
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in New City (China) Development Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

NEW CITY (CHINA) DEVELOPMENT LIMITED
新城市（中國）建設有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0456)

**PROPOSED RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the board of directors of the Company is set out on pages 3 to 6 of this circular.

A notice convening the annual general meeting of the Company to be held at Plaza IV, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 23 June 2008 at 3:00 p.m. or any adjournment thereof is set out on pages 13 to 17 of this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrars of New City (China) Development Limited, Union Registrars Limited at Rooms 1901-1902, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

21 May 2008

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Plaza IV, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 23 June 2008 at 3:00 p.m., the notice of which is set out in pages 13 to 17 of this circular, and any adjournment thereof
“Articles” or “Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	New City (China) Development Limited 新城市 (中國) 建設有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Companies Law”	The Companies Law of the Cayman Islands Cap. 22 (Law 3 of 1961, as consolidated and revised)
“Controlling Shareholders”	Poly (Hong Kong) Investment Limited, New Rank Groups Limited, Mr. Wei Ping and Mr. Han Junran
“Director(s)”	the director(s) of the Company for the time being
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue or otherwise deal with the Shares not exceeding 20% of the issued share capital of the Company in issue as at the date of the passing of the resolution approving this issue mandate
“Hong Kong”	the Hong Kong Special Administrative Region of the Peoples’ Republic of China
“Latest Practicable Date”	21 May 2008 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to repurchase the Shares up to a maximum of 10% of the issued share capital of the Company in issue as at the date of the passing of the relevant resolution approving this repurchase mandate
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holders of the Share(s) in issue
“Share(s)”	existing ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$ and cents”	Hong Kong dollar and cents respectively, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

NEW CITY (CHINA) DEVELOPMENT LIMITED 新城市(中國)建設有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0456)

Executive Directors:

Mr. Han Junran (*Chairman*)

Mr. Fu Yiu Kwong

Non-executive Director:

Mr. Luo Min

Independent non-executive Directors:

Mr. Chan Yiu Tung, Anthony

Mr. Wong Shing Kay, Oliver

Mr. Zheng Qing

Registered office:

Scotia Centre, 4th Floor

P.O. Box 2804

George Town

Grand Cayman

Cayman Islands

*Principal Place of Business office in
Hong Kong:*

Units 2804-06, 28/F, Cosco Tower

Grand Millennium Plaza

183 Queen's Road Central

Hong Kong

21 May 2008

To the Shareholders

PROPOSED RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES, AND NOTICE OF ANNUAL GENERAL MEETING

Dear Sir or Madam

1. INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM for the approval of (i) the re-election of Directors; (ii) granting of Issue Mandate; (iii) granting of Repurchase Mandate; and (iv) granting to the Directors a general and unconditional mandate to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate.

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

In accordance with the Article 86(3) of the Company's Articles of Association, Mr. Luo Min may hold office only until the AGM and is then eligible for re-election. In addition, in accordance with Article 87(1) of the Company's Articles of Association, Messrs. Chan Yiu Tung Anthony and Zheng Qing will be retired from office by rotation and be eligible for re-election at the AGM. Details of Messrs. Chan Yiu Tung Anthony, Zheng Qing and Luo Min are set out in Appendix I to this circular.

3. GENERAL MANDATE TO ISSUE SHARES

As at the Latest Practicable Date, the issued share capital of the Company comprised 271,758,000 Shares.

At the AGM, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with the Shares up to 54,351,600 Shares representing 20% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution. In addition, an ordinary resolution will also be proposed to authorise the increase in the total number of new Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares actually repurchased by the Company under the Repurchase Mandate.

4. GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also be proposed to grant the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase its own Shares up to a maximum of 10% of the nominal share capital of the Company in issue as at the date of passing of the relevant resolution.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. An explanatory statement for such purpose is contained in the Appendix II to this circular.

LETTER FROM THE BOARD

5. AGM

A notice convening the AGM is set out on page 13 to 17 of this circular. A form of proxy for use at the AGM is also enclosed herewith. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, at the Company's share registrar, Union Registrars Limited at Rooms 1901-1902, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof.

6. PROCEDURE TO DEMAND A POLL

Pursuant to Article 66 of the Articles of Association of the Company, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person or in the case a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the designated Stock Exchange, by any director or directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at such meeting.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

LETTER FROM THE BOARD

7. RECOMMENDATION

The Board considers that the granting of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders should vote in favour of all the resolutions to be proposed at the AGM.

8. GENERAL INFORMATION

Your attention is drawn to the explanatory statement set out in the Appendix II to this circular.

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

The biographical details of the directors to be re-elected at the AGM are set out below:—

Mr. Chan Yiu Tung, Anthony, aged 49, graduated from University of Toronto in 1982. Mr. Chan has over 20 years experience in the construction and property investment field and is currently the Managing Director of two construction companies in Hong Kong. Mr. Chan is currently the Supervisor of KYT Excel Foundation Primary School and Manager of Building Contractor's Association School and member of various organizations including Lions Club of Hong Kong West (President during the years 1996/97 and 2001/02), The Hong Kong Construction Association Ltd (Hon. Secretary), H.K. General Building Contractors Association Ltd (Vice President), Kwong Yuet Tong Hong Kong (Vice Chairman), Association of Hong Kong Nanjing Fellows Ltd (Director), The Chinese General Chamber of Commerce (Shamshuipo) (Council Member), Levy Committee of Construction Industry Training Authority (Council Member), Land Subcommittee of Land and Building Advisory Committee (Council Member), Provisional Construction Industry Co-ordination Board (Environment) (Council Member), Commercial & Industrial Committee of DAB (Council Member), Guangzhou Overseas Friendship-Liaison Association (Council Member), Yan Oi Tong (Director for the years 2005/06, 2006/07 and 2007/08), The Hong Kong Chan Clan General Association (Life Hon. Chairman and Vice Chairman). Mr. Chan was appointed as independent non-executive Director of the Company in August 2002.

Save as disclosed herein, Mr. Chan does not hold and had not held any position with the Company and other members of the Company's group as at the Latest Practicable Date and did not hold any directorship in other listed public companies in the last three years preceding the Latest Practicable Date. In addition, Mr. Chan does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Chan does not have any interests in shares of the Company within the meaning of the Part XV of the SFO. There is no fixed term of service for Mr. Chan and he would be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. His emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and the then prevailing market situation. He received directors' fee for the year ended 31 December 2007 at HK\$120,000.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51 (2) of the Listing Rules, nor are there other matters relating to the re-election of Mr. Chan that needs to be brought to the attention of the shareholders.

Mr. Zheng Qing, aged 42, has extensive experience in property development and management. Mr. Zheng is a director of various companies in the fields of property development management and securities investment in the PRC. Mr. Zheng was appointed as independent non-executive Director of the Company in September 2004.

Save as disclosed herein, Mr. Zheng does not hold and had not held any position with the Company and other members of the Company's group as at the Latest Practicable Date and did not hold any directorship in other listed public companies in the last three years preceding the Latest Practicable Date. In addition, Mr. Zheng does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Zheng does not have any interests in shares of the Company within the meaning of the Part XV of the SFO. There is no fixed term of service for Mr. Zheng and he would be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. His emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and the then prevailing market situation. He received directors' fee for the year ended 31 December 2007 at HK\$120,000.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51 (2) of the Listing Rules, nor are there other matters relating to the re-election of Mr. Zheng that needs to be brought to the attention of the shareholders.

Mr. Luo Min, aged 40, is an engineer and has extensive experience in property development, investment and management. Mr. Luo was appointed as non-executive Director of the Company on 5 May 2008.

Mr. Luo is one of the directors of Crown Champion Investments Limited which is the holders of two convertible bonds with principal amounts of HK\$33,403,150 and HK\$23,055,000 issued by the Company on 14 June 2007 and 28 June 2007 respectively. Please refer to the announcements dated 15 June 2007 and 29 June 2007 issued by the Company for details. Save as disclosed herein, Mr. Luo does not hold and had not held any position with the Company and other members of the Company's group as at the Latest Practicable Date and did not hold any directorship in other listed public companies in the last three years preceding the Latest Practicable Date. In addition, Mr. Luo does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Luo does not have any interests in shares of the Company within the meaning of the Part XV of the SFO. There is no fixed term of service for Mr. Luo and he would be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. His remuneration has not been fixed yet as at the date of appointment. His emoluments will be determined by reference to his duties and responsibilities with the Company, the Company's performance and the then prevailing market situation.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51 (2) of the Listing Rules, nor are there other matters relating to the re-election of Mr. Luo that needs to be brought to the attention of the shareholders.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you relating the Repurchase Mandate to be proposed at the AGM.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Hong Kong Securities and Futures Commission subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such a company must be fully paid up and all repurchase of shares by such a company must be approved in advance by an ordinary resolution of shareholders, either by way of Repurchase Mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 271,758,000 Shares.

Subject to the passing of the proposed ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 27,175,800 Shares represent 10% of the issued share capital of the Company.

3. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders to seek a general authority from the Shareholders to enable the Directors to repurchase the Shares on the Stock Exchange. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

4. FUNDING OF REPURCHASE

Repurchase would be financed entirely from available cash flow or working capital facilities of the Company or its subsidiaries which will be funds legally available for such purposes in accordance with the Articles of Association of the Company and the applicable laws in the Cayman Islands. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of shares made for the purpose.

There might be material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2007 in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

Trading in the Shares has been suspended on the Stock Exchange since 30 December 2003 at the request of the Company therefore there were no highest and lowest prices shown for the previous twelve calendar months preceding the Latest Practicable Date.

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchase of its Shares pursuant to the Repurchase Mandate and in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum of association and Articles of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), has any present intention, in the event that the Repurchase Mandate is approved at the AGM by the Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company or its subsidiaries, nor has any such connected person undertaken not to do so, in the event that the Repurchase Mandate is passed.

7. TAKEOVERS CODE

If on exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the interests of the shareholders as recorded in the register of the Company kept under Section 336 of the SFO and the interests of the directors as recorded in the register of the Company kept under section 352 of the SFO are as follows:-

- (i) Pursuant to a share charge entered into between New Rank Groups Limited ("NRG") and Mr. Han Junran as chargors and Starry Joy Properties Investment Ltd. ("Starry Joy"), a wholly-owned subsidiary of Poly (Hong Kong) Limited ("Poly HK") as chargee dated 23 June 2003, NRG and Mr. Han Junran charged their respective interests in 20% and 5% of the issued share capital of the Company, representing 54,351,600 shares and 13,587,900 shares of the Company respectively, in favour of Starry Joy. By virtue of its shareholding in Starry Joy, Poly HK is deemed to be interested in 67,939,500 shares (representing approximately 25% of the issued share capital of the Company) of the Company under the SFO.
- (ii) NRG (a wholly owned subsidiary of Silver World Limited which is, in turn, wholly owned by Royal Bank of Canada Trust Company (Cayman) Limited) held 54,351,600 Shares representing approximately 20% of the issued share capital of the Company;
- (iii) Mr. Wei Ping held 47,032,000 Shares representing approximately 17.31% of the issued share capital of the Company;
- (iv) Mr. Han Junran, a director of the Company and being personally interested in 13,587,900 Shares representing approximately 5% of the issued share capital of the Company; and
- (v) Ms. Lu Shu Guang is spouse of Mr. Han Junran, and is deemed to have a family interest of 13,587,900 Shares representing approximately 5% of the issued share capital of the Company.

To the best of the knowledge and belief of the Company, no other person, together with his/her associates, was beneficially interested in Shares representing 5% or more of the issued share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate to be proposed at the AGM, the total interests of Poly HK, NRG, Mr. Wei Ping and Mr. Han Junran, would be increased to approximately 27.5%, 22%, 19% and 5.5% of the total issued share capital of the Company respectively.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchases made under the Repurchase Mandate unless certain of the Controlling Shareholders are parties acting in concert with each other, in such case, a general offer obligation under the Takeovers Code will arise in the event that the total shareholding of the Controlling Shareholders reaches 30% or more of the issued share capital of the Company or in the event that the total shareholding of the Controlling Shareholders falls between 30% and 50% of the issued share capital of the Company, and the Controlling Shareholders acquires more than 2% of the total issued share capital of the Company within a 12 month period. However, the Directors have no present intention to exercise the mandate granted under the Repurchase Mandate to an extent as may result in any mandatory offer being made under the Takeovers Code or may result in less than 25% of the issued share capital of the Company being held by the public.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) during the six calendar months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING

NEW CITY (CHINA) DEVELOPMENT LIMITED 新城市(中國)建設有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0456)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Plaza IV, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 23 June 2008 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements of the Company and the Reports of the Directors and the Auditor for the year ended 31 December 2007;
2. To re-elect Director and to authorise the Board of Directors to fix the remuneration of Directors;
3. To re-appoint Parker Randall CF (H.K.) CPA Limited as auditor of the Company and to authorise the Board of Directors to fix their remuneration;
4. As special business, to consider and, if thought fit, pass the following resolution as ordinary resolution of the Company:

“THAT:

- (a) Subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which would or might require the exercise of such power after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or any issue of shares of the Company on the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time or the exercise of the options granted under the share option scheme of the Company or an issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

5. As special business, to consider and, if thought fit, pass the following resolution as ordinary resolution of the Company:

“THAT:

- (a) Subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase securities of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of securities authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, pass the following resolution as ordinary resolution of the Company:

“**THAT** conditional on the passing of the Resolutions nos. 4 and 5 of the notice convening this meeting, the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares pursuant to the resolution set out in Resolution no. 4 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in Resolution no. 5 of the notice convening this meeting provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the said resolution.”

By order of the Board
New City (China) Development Limited
Seto Man Fai
Company Secretary

Hong Kong, 21 May 2008

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Every member entitled to attend and vote at the AGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the AGM. A proxy need not be a member of the Company. A proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
2. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.
3. A form of proxy for use at the AGM is enclosed herewith.
4. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney must be lodged at the Company's Hong Kong branch share registrar, Union Registrars Limited, at Rooms 1901-1902, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or adjourned meeting (as the case may be) and in default the form of proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the AGM or at any adjourned meeting (as the case may be) should they so wish.