

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.

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)

FULFILLMENT OF ALL RESUMPTIONS CONDITIONS AND RESUMPTION OF TRADING

Joint Financial Advisers

VEDA | CAPITAL
智 略 資 本

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

FULFILMENT OF ALL RESUMPTION CONDITIONS

The Board is pleased to announce that all the Resumption Conditions have been fulfilled as at 21 February 2012.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 30 December 2003. As all the Resumption Conditions have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Consolidated Shares, including, inter alia, the Offer Shares and the Bonus Shares with effect from 9:00 a.m. on 23 February 2012.

Reference is made to 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 Circular.

FULFILLMENT OF ALL RESUMPTION CONDITIONS

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 30 December 2003.

As set out in the Circular, the Listing Committee of the Stock Exchange decided to allow the Company to proceed with the Resumption Proposal subject to the following Resumption Conditions to be completed to the satisfaction of the Listing Division by 28 February 2012 and the Board is pleased to announce that all the Resumption Conditions have been fulfilled as at 21 February 2012 and the details of which are stated as follows:

(1) Completion of the Acquisition, the Subscription, the Open Offer, the Bonus Issue and all transactions under the Resumption Proposal

As at 21 February 2012, all the conditions precedent to the completion of the Acquisition, the Subscription, the Open Offer, the Bonus Issue and all transactions under the Resumption Proposal were fulfilled and the completions of the above transactions took place on the same day.

Share certificates (i) for the Offer Shares to those Qualifying Shareholders who have accepted and paid for their Offer Shares; and (ii) for the Bonus Shares to the Qualifying Shareholders have been despatched by ordinary post on Tuesday, 21 February 2012 at their own risk.

The Company has fully repaid the outstanding principal amounts and all interests accrued thereon of the Tritime Convertible Bonds and the 2009 Convertible Bond, and the Working Capital Loan on 21 February 2012.

As at the date of this announcement, the Subscriber, Mr. Han and parties acting in concert with any of them 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. Upon the exercise in full of all Remuneration Warrants, the Subscriber, Mr. Han and parties acting in concert with any of them will hold 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 Warrant Shares.

As at the date of this announcement, (i) the Joint Financial Advisers have not exercised any of the Remuneration Warrants; and (ii) save for the Remuneration Shares and the Remuneration Warrants, President Securities does not hold any other Consolidated Shares or securities convertible into, or carrying the rights to subscribe for, the Consolidated 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.

Mr. Han and his associates do not have any intention or plan to dispose of their controlling interests in the Company within 24 months after the Resumption.

(2) To include the followings in the Circular:

- (a) A profit forecast of the Enlarged Group for the two years ending 31 December 2012 together with reports from the auditors and the financial advisers under paragraph 29(2) of Appendix 1b to the Listing Rules**

The profit forecast of the Enlarged Group for the two years ending 31 December 2012 together with reports from the auditors and the financial advisers were set out on pages V-1 to V-8 in Appendix V to the Circular. The Company will issue an announcement if any event, which would have material impact on the profit forecasts, occurs during the profit forecast period.

- (b) A pro forma balance sheet upon completion of the Acquisition and the fund raising exercises and a comfort letter from the auditors under Rule 4.29 of the Listing Rules**

As set out in the “UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP” as contained in Appendix III to the Circular, upon completion of all transactions contemplated under the Resumption Proposal, (i) the Enlarged Group’s total assets will be increased by approximately HK\$453.4 million to approximately HK\$456.1 million; (ii) the Enlarged Group’s total liabilities will be increased by approximately HK\$189.7 million to approximately HK\$298.0 million, assuming all the transactions contemplated under the Resumption Proposal were completed on 30 June 2011; and (iii) the Enlarged Group would have recorded a net profit position of HK\$113.3 million, assuming all the transactions contemplated under the Resumption Proposal were completed on 31 December 2009.

The unaudited pro forma financial information of the Enlarged Group and the comfort letter from Ascenda Cachet CPA Limited under Rule 4.29 of the Listing Rules which had been provided to the Company on 23 December 2011, were set out on pages III-1 to III-15 in Appendix III to the Circular.

- (c) The Listing Committee observed that there are a number of uncertainties surrounding the re-development plan. The announcement and circular to the Shareholders about the Resumption Proposal should clearly highlight the risks associated with the Company’s re-development plan and indicate that the Group would not receive rental income during the period that the Property is being re-developed**

As disclosed in the Circular, during the period that the east-side of the Property is being re-developed under the Three Oldies Reform and assuming that the Group has not acquired and retained additional investment property in its property portfolio by then, the Group would not be able to receive any rental income during the material time. Details of the risks associated with the Company’s re-development plan were set out in the section headed “RISK FACTORS OF THE ENLARGED GROUP’S OPERATION AND BUSINESS on pages 78 to 86 of the Circular.

(d) Detailed disclosure of the Resumption Proposal which is comparable to prospectus standards.

All detailed information in relation to the transactions under the Resumption Proposal had been included in the Circular.

BOARD COMPOSITION

Save for the re-designation of Mr. Luo Min from a non-executive Director to an executive Director, the Company has no intention to change the Board composition and the existing Directors will remain with the Board after the Resumption.

PRINCIPAL BUSINESS

The principal activity of the Company is investment holding. The Group is principally engaged in the business of property development and investment in the PRC.

Neither the Company nor each of the Directors has any present agreement, negotiation, plan and/or intention to carry out a principal business other than the existing business of the Company within 24 months after the Resumption.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company as at the date of this announcement and upon the full exercise of the Remuneration Warrants.

	As at the date of this announcement		Upon exercise in full of all Remuneration Warrants	
	<i>Consolidated Shares</i>	<i>%</i>	<i>Consolidated Shares</i>	<i>%</i>
The Subscriber:				
Vendor A	1,200,800,000	47.26%	1,200,800,000	47.19%
Vendor B	198,600,000	7.82%	198,600,000	7.80%
Veda Capital	496,500,000	19.54%	496,500,000	19.51%
President Securities	6,666,666	0.26%	9,999,999	0.39%
	1,666,667	0.07%	2,500,000	0.10%
Independent Shareholders:				
– Weiping	35,274,000	1.39%	35,274,000	1.39%
– Xie Youguo	50,954,625	2.01%	50,954,625	2.00%
– Other existing Shareholders	144,485,316	5.69%	144,485,316	5.68%
– Placees from Open Offer	405,674,059	15.96%	405,674,059	15.94%
Subtotal for Independent Shareholders	636,388,000	25.05%	636,388,000	25.01%
Total	2,540,621,333	100.00%	2,544,787,999	100.00%

As at the date of this announcement, save for the Remuneration Warrants, the Company does not have any other securities which are convertible into, or carrying the rights to subscribe for, the Consolidated Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 30 December 2003. As all the Resumption Conditions have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Consolidated Shares, including, inter alia, the Offer Shares and the Bonus Shares with effect from 9:00 a.m. on 23 February 2012.

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

Hong Kong, 21 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.