



China New City Commercial Development Limited

中國新城市商業發展有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1321)

31 August 2022

To the Independent Shareholders

Dear Sirs/Madam,

**MAJOR AND CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO FINANCIAL ADVANCES FRAMEWORK AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular of the Company dated 31 August 2022 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders of China New City Commercial Development Limited to consider the terms of the transactions contemplated under the Financial Advances Framework Agreement (as defined in the Circular) and the proposed Caps (as defined in the Circular), the details of which are set out in the section headed “Major and Continuing Connected Transactions” in the “Letter from the Board” contained in the Circular. Giraffe Capital Limited has been appointed as the Independent Financial Adviser to advise us and you in this respect.

Your attention is drawn to the “Letter from the Board”, the advice of the Independent Financial Adviser to us and you in respect of the terms of the transactions contemplated under the Financial Advances Framework Agreement as set out in the “Letter from the Independent Financial Adviser” as well as other additional information set out in other parts of the Circular.

Having considered the information set out in the “Letter from the Board” and taking into account the advice of the Independent Financial Adviser, and the principal factors and reasons considered by the Independent Financial Adviser in relation thereto, as stated in its letter, we consider that (i) while the entry into the Financial Advances Framework Agreement was not in the ordinary and usual course of business of the Group, the terms of the Financial Advances Framework Agreement are considered to be on normal commercial terms, fair and reasonable and in the interest of the Group

and the Shareholders as a whole; and (ii) the basis of determining the proposed Caps is fair and reasonable.

Accordingly, we recommend that you vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Financial Advances Framework Agreement and the transactions contemplated thereunder and the proposed Caps.

Yours faithfully,
Independent Board Committee

Mr. Ng Sze Yuen, Terry

Independent

Non-executive Director

Mr. Xu Chengfa

Independent

Non-executive Director

Mr. Yim Chun Leung

Independent

Non-executive Director