pursuant to the terms of the Underwriting Agreement, the obligations of the Subscriber under the Underwriting Agreement shall take precedence over that of President Securities so that President Securities shall only be required to perform its obligations under the Underwriting Agreement after the Subscriber has subscribed or procured subscribers to subscribe for any of the Underwritten Offer Shares which has not been taken up and the entitlements to Excluded Shareholders up to the amount allowed for the Subscriber's underwriting commitment. In this regard, the Subscriber will take up 88,300,000 Offer Shares and President Securities will take up 405,674,059 Offer Shares in accordance with their obligations under the Underwriting Agreement.

EXCLUDED SHAREHOLDERS

As at the Record Date, there were two Overseas Shareholders whose addresses on the register of members of the Company were in the United States of America and the PRC. According to the legal opinions obtained by the Directors regarding the legal restrictions with respect to the offering of the Offer Shares and the Bonus Shares to the Overseas Shareholders, the Directors have formed the view that (i) it is inexpedient for the Offer Shares and the Bonus Shares to be offered to the Overseas Shareholder in the United States of America (and therefore he has been considered as the Excluded Shareholder), due to the time and costs involved in the registration or filing of the Prospectus Documents or the application for approval from the relevant regulatory authorities in and/or the additional steps the Company and the Excluded Shareholder need to take in order to comply with the relevant local legal or regulatory requirements in that territory or legal or regulatory restrictions imposed in that territory; and (ii) that it is expedient for the Offer Shares and the Bonus Shares to be offered to the Overseas Shareholder in the PRC as no local legal or regulatory compliance is required to be made in these jurisdiction.

Accordingly, no Offer Shares and Bonus Shares were offered to the Excluded Shareholder, whereas Offer Shares and Bonus Shares were offered to the Overseas Shareholder in the PRC. Arrangements will be made for the Bonus Shares which would otherwise have been issued to the Excluded Shareholder to be sold in the market as soon as practicable after trading in the Consolidated Shares resumed. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong

dollars to the relevant Excluded Shareholder, by ordinary post at his own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

CONDITIONS OF THE OPEN OFFER AND THE UNDERWRITING AGREEMENT

As at the date of this announcement, all conditions of the Open Offer and the Underwriting Agreement have been fulfilled except the Listing Committee's granting or agreeing to grant and not having withdrawn or revoked listings of and permission to deal in the Offer Shares.

CERTIFICATES FOR THE OFFER SHARES

Share certificates for the Offer Shares are expected to be despatched on or before Tuesday, 21 February 2012 by ordinary post to those Qualifying Shareholders who have accepted and paid for their Offer Shares at their own risk.

DEALINGS IN THE OFFER SHARES

Resumption of trading in the Consolidated Shares including, inter alia, the Offer Shares is expected to be commenced at 9:00 a.m. on Thursday, 23 February 2012 subject to the fulfillment of all the Resumption Conditions.

SHAREHOLDING CHANGES UPON COMPLETION OF THE TRANSACTIONS UNDER THE RESUMPTION PROPOSAL

Sequence of the transactions:	As at the date of this announcement		After (i) issue of Remuneration Shares		After (i) + (ii) completion of Subscription		After (i) + (ii) + (iii) completion of Open Offer		After (i) + (ii) + (iii) + (iv) completion of Bonus Issue		After (i) + (ii) + (iii) + (iv) + (v) completion of Acquisition and immediately before the Resumption		Upon exercise in full of all Remuneration Warrants	
	Consolidation		Consolidation		Consolidation		Consolidation		Consolidation		Consolidation		Consolidation	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
The Subscriber					1,112,500,000	93.58%	1,200,800,000	70.24%	1,200,800,000	65.07%	1,200,800,000	47.26%	1,200,800,000	47.19%
Vendor A											198,600,000	7.82%	198,600,000	7.80%
Vendor B											496,500,000	19.54%	496,500,000	19.51%
Veda Capital			6,666,666	8.74%	6,666,666	0.56%	6,666,666	0.39%	6,666,666	0.36%	6,666,666	0.26%	9,999,999	0.39%
President Securities			1,666,667	2.19%	1,666,667	0.14%	1,666,667	0.10%	1,666,667	0.09%	1,666,667	0.07%	2,500,000	0.10%
Independent Shareholders:														
- Weiping	11,758,000	17.31%	11,758,000	15.42%	11,758,000	0.99%	11,758,000	0.69%	35,274,000	1.91%	35,274,000	1.39%	35,274,000	1.39%
- Xie Youguo	16,984,875	25.00%	16,984,875	22.27%	16,984,875	1.43%	16,984,875	0.99%	50,954,625	2.76%	50,954,625	2.01%	50,954,625	2.00%
- other existing Shareholders	39,196,625	57.69%	39,196,625	51.39%	39,196,625	3.30%	66,092,066	3.87%	144,485,316	7.83%	144,485,316	5.69%	144,485,316	5.68%
- Places from Open Offer							405,674,059	23.73%	405,674,059	21.98%	405,674,059	15.96%	405,674,059	15.94%
Subtotal for Independent Shareholders	67,939,500	100.00%	67,939,500	89.07%	67,939,500	5.72%	500,509,000	29.28%	636,388,000	34.48%	636,388,000	25.05%	636,388,000	25.01%
Total	67,939,500	100.00%	76,272,833	100.00%	1,188,772,833	100.00%	1,709,642,333	100.00%	1,845,521,333	100.00%	2,540,621,333	100.00%	2,544,787,999	100.00%

Upon implementation of the transactions contemplated under the Resumption Proposal, (i) including the issue of the Remuneration Shares, the completion of the Subscription, the Open Offer, the Bonus Issue and the Acquisition, the Subscriber, Mr. Han and parties acting in concert with any of them will hold approximately 47.26% of the issued share capital of the Company as enlarged by the Remuneration Shares, the Subscription Shares, the Offer Shares, the Bonus Shares, the Consideration Shares; and (ii) including the issue of the Remuneration Shares, the completion of the Subscription, the Open Offer, the Bonus Issue and the Acquisition and the issue of the Warrant Shares, approximately 47.19% of the issued share capital of the Company as enlarged by the Remuneration Shares, the Subscription Shares, the Offer Shares, the Bonus Shares, the Consideration Shares and the Warrants Shares.

The Executive has granted the Whitewash Waiver in favour of the Subscriber. Accordingly, no mandatory general offers under the Takeovers Code will be required to be made by the Subscriber for all the securities of the Company not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it arising from the Subscription of 1,112,500,000 Subscription Shares by the Subscriber.

WARNING OF THE RISKS OF DEALING IN THE CONSOLIDATED SHARES

The Open Offer is conditional upon the fulfillment if the condition set out in the section headed “CONDITIONS OF THE OPEN OFFER AND THE UNDERWRITING AGREEMENT” above. Accordingly, the Open Offer may or may not proceed.

Trading in the Shares on the Stock Exchange has been suspended since 30 December 2003. Until satisfaction of all the Resumption Conditions set by the Listing Committee, trading in the Consolidated Shares will continue to be suspended. The release of this announcement does not indicate that the Consolidated Shares will resume trading or that the listing approval for the Offer Shares will be granted. Shareholders should note that the Consolidated Shares may be delisted by the Stock Exchange in the event that the Company fails to satisfy all the Resumption Conditions within the time stipulated by the Stock Exchange. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Consolidated Shares up to the date when the Resumption Conditions are satisfied.

By order of the Board
New City (China) Development Limited
Han Junran
Chairman

Hong Kong, 16 February 2012

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Han Junran (Chairman) and Mr. Fu Yiu Kwong; (ii) one non-executive Director, namely Mr. Luo Min; and (iii) three independent non-executive Directors, namely Mr. Chan Yiu Tung, Anthony, Mr. Seto Man Fai and Mr. Zheng Qing.

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

As at the date of this announcement, the sole director of the Subscriber is Mr. Han. Mr. Han accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company) and confirms having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.