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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)

ENTERING INTO STRATEGIC COOPERATION FRAMEWORK AGREEMENT WITH HUAXIN ENVIRONMENTAL ENGINEERING CO. LTD.

The Board is pleased to announce that the Company entered into the Strategic Cooperation Framework Agreement with Huaxin Environmental Engineering Co. Ltd. for joint development of environmental business.

The board of directors (the “Board”) of New City Development Group Limited (the “Company”) is pleased to announce that the Company entered into the Strategic Cooperation Framework Agreement with 華新環境工程有限公司 (Huaxin Environmental Engineering Co. Ltd.*) (“Huaxin Environmental Engineering”) for joint development of environmental business.

On 27 July, 2012, the Company entered into a strategic cooperation framework agreement with Huaxin Environmental Engineering (the “Strategic Cooperation Framework Agreement”). Both parties intended to develop environmental protection business of disposing living garbage and other wastes with the aid of cement kilns in some of the major cities in China. The cooperation will be in the form of strategic partnership. The Company will be mainly responsible for business development, including business promotion and administrative examination and approval works on facilitating project formation, construction and operation. Huaxin Environmental Engineering will be responsible for provision of the requisite technical support in relation to business promotion, the subsequent investment, construction and operation management of projects. Both parties agreed to further negotiate for determining the target cities, the scale of investment and amount to be invested for individual projects, and also the proportion and method of income distribution for each individual project. The Company has the right to re-invest its accumulated project income in the beneficial equity interest of Huaxin Environmental Engineering.

HUAXIN ENVIRONMENTAL ENGINEERING

Huaxin Environmental Engineering is a wholly-owned subsidiary of 華新水泥股份有限公司 (Huaxin Cement Co. Ltd*) (“Huaxin Cement”). Huaxin Cement is a company with which both of its A shares and B shares are listed in the People’s Republic of China. Huaxin Environmental Engineering is the professional platform set up by Huaxin Cement for development of cement disposal as our core environmental service business with waste disposal through the use of cement kilns. Its scope of business includes disposal of living garbage and other wastes with the aid of cement kilns. Such business is already in operation in a number of cities in China, and has accumulated practical experience.

The Board believes that the Strategic Cooperation Framework Agreement will provide a precious opportunity for the Company, so that the Company can introduce quality business partners of urban construction and development on the foundation of its city development and property development business in order to expand the Company’s income source.

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

Hong Kong, 27 July 2012

As at the date of this announcement, the Board comprises (i) three executive directors, namely Mr. Han Junran (Chairman), Mr. Fu Yiu Kwong and Mr. Luo Min; (ii) non-executive director, namely Dr. Liu Ta-pei (Vice-chairman) and (iii) three independent non-executive directors, namely Mr. Chan Yiu Tung, Anthony, Mr. Seto Man Fai and Mr. Zheng Qing.

* *English translation is for identification purpose only*