



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)

28 March 2023

To the Independent Shareholders

Dear Sirs,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO MORTGAGE ARRANGEMENT
FRAMEWORK AGREEMENT;
PROVISION OF FINANCIAL ASSISTANCE;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular of the Company dated 28 March 2023 (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 Mortgage Arrangement Framework Agreement (as defined in the Circular), the details of which are set out in the section headed “Major and Connected Transaction” in the “Letter from the Board” contained in the Circular. Grand Moore 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 the us and you in respect of the terms of the transactions contemplated under the Mortgage Arrangement 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) the entry into the Mortgage Arrangement Framework Agreement was, although not in the ordinary and usual course of business of the Group, on normal commercial terms; and (ii) the terms of the Mortgage Arrangement Framework Agreement are considered to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

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

Yours faithfully,
Independent Board Committee

Mr. Xu Chengfa
Independent
Non-executive Director

Mr. Lam Yau Yiu
Independent
Non-executive Director

Mr. Shen Xiao
Independent
Non-executive Director