

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 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)

INTERIM RESULTS ANNOUNCEMENT 2013

The Directors of New City Development Group Limited (the “Company”) are pleased to announce the unaudited financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2013 (the “Period”) with comparative figures for the previous corresponding period in 2012. The results have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Revenue	4	25,672	18,640
Cost of sales		(1,570)	(944)
Gross profit		24,102	17,696
Other income and gains	4	539	2,357
General and administrative expenses		(10,006)	(7,909)
Finance costs	6	(7,234)	(8,970)
Profit before tax	5	7,401	3,174
Income tax expense	7	(390)	(48)
Profit for the Period		7,011	3,126
Attributable to:			
Owners of the Company		7,011	3,126
		7,011	3,126
Earning per share			
Basic	9	0.28 cents	0.17 cents
Diluted	9	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the Period	<u>7,011</u>	<u>3,126</u>
Other comprehensive income		
Exchange differences on translation of foreign operations	3,578	—
Less: Income tax effect	<u>—</u>	<u>—</u>
Other comprehensive income for the Period, net of tax	<u>—</u>	<u>—</u>
Total comprehensive income for the Period	<u>10,589</u>	<u>3,126</u>
Attributable to:		
Owners of the Company	<u>10,589</u>	<u>3,126</u>
	<u>10,589</u>	<u>3,126</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2013 (Unaudited) HK\$'000	At 31 December 2012 (Audited) HK\$'000
NON-CURRENT ASSETS			
Investment properties		558,467	550,732
Property, plant and equipment		4,140	4,780
		562,607	555,512
TOTAL non-current assets		562,607	555,512
CURRENT ASSETS			
Trade receivable	10	2,000	2,000
Prepayments, deposits and other receivables		11,043	10,668
Cash and bank balances		41,991	46,740
		55,034	59,408
TOTAL current assets		55,034	59,408
CURRENT LIABILITIES			
Other payables and accruals		28,287	27,357
Deposits received		5,477	4,519
Finance lease payable		134	134
Interest-bearing bank borrowings, secured		18,131	12,273
Due to directors		1,021	1,234
Tax payable		–	1,359
		53,050	46,876
TOTAL current liabilities		53,050	46,876
NET CURRENT ASSETS		1,984	12,532
TOTAL ASSETS LESS CURRENT LIABILITIES		564,591	568,044
NON-CURRENT LIABILITIES			
Other payable		–	8,307
Finance lease payable		497	563
Interest-bearing bank borrowings, secured		146,415	153,732
Deferred tax liabilities		118,975	117,327
		265,887	279,929
TOTAL non-current liabilities		265,887	279,929
Net assets		298,704	288,115
EQUITY			
Equity attributable to owners of the Company			
Issued capital	11	10,179	10,179
Reserves		288,525	277,936
		298,704	288,115
TOTAL equity		298,704	288,115

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

	Share capital <i>HK\$'000</i> (Unaudited)	Share premium <i>HK\$'000</i> (Unaudited)	Contributed surplus <i>HK\$'000</i> (Unaudited)	Translation reserve <i>HK\$'000</i> (Unaudited)	Warrants reserve <i>HK\$'000</i> (Unaudited)	Equity component of convertible bonds <i>HK\$'000</i> (Unaudited)	Retained profits/ (accumulated losses) <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
At 1 January 2013	10,179	253,344	4,755	3,631	–	–	16,206	288,115
Total comprehensive income for the Period	–	–	–	3,578	–	–	7,011	10,589
At 30 June 2013	<u>10,179</u>	<u>253,344</u>	<u>4,755</u>	<u>7,209</u>	<u>–</u>	<u>–</u>	<u>23,217</u>	<u>298,704</u>
At 1 January 2012	272	20,773	4,755	–	–	25,027	(167,542)	(116,715)
Bonus issue	544	(544)	–	–	–	–	–	–
Issue of shares	6,567	190,437	–	–	–	–	–	197,004
Shares issue expenses	–	(1,403)	–	–	–	–	–	(1,403)
Issue of warrants	–	–	–	–	500	–	–	500
Exercise of warrants	16	984	–	–	(500)	–	–	500
Acquisition of subsidiaries	2,780	80,632	–	–	–	–	–	83,412
Redemption of convertible bonds	–	–	–	–	–	(25,027)	19,385	(5,642)
Total comprehensive income for the Period	–	–	–	–	–	–	3,126	3,126
At 30 June 2012	<u>10,179</u>	<u>290,879</u>	<u>4,755</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(145,031)</u>	<u>160,782</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
NET CASH FLOWS FROM OPERATING ACTIVITIES	843	12,543
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	325	(24,871)
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES	<u>(3,857)</u>	<u>68,642</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,689)	56,314
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	46,740	393
Effect of foreign exchange rate changes, net	<u>(2,060)</u>	<u>—</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u><u>41,991</u></u>	<u><u>56,707</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u><u>41,991</u></u>	<u><u>56,707</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporation Information

New City Development Group Limited (the “Company”) is a limited liability company incorporated in Cayman Islands on 10 August 1998. The registered office of the Company is located at Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands and its principal place of business in Hong Kong is situated at Flat D, 17/F., MG Tower, 133 Hoi Bun Road, Kowloon, Hong Kong.

The Company is an investment holding company. The Group’s principal activity has not changed during the Period and is engaged in property development and investment business in the PRC.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2013 (the “Unaudited Condensed Consolidated Interim Financial Statements”) have been approved for issue by the Board of Directors on 23 August 2013.

2.1 Basis of Preparation and Significant Accounting Policies

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the Unaudited Condensed Consolidated Interim Financial Statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2012 (the “2012 Annual Financial Statements”) which were prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by HKICPA.

These interim results are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 Changes in Accounting Policies and Disclosures

Other than the adoption of new and revised HKFRSs and Interpretations as noted below, the accounting policies adopted in the preparation of the Unaudited Condensed Consolidated Interim Financial Statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2012.

New and revised HKFRSs

The Group has adopted the following new and revised HKFRSs for first time for the current period's interim report. The adoption of these new and revised HKFRSs did not have any significant effect on the financial position or performance of the Group.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i>
HKFRS 13	Fair Value Measurement
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvement 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs that have been issued but not yet effective.

HKFRS 9	Financial Instruments ²
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – <i>Investment Entities</i> ¹
HKAS 32 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities ¹
HK(IFRIC) – Int 21	Levies ¹

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 January 2015

For the application of these standards or interpretations, management is either assessing the impact of or considers that there will have no material impact on the results and the financial position of the Group.

3. Operating Segment Information

For management purposes, the Group's primary operating segment is property development and investment in the PRC. Since this is the only operating segment of the Group, no further analysis thereof is presented.

Geographical information

The Group operates principally in the PRC. Over 90% of the Group's assets are located in the PRC and over 90% of the revenue are generated in the PRC. Accordingly, no further geographical information of total asset and revenue was disclosed.

Information about a major customer

Property management fee income

The sole customer during the period ended 30 June 2013 was Tong Sun Limited ("Tong Sun"), a subsidiary disposed by the Group during the year ended 31 December 2010. The Group managed and operated a property for Tong Sun in the PRC at an annual management fee (the "Property Management Fee Income") of HK\$8,000,000 payable on a quarterly basis for a term of 3 years commencing from January 2011.

Rental income and related management service income

There are no significant concentrations of credit risk within the Group because there is a large number of diversified tenants.

4. Revenue, Other Income And Gains

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		
Property Management Fee Income	4,000	4,000
Rental income and related management service income	21,672	14,640
	<u>25,672</u>	<u>18,640</u>
Other income and gains		
Gain on the early redemption of convertible bonds	–	2,259
Interest income	430	93
Others	109	5
	<u>539</u>	<u>2,357</u>
Total revenue, other income and gains	<u>26,211</u>	<u>20,997</u>

5. Profit Before Tax

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
The Group's profit before tax has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment		
– Owned assets	614	159
– Leased assets	92	–
Write-off of property, plant and equipment	17	32
Gain on early redemption of convertible bonds	–	(2,259)
Interest income	(430)	(93)
	<u>(430)</u>	<u>(93)</u>

6. Finance Costs

	Six months ended 30 June	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Interest on convertible bonds	–	2,353
Interest on finance leases	23	5
Interest on bank loan	7,211	6,529
Other	–	83
	<u>7,234</u>	<u>8,970</u>

7. Income Tax Expense

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the six months ended 30 June 2013 and 2012.

Taxes on profits in respect of the Group companies operating elsewhere have been calculated at the rates of tax prevailing in the respective tax countries/jurisdictions in which they operate based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 June	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Current tax:		
Hong Kong	–	–
Elsewhere	390	173
	<u>390</u>	<u>173</u>
Deferred tax	–	(125)
	<u>–</u>	<u>(125)</u>
Total tax charge for the Period	<u>390</u>	<u>48</u>

8. Dividends

The directors do not recommend the payment of an interim dividend for the Period (2012: Nil).

9. Earning Per Share

(i) Basic earning per share

The calculation of the basic earning per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
Earning for the purpose of calculating basic earning per share:		
Net profit for the Period (HK'000)	<u>7,011</u>	<u>3,126</u>
Weighted average number of shares for the purpose of calculating basic earning per share (in thousands)	<u>2,544,787</u>	<u>1,850,048</u>

(ii) Diluted earning per share

Diluted earning per share for the six months ended 30 June 2013 and 2012 have not been disclosed, as the Group had no potentially dilutive events existed during the Period.

10. Trade Receivable

	30 June 2013 (Unaudited) <i>HK\$'000</i>	31 December 2012 (Audited) <i>HK\$'000</i>
Trade receivable	2,000	2,000
Impairment	—	—
	<u>2,000</u>	<u>2,000</u>

The trade receivable represented the Property Management Fee Income receivable from Tong Sun. The Group's services terms with Tong Sun are mainly on credit of 14 days. Subsequent to 30 June 2013, the trade receivable has been fully settled within the credit term.

An aged analysis of the trade receivable as at the end of the reporting period, based on the date of invoice, is as follows:

	30 June 2013 (Unaudited) <i>HK\$'000</i>	31 December 2012 (Audited) <i>HK\$'000</i>
Within 1 month	<u>2,000</u>	<u>2,000</u>

The aged analysis of the trade receivable that are not considered to be impaired is as follows:

	30 June 2013 (Unaudited) <i>HK\$'000</i>	31 December 2012 (Audited) <i>HK\$'000</i>
Neither past due nor impaired	<u>2,000</u>	<u>2,000</u>

Trade receivable represented an amount due from a single customer and the Group has a high concentration of credit risk accordingly. The trade receivable is non-interest bearing.

11. Share Capital

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000		
Authorised:				
10,000,000,000 ordinary shares of HK\$0.004 each	<u>40,000</u>	<u>40,000</u>		
Issued and fully paid:				
2,544,787,999 ordinary shares of HK\$0.004 each	<u>10,179</u>	<u>10,179</u>		
Authorised share capital				
	Number of shares '000	HK\$'000		
At 1 January 2013 and 30 June 2013	<u>10,000,000</u>	<u>40,000</u>		
Issued and fully paid				
	Number of shares '000	Share premium account HK\$'000	Total HK\$'000	
At 1 January 2013 and 30 June 2013	<u>2,544,788</u>	<u>10,179</u>	<u>253,344</u>	<u>263,523</u>

12. Contingent Liabilities

The Group did not have any contingent liabilities as at 30 June 2013.

13. Operating Lease Commitments

As lessor

The Group leases its investment properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 2 years.

At 30 June 2013 and 31 December 2012, the Group had total future minimum lease receivables under non-cancellable operating leases falling due as follows:

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Within one year	20,664	27,330
In the second to fifth years, inclusive	5,580	13,297
	<u>26,244</u>	<u>40,627</u>

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 2 years.

At 30 June 2013 and 31 December 2012, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Within one year	713	794
In the second to fifth years, inclusive	–	316
	<u>713</u>	<u>1,110</u>

14. Event after the reporting period

On 1 August 2013, New Rank Services Limited (“New Rank”) (a wholly-owned subsidiary of the Company), as a tenant, entered into a residential tenancy agreement (the “Residential Tenancy Agreement”) with a landlord, Jiacheng Jiaxin International Property Management (Hong Kong) Limited (“Jiacheng Jiaxin”), pursuant to which, Jiacheng Jiaxin leased its residential property and a car-parking space to New Rank at a monthly rental of HK\$52,000 for a term of nine months and twenty four days commencing from the date of the Residential Tenancy Agreement. Jiacheng Jiaxin is a company which is indirectly wholly-owned by an associate of a connected person of the Company. Therefore the transaction contemplated under the Residential Tenancy Agreement constitutes continuing connected transaction for the Group under Chapter 14A of the Listing Rules. Details of which, please refer to the Company’s announcement dated 1 August 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP RESTRUCTURING AND RESUMPTION OF TRADING

BUSINESS REVIEW

Following the completion of acquisition of Guangzhou project in early 2012, the rental income and related income were recorded in Group’s consolidated financial statements. The rental income from the Group’s properties has been stable and the occupancy rate remains at a high level of over 90% coupled with satisfactory rental renewal. Besides, the Group has carried out some renovation work on the properties in order to raise the rental value.

While deriving stable rents and related income from the existing properties, the Group has started preparation work on the redevelopment phase and closely monitored it so as to select and formulate the most suitable redevelopment plan, thereby maximize the economic values of the project.

OUTLOOK

In the first half of 2013, amid the slow recovery of global economy, the PRC economic development has encountered certain challenges. Under this environment, the Group has consolidated the operation of the Guangzhou project. It has also closely monitored the redevelopment of the project at the preliminary stage in order to select and formulate the most suitable plan. Meanwhile, the Group will continue to identify opportunities in the arena of sustainable city development. Strategic business alliance will be made with other specialized business partners in order to expand the scope of business as well as broaden sources of income. In compliance with the business and development strategies as a whole, the Group is actively seeking appropriate acquisition opportunities for diversifying its development in various stages.

FINANCIAL REVIEW

During the Period under review, the Group has turnover and net profit for the Period amounted to approximately HK\$25,672,000 and HK\$7,011,000 respectively, whereas the Group had turnover and net profit for the first half of 2012 was approximately HK\$18,640,000 and HK\$3,126,000, respectively. Basic earning per share for the period was HK\$0.28 cents (Basic earning per share for six months ended 30 June 2012 was HK\$0.17 cents).

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Period (six months ended 30 June 2012: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING REQUIREMENTS

As at 30 June 2013, the Group had obligations under hire purchase contract of approximately HK\$Nil (2012: Nil).

As at 30 June 2013, the Group's total assets was approximately HK\$617,641,000 (2012: approximately HK\$443,758,000) and total liabilities were of approximately HK\$318,937,000 (2012: approximately HK\$282,976,000). As at 30 June 2013, the cash and bank balances was approximately HK\$41,991,000 (2012: approximately HK\$56,707,000) and the current ratio (current assets/current liabilities) was 1.04 as at 30 June 2013 (2012: 1.33).

GEARING RATIO

The gearing ratio (net debt/capital and net debt) was 0.35 as at 30 June 2013 (2012: 0.36).

LITIGATION

The Group did not have any litigation as at 30 June 2013.

EXCHANGE RISKS

The majority of the Group's operations are located in the PRC and Hong Kong and the main operational currencies are Hong Kong Dollars and Renminbi. The Company is paying regular and active attention to Renminbi exchange rate fluctuation and consistently assess exchange risks.

CAPITAL STRUCTURE

The movement of the capital structure of the Company during the Period is detailed in note 11 to the condensed consolidated interim financial statements.

CORPORATE GOVERNANCE

During the six months ended 30 June 2013, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Listing Rules, save for the deviation from the code provisions listed below:

- The Chairman of the Company is also the chief executive officer of the Company, which deviates from the Code Provision A.2.1 which provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As the current nature of the Group’s business is not complicated, the Board considers that the current structure is sufficient for monitoring and controlling the operation of the Group. The Company will review the structure from time to time and will make necessary arrangements to observe the provisions of the Listing Rules whenever necessary.
- According to the Articles of Association of the Company, the non-executive directors of the Company are not appointed for specific terms. Thus, they are deviated from Code Provision A.4.1 which stipulates that non-executive directors should be appointed for a specific term, subject to re-election and Code Provision A.4.2 which stipulates that all directors appointed to fill a casual vacancy shall hold office only until the next following general meeting and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, in view of the fact that non-executive directors are subject to retirement by rotation as stipulated in the Company’s Articles of Association, the Company considers that there are sufficient measures in place to ensure that the corporate governance of the Company are no less exacting than the Code Provisions. In respect of Code Provision A.6.7 of the Revised CG Code, two Independent Non-executive Directors did not attend the annual general meeting of the Company held on 28 May 2013. The Company will review its Articles of Association from time to time and will make necessary amendments to ensure observance of the provisions of the Listing Rules whenever necessary.
- According to Article 87(1) of the Articles of Association, since the Chairman of the Board, whilst holding such office, is not subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year, Code Provision A.4.2 is deviated. The Chairman plays an essential role in the growth and development of the Group. At present, the Chairman’s continuing presence in the Board is important to assure sustainable development of the Group. Given the importance of the Chairman’s role, the Board considers that the relevant article in the Articles of Association has no material impact on the operation of the Group as a whole.

EMPLOYEES

As at 30 June 2013, the Group has employed about 50 employees in Hong Kong and the PRC. The Group adopts a competitive remuneration package for its employees. Remuneration packages are reviewed annually with reference to the then prevailing market employment practices and legislation.

PLEDGE OF ASSETS

As at 30 June 2013, the investment properties were secured for bank borrowings. And the finance lease payable was secured by the leased motor vehicle with a carrying amount of HK\$734,707.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company did not have any significant investments or material acquisitions and disposals for the six months ended 30 June 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company had not redeemed any of its shares during the six months ended 30 June 2013. Neither the Company nor its subsidiaries had purchased or sold any of the Company's shares during the six months ended 30 June 2013.

CONTINGENT LIABILITIES AND COMMITMENTS

Except for the operating lease commitments as below, the Group did not have any contingent liabilities and commitments as at 30 June 2013.

OPERATING LEASE COMMITMENTS

As lessor

The Group leases its investment properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 2 years.

At 30 June 2013 and 31 December 2012, the Group had total future minimum lease receivables under non-cancellable operating leases falling due as follows:

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Within one year	20,664	27,330
In the second to fifth years, inclusive	5,580	13,297
	<u>26,244</u>	<u>40,627</u>

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 2 years.

At 30 June 2013 and 31 December 2012, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Within one year	713	794
In the second to fifth years, inclusive	—	316
	<u>713</u>	<u>1,110</u>

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of the Directors, the Directors have complied with the Code throughout the six months period ended 30 June 2013.

AUDIT COMMITTEE

The Audit Committee comprises three members who are independent non-executive directors namely Mr. Chan Yiu Tung, Anthony, Mr. Seto Man Fai and Mr. Zheng Qing. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal controls and the unaudited interim financial statements for the six months ended 30 June 2013.

BOARD OF DIRECTORS

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; and (ii) three independent non-executive Directors, namely Mr. Chan Yiu Tung, Anthony, Mr. Seto Man Fai and Mr. Zheng Qing.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under “Latest Listed Company Information”. The interim report of the Group for the six months ended 30 June 2013 containing all the information required by Listing Rules will be despatched to shareholders of the Company and published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under “Latest Listed Company Information” in due course.

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

Hong Kong, 23 August 2013