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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)

JUDGMENT GRANTED BY PRC COURT

The Board announces that, on 29 July 2015, the Company received the Judgment granted by the PRC Court in respect of the Lawsuit.

Reference is made to the announcement issued by New City Development Group Limited (the “**Company**”) dated 29 August 2014 (the “**Announcement**”). Terms defined in the Announcement shall have the same meanings when used herein, unless the context requires otherwise. Reference is also made to page 87 of the Company’s annual report 2014 and pages I-62, 76 to 77 and IV-10 to 11 of the Company’s circular dated 13 July 2015 which disclosed certain details of the Lawsuit.

The board of directors (the “**Board**”) of the Company announces that, on 29 July 2015, the Company received, through its legal advisor in the People’s Republic of China (the “**PRC Lawyer**”), the judgment dated 14 May 2015 (the “**Judgment**”) granted by the Higher People’s Court of Beijing City (the “**PRC Court**”) in respect of the Lawsuit.

According to the Judgment, the PRC Court overruled its own judgment dated 26 July 2013 and upheld the judgment dated 10 November 2010 granted by Beijing No.1 Intermediate People’s Court in respect of the Lawsuit. In short, the PRC Court ruled that both the sale contract dated 27 June 2002 made between Beijing Zhongzheng and Guanghua Information for selling certain real properties in the People’s Republic of China to Guanghua Information at the price of US\$1,755,432 (equivalent to RMB14,529,886, by applying the exchange rate of US\$1 equivalent to RMB8.2271) and the guarantee agreement dated 28 June 2002 entered into between the Company and Guanghua Information were legally effective. The PRC Court also ordered that both the Company and Beijing Zhongzheng shall be jointly liable to repay to the Plaintiff the sum of RMB14,529,886 together with interest accrued thereon from 1 July 2002 up to the date of payment.

In view of the Judgment, the Company is seeking the legal advice from its PRC Lawyer as to the action which should be taken by the Company. Further announcement(s) will be issued as and when necessary for informing the Company's shareholders and potential investors about any further progress of the Lawsuit.

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

Hong Kong, 30 July 2015

* *For identification purpose only.*

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) four independent non-executive Directors, namely Mr. Chan Yiu Tung, Anthony, Mr. Seto Man Fai, Mr. Zheng Qing and Dr. Ouyang Qingru.

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their 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.