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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of this prospectus, makes 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 prospectus.

**If you are in any doubt** as to any aspect of this prospectus or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **New City Development Group Limited** (the "Company"), you should at once hand this prospectus and the enclosed form of proxy to the purchaser or transferee or to the bank, the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of this Prospectus Documents, together with the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of any of these documents.

Dealings in the securities of the Company may be settled through CCASS and you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

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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)

### OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY FOUR SHARES HELD ON THE RECORD DATE

Underwriter

**Junyi Investments Limited**

Financial Adviser to New City Development Group Limited



**Haitong International Capital Limited**

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Capitalised terms used in this cover page have the same meanings as those defined in this prospectus.

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m. on Monday, 31 August 2015. The procedures for application and payment of the Offer Shares are set out on page 17 of this prospectus.

**The Open Offer is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed "Conditions of the Open Offer" on page 16 of this prospectus and the Underwriting Agreement contains provisions which entitle the Underwriters by notice in writing, to terminate the Underwriting Agreement prior to the latest time for termination of the Underwriting Agreement on the occurrence of certain events as set out under the section headed "Termination of Underwriting Agreement" on page 8 of this prospectus. If the Underwriters terminate the Underwriting Agreement or if the conditions to the Underwriting Agreement have not been fulfilled in accordance therewith, the Open Offer will not proceed. Shareholders and potential investors are advised to exercise due caution when dealing in the Shares.**

Any Shareholders or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 4:00 p.m. on Tuesday, 1 September 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended that his/her/its professional advisor be consulted.

17 August 2015

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## EXPECTED TIMETABLE

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The expected timetable of the Open Offer is as follows:

Latest time for lodging transfers of Shares to qualify for the Open Offer .....	4:00 p.m. on Thursday, 6 August 2015
Record Date .....	Thursday, 13 August 2015
Despatch of (i) Prospectus Documents to Qualifying Shareholders and (ii) Overseas Letter and Prospectus to Excluded Shareholders (if any) .....	Monday, 17 August 2015
Latest time for acceptance and payment for Offer Shares .....	4:00 p.m. on Monday, 31 August 2015
Latest time for termination of the Underwriting Agreement and for the Open Offer to become unconditional .....	4:00 p.m. on Tuesday, 1 September 2015
Announcement of results of acceptance of the Open Offer .....	Monday, 7 September 2015
Despatch of share certificates for Offer Shares and refund of cheques, if the Open Offer does not become unconditional .....	Tuesday, 8 September 2015
Expected date of dealings in Offer Shares commence .....	9:00 a.m. on Wednesday, 9 September 2015

All times stated in this prospectus refer to Hong Kong times. The Company will make further announcement if there is any change to the above timetable. Dates or deadlines specified in this prospectus for events in the above timetable for (or otherwise in relation to) the Open Offer are indicative only and may be extended or varied by the Company.

Any changes to the anticipated timetable for the Open Offer, if required, will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

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## EXPECTED TIMETABLE

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### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE AND PAYMENT FOR THE OFFER SHARES**

The latest time for acceptance and payment for Offer Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning signal:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 31 August 2015. Instead the latest time for acceptance and payment for the Offer Shares will be extended to 5:00 p.m. on the same Business Day; and
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 31 August 2015. Instead the latest time of acceptance and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance and payment for the Offer Shares does not take place on Monday, 31 August 2015, the dates mentioned in the section headed “Expected Timetable” in this prospectus may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

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## DEFINITIONS

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In this prospectus, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 3 June 2015 relating to (1) proposed Open Offer; (2) application for Whitewash Waiver; (3) closure of register of members; (4) exempted connected transaction in relation to the Underwriting Agreement; and (5) appointment of independent financial adviser
“Application Form”	the application form for use by the Qualifying Shareholders to apply for the Offer Shares
“Articles of Association”	the articles of association of the Company currently in force
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks are generally open for business in Hong Kong (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m. on weekdays)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 13 July 2015 in relation to, inter alia, the Open Offer
“Company”	New City Development Group Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Committed Shares”	259,050,000 Offer Shares, being the assured entitlement of the Underwriter under the Open Offer
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)

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## DEFINITIONS

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“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on 3 August 2015 and at which, among other things, the Open Offer, the absence of excess application arrangement and the Whitewash Waiver were approved
“Excluded Shareholder(s)”	those Overseas Shareholders to whom the Company (having obtained relevant and necessary legal opinions) considers it necessary or expedient not to offer the Offer Shares on account of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the executive director of the corporate finance division of the SFC or any delegate of the executive director
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than (i) the Underwriter and its associates and parties acting in concert with them; and (ii) any Shareholders who are interested in, or involved in, the Open Offer, the Underwriting Agreement and/or the Whitewash Waiver (save for any assured entitlement to the Open Offer as a Qualifying Shareholder)
“Irrevocable Undertakings”	the irrevocable undertakings respectively given by Mr. Han and the Underwriter to the Company pursuant to the Underwriting Agreement
“Last Acceptance Day”	31 August 2015, being the last day for acceptance of and payment for the Offer Shares

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## DEFINITIONS

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“Last Trading Day”	Wednesday, 3 June 2015, being the last trading day for the Shares immediately prior to the date of the Announcement
“Latest Practicable Date”	13 August 2015, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Han”	Mr. Han Junran, an executive Director and the chairman of the Company, who holds the entire issued share capital of the Underwriter
“Offer Share(s)”	636,196,999 new Share(s) to be allotted and issued under the Open Offer
“Open Offer”	the proposed issue of the Offer Shares on the basis of one (1) Offer Share for every four (4) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Letter”	the letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is(are) outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus” or “prospectus”	this prospectus to be issued by the Company and despatched to the Qualifying Shareholders and, for information purpose only, to the Excluded Shareholders
“Prospectus Documents”	the Prospectus and the Application Form
“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date

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## DEFINITIONS

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“Record Date”	Thursday, 13 August 2015 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	Union Registrars Limited of A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, the branch share registrar of the Company in Hong Kong
“Settlement Date”	Tuesday, 8 September 2015 (or such later date as the Underwriter and the Company may agree in writing)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.28 per Offer Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers
“Underwriter”	Junyi Investments Limited, an investment holding company incorporated under the laws of the British Virgin Islands, the entire issued share capital of which is beneficially and ultimately owned by Mr. Han (who is also its sole director)
“Underwriting Agreement”	the underwriting agreement dated 3 June 2015 entered into between the Company, Mr. Han and the Underwriter in relation to the underwriting arrangements in respect of the Open Offer
“Underwritten Shares”	377,146,999 Offer Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement



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## DEFINITIONS

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“Untaken Shares”	Offer Shares not taken up at or before 4:00 p.m. on Monday, 31 August 2015, being the last date of acceptance and payment for the Offer Shares
“Whitewash Waiver”	a waiver of the obligation of the Underwriter to make a mandatory general offer as a result of the underwriting of the Open Offer for all the Shares not already owned, controlled or agreed to be acquired by the Underwriter and parties acting in concert with it pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code by the Executive as referred to in this prospectus
“%” or “per cent”	per cent

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## TERMINATION OF UNDERWRITING AGREEMENT

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The Underwriter may terminate the underwriting arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to 4:00 p.m. on Tuesday, 1 September 2015, if there occurs:

- (i) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or

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## TERMINATION OF UNDERWRITING AGREEMENT

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- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, a material omission in the context of the Open Offer.

If prior to 4:00 p.m. on Tuesday, 1 September 2015 any such notice referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement shall cease and determine and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided however that the Company shall remain liable to pay the costs, charges and expenses related or incidental to the Open Offer.

**If the Underwriting Agreement is terminated by the Underwriter prior to 4:00 p.m. on Tuesday, 1 September 2015 or does not become unconditional, the Open Offer will not proceed.** A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Han Junran (*Chairman*)

Mr. Fu Yiu Kwong

Mr. Luo Min

*Registered Office:*

Floor 4, Willow House

Cricket Square, P.O. Box 2804

Grand Cayman KY1-1112

Cayman Islands

*Independent non-executive Directors:*

Mr. Seto Man Fai

Mr. Chan Yiu Tung, Anthony

Mr. Zheng Qing

Dr. Ouyang Qingru

*Head office and principal place of  
business in Hong Kong*

Unit D, 17/F, MG Tower,

133 Hoi Bun Road, Kowloon,

Hong Kong

17 August 2015

*To the Qualifying Shareholders*

Dear Sir or Madam,

**OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR  
EVERY FOUR SHARES HELD ON THE RECORD DATE**

**INTRODUCTION**

As disclosed in the Announcement, the Company proposes to raise approximately HK\$178 million, before expenses, by way of the Open Offer of 636,196,999 Offer Shares at the Offer Price of HK\$0.28 per Offer Share on the basis of one (1) Offer Share for every four (4) Shares held by the Qualifying Shareholders on the Record Date. As at the Record Date and the Latest Practicable Date, there were 2,544,787,999 Shares in issue.

On 13 July 2015, the Circular was despatched to the Shareholders. All the resolutions including the Open Offer, the absence of excess application arrangement, the Whitewash Waiver and the transactions contemplating thereunder were approved by the Independent Shareholders by way of poll at the EGM on 3 August 2015.

The purpose of this prospectus is to provide you with further information on, among other things, the Open Offer including information on the application for and payment of the Offer Shares and certain financial and other information in respect of the Company.

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## LETTER FROM THE BOARD

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### OPEN OFFER

#### Issue statistics

Basis of the Open Offer	One (1) Offer Share for every Four (4) Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	HK\$0.28 per Offer Share
Number of Shares in issue as at the Record Date	2,544,787,999 Shares
Number of Offer Shares	636,196,999 Offer Shares (assuming no further issue of any Shares on or before the Record Date)
Number of Offer Shares to be underwritten by the Underwriter	377,146,999 Offer Shares, being all the Offer Shares other than the Committed Shares which have been irrevocably undertaken to be subscribed by the Underwriter as assured entitlement under the Open Offer (assuming no further issue of any Shares on or before the Record Date)
Number of Shares in issue immediately upon completion of the Open Offer	3,180,984,998 Shares (assuming no further issue of any Shares on or before the Record Date)

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Pursuant to the Underwriting Agreement, the Company has undertaken to the Underwriter that it shall not issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire the Shares (other than the Offer Shares) from the date of the Underwriting Agreement until after Monday, 31 August 2015, being the last date of acceptance and payment for Offer Shares.

Assuming (i) no further issue of any Shares; and (ii) no repurchase of any Shares by the Company, on or before the Record Date, the 636,196,999 Offer Shares proposed to be allotted represent approximately 25% of the Company's issued share capital as at the Latest Practicable Date and approximately 20% of the Company's issued share capital as enlarged by the issue of the Offer Shares.

#### Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders and the invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable.

The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) if and to the extent legally and practically permissible, the Prospectus (without the Application Form), for information purposes only, to the Excluded Shareholders.

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## LETTER FROM THE BOARD

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To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date, and not being an Excluded Shareholder. Shareholders having an address in Hong Kong on the register of members of the Company at the close of business on the Record Date are qualified for the Open Offer. Shareholders having an address outside Hong Kong on the register of members of the Company at the close of business on the Record Date are qualified for the Open Offer, only if the Board, after making relevant enquiry regarding the legal restrictions under the laws of the relevant place or the requirement of the relevant regulatory body or stock exchange in that place pursuant to Rule 13.36(2)(a) of the Listing Rules, considers that it would not be necessary or expedient to exclude these Shareholders from participating in the Open Offer.

### **Registration and distribution of the Prospectus Documents**

The Prospectus Documents will not be registered under any securities regulations of any jurisdictions other than Hong Kong.

As the Directors are of the view that the offer of the Offer Shares to the Excluded Shareholders would or might, in the absence of compliance with registration or other special formalities in jurisdictions other than Hong Kong, be unlawful or impracticable, if at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside of Hong Kong, that Shareholder may not be eligible to take part in the Open Offer.

Distribution of the Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction.

Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder who is in any doubt as of his/her/its position should consult an appropriate professional adviser without delay.

It is the responsibility of any person (including but not limited to agent, custodian, nominee and trustee) outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Offer Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Shareholders should consult their professional advisers if in doubt.

Receipt of this Prospectus and/or the Application Form does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or the Application Form must be treated as sent for information only and should not be copied or redistributed. Persons including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this prospectus and/or the Application Form should not, in connection with the Open Offer, distribute or

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## LETTER FROM THE BOARD

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send the same in, into or from any such territory. If an application form is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the application form or transfer the application form unless the Company determines that such actions would not violate any applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus or the Application Form in, into or from any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

### **Entitlements of the Overseas Shareholders**

If, at the close of business on the Record Date, any Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

According to the register of members of the Company as at the Latest Practicable Date, there were two Overseas Shareholders whose addresses on the register of members were in the PRC and the United States of America respectively. Pursuant to Rule 13.36(2) of the Listing Rules, the Directors have made enquiry regarding the legal restrictions with respect to the offering of the Offer Shares to the Overseas Shareholders. Based on the opinions of such legal advisers, the Directors have formed the view that (i) it is inexpedient for the Offer Shares to be offered to the Overseas Shareholder in the United States of America, due to the time and costs involved in the registration or filing of the Prospectus Documents or the application for approval from the relevant regulatory authorities in and/or the additional steps the Company and the Overseas Shareholder need to take in order to comply with relevant local legal or regulatory requirements in that territory or legal or regulatory restrictions imposed in that territory; and (ii) it is expedient for the Offer Shares to be offered to the Overseas Shareholders in the PRC, as no local legal or regulatory compliance is required to be made in these jurisdictions. Therefore, the Company will not offer any Offer Shares to the Overseas Shareholder in the United States of America.

Accordingly, for the purposes of the Open Offer and as at the Latest Practicable Date, the Excluded Shareholders are any Overseas Shareholder:

- (a) whose name appeared in the register of members of the Company at the Record Date and whose address as shown in such register is in the United States of America; and
- (b) who, at that time, are otherwise known by the Company to be resident in the territory specified in paragraph (a) above.

The Company will send the Overseas Letter and the Prospectus to the Excluded Shareholders for information only.

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## LETTER FROM THE BOARD

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Overseas Shareholders should note that they may or may not be entitled to the Open Offer. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

### **Subscription Price**

The Subscription Price is HK\$0.28 per Offer Share, payable in full by a Qualifying Shareholder upon acceptance of the assured allotment under the Open Offer. The Subscription Price represents:

- (a) a discount of approximately 24.32% to the closing price of HK\$0.37 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 24.12% to the average closing price of HK\$0.369 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 22.22% to the average of the closing prices of HK\$0.36 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 9.68% to the closing price of HK\$0.31 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (e) a discount of approximately 7.89% to the theoretical ex-entitlement price of HK\$0.304 per Share based on the closing price of HK\$0.31 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (f) a premium of approximately 60.92% to the audited consolidated net asset value of the Group attributable to the Shareholders of approximately HK\$0.174 per Share as at 31 December 2014.

Each Offer Share will have a par value of HK\$0.004.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the then market environment, market price of the Shares prior to the Last Trading Day and the recent financial condition of the Group. The Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the Subscription Price which has been set at a discount to the recent closing prices of the Shares with an objective to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Group, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price (after deducting all expenses related to the Open Offer) per Offer Share upon full acceptance of the assured allotment of Offer Shares will be approximately HK\$0.274 (assuming no further issue of Shares on or before the Record Date).



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## LETTER FROM THE BOARD

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### **Fractions of Offer Shares**

Fractions of the Offer Shares will not be allotted to the Qualifying Shareholders and fractional entitlements will be round down to the nearest whole number of Offer Shares. Any Offer Shares created from the aggregation of fraction of Offer Shares will be aggregated and taken up by the Underwriter.

### **Odd lot arrangement**

The Shares are currently traded on the Stock Exchange in board lots of 20,000 Shares each. There will be no odd lots arrangement in relation to and as a result of the Open Offer.

### **Status of the Offer Shares**

The Offer Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares.

### **No application for excess Offer Shares**

There is no arrangement for application of the Offer Shares by Qualifying Shareholders in excess of their proportionate assured allotments under the Open Offer. Considering that each Qualifying Shareholder will be given an equal and fair opportunity to participate in the Open Offer, the Company considers that if excess application of the Offer Shares is arranged, the Company would require putting in additional effort and costs to administer the excess application procedures. Accordingly, after arm's length negotiation with the Underwriter, the Board has decided that no excess application of the Offer Shares will be offered to the Qualifying Shareholders. Any Untaken Shares will be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement.

In compliance with Rule 7.26A(2) of the Listing Rules, the absence of excess application arrangement and the alternative arrangement for the disposal of the Offer Shares not being subscribed have been approved by the Independent Shareholders at the EGM.

### **Share certificates and refund cheques for the Open Offer**

Subject to the fulfilment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted to Qualifying Shareholders by ordinary post at their own risk on or before Tuesday, 8 September 2015. Each Shareholder will receive one share certificate for all allotted Offer Shares.

Refund cheques in respect of the Offer Shares if the Open Offer is terminated shall be despatched on or before Tuesday, 8 September 2015 by ordinary post to the applicants at their own risk.

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## LETTER FROM THE BOARD

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### **Application for listing**

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirement of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Offer Shares will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

### **Conditions of the Open Offer**

The Open Offer is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following being fulfilled:

- (i) the passing by the Independent Shareholders by way of poll at the EGM of ordinary resolutions to approve the Open Offer, the absence of excess application arrangement and the Whitewash Waiver by no later than the Posting Date;
- (ii) the Executive having granted, and not having withdrawn or revoked such grant, the Whitewash Waiver, and the fulfilment of all conditions (if any) attached to the Whitewash Waiver;
- (iii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Posting Date;
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Overseas Letter and the Prospectus to the Excluded Shareholders, if any, for information purpose only on the Posting Date;
- (v) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listings of and permission to deal in all the Offer Shares or subject to such conditions as the

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## LETTER FROM THE BOARD

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Company may accept, in all cases prior to 9 September 2015, being the expected date of commencement of dealings in the Offer Shares (or such other date as may be agreed between the Company and the Underwriter);

- (vi) all requirements and conditions imposed by the Stock Exchange or the SFC or under the Listing Rules, the Takeovers Code or otherwise in connection with the Open Offer and the transactions contemplated thereunder (if any) having been fulfilled or complied with;
- (vii) compliance by the Company with all of its obligations under the Underwriting Agreement;
- (viii) compliance with and performance of the Irrevocable Undertakings by Mr. Han and the Underwriter; and
- (ix) the Underwriter has not terminated the Underwriting Agreement in accordance with its terms.

None of the above conditions can be waived by the Company or the Underwriter.

As at the Latest Practicable Date, conditions (i) and (ii) have been fulfilled.

In the event that the above conditions have not been satisfied on or before the respective dates aforesaid or by 4:00 p.m. on Tuesday, 1 September 2015 (or such other dates as the Underwriter and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of the Underwriting Agreement and the Open Offer will not proceed.

### **PROCEDURES FOR APPLICATION AND PAYMENT**

The Application Form is enclosed with this Prospectus which entitles the Qualifying Shareholders to apply for the number of Offer Shares allocated to them based on their shareholding on the Record Date. If you are a Qualifying Shareholder and you wish to apply for any number of Offer Shares based on your assured allotment of the Offer Shares, you must complete, sign and lodge with the Company's branch share registrar in Hong Kong, Union Registrars Limited at A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong by not later than 4:00 p.m. on Monday, 31 August 2015, the Application Form in accordance with the instructions printed thereon, together with the remittance for the aggregate subscription price in respect of such number of Offer Shares you have accepted. All remittance(s) must be made in Hong Kong dollars by cheques drawn on an account with, or by a bank cashier order issued by, a licensed bank in Hong Kong and made payable to "New City Development Group Limited – Open Offer Account" and crossed "Account Payee Only".

It should be noted that unless the duly completed Application Form, together with the appropriate remittance, has been lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at A18/F, Asia Orient Tower, Town Place, 33 Lockhart

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## LETTER FROM THE BOARD

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Road, Wanchai, Hong Kong, by 4:00 p.m. Monday, 31 August 2015, the relevant assured allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and the relevant Offer Shares will be taken up by the Underwriters.

The Application Form contains further information regarding the procedures to be followed if Qualifying Shareholders wish to accept the whole or part of their assured allotment.

All cheques and cashier's orders accompanying completed Application Form will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or a cashier's order, will constitute a warranty by the applicant that the cheque and/or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any Application Form in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant assured allotment and all rights and entitlement given pursuant to which will be deemed to have been declined and will be cancelled.

The Application Form is for use only by the person(s) named therein and is not transferable. No receipt will be issued in respect of any acceptance monies received.

If the conditions of the Underwriting Agreement are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the latest time for termination of the Underwriting Agreement i.e. 4:00 p.m. on Tuesday, 1 September 2015, the monies received in respect of acceptance of Offer Shares will be returned to the Qualifying Shareholders or, in case of joint applicants, to the first-named person without interest by means of cheques despatched by ordinary post to the respective addresses specified in the register of members of the Company at their own risk as soon as practicable thereafter.

### **The Underwriting Agreement**

Date: 3 June 2015

Parties: the Company, the Underwriter and Mr. Han

Underwriter: Junyi Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is wholly and ultimately beneficially owned by Mr. Han (an executive Director and the chairman of the Company) and the ordinary course of business of which does not include underwriting. As at the Latest Practicable Date, Junyi Investments Limited owned 1,036,200,000 Shares (equivalent to approximately 40.72% of the issued share capital of the Company) and is therefore the controlling shareholder and a connected person of the Company.

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## LETTER FROM THE BOARD

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Number of Offer Shares underwritten by the Underwriter:	377,146,999 Offer Shares, being all the Offer Shares other than the Committed Shares which have been irrevocably undertaken to be subscribed by the Underwriter as assured entitlement under the Open Offer (assuming no further issue of any Shares on or before the Record Date)
Underwriting commission	No underwriting commission will be payable by the Company to the Underwriter under the Underwriting Agreement

Save for the Committed Shares which the Underwriter (as holder of 1,036,200,000 Shares as at the Latest Practicable Date) has irrevocably undertaken to take up, the Open Offer is fully underwritten by the Underwriter.

Before the entering into of the Underwriting Agreement with the Underwriter, the Company had approached one independent third party underwriter. But after preliminary discussion with such independent third party underwriter, the terms of underwriting (in particular, the underwriting commission rate) offered by it were not agreeable by the Company. Hence, the Underwriter, being the controlling Shareholder, has decided to undertake the role of an underwriter for the Open Offer without charging any underwriting commission, which directly reduces the costs to be incurred by the Company in connection with the Open Offer. Also, the controlling Shareholder's acting as the underwriter for the Open Offer can show to the public its confidence and support in the Company and its long-term business development, which is also conducive to enhancing the market image of the Company.

Having taken into account the aforesaid factors, the Board (including the independent non-executive Directors) considers the terms of the Underwriting Agreement accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

### **Termination of the Underwriting Agreement**

The Underwriter may terminate the underwriting arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to 4:00 p.m. on Tuesday, 1 September 2015, if there occurs:

- (i) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or

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## LETTER FROM THE BOARD

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- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, a material omission in the context of the Open Offer.

If prior to 4:00 p.m. on Tuesday, 1 September 2015 any such notice referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement shall cease and determine and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided however that the Company shall remain liable to pay the costs, charges and expenses related or incidental to the Open Offer.

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## LETTER FROM THE BOARD

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**If the Underwriting Agreement is terminated by the Underwriter prior to 4:00 p.m. on Tuesday, 1 September 2015 or does not become unconditional, the Open Offer will not proceed.** A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

### **Irrevocable Undertakings**

Pursuant to the Irrevocable Undertakings contained in the Underwriting Agreement:

- (i) the Underwriter irrevocably undertakes to the Company that:
  - (a) it will subscribe and pay for all the Committed Shares; and
  - (b) the 1,036,200,000 Shares owned by it will remain beneficially owned by it at the close of business on the Record Date and that it will not change its registered address in the register of members of the Company;
- (ii) Mr. Han irrevocably undertakes to the Company that within the period commencing from the date of the Underwriting Agreement and ending on the Settlement Date:
  - (a) he will not transfer or otherwise dispose of, or create any right in respect of, any of his shareholding in the Underwriter; and
  - (b) he will procure the Underwriter not to transfer or otherwise dispose of, or create any right in respect of, any Shares held by the Underwriter.

Mr. Han owns the entire issued share capital of the Underwriter and is therefore able to exercise control over the Underwriter.

Except for the Committed Shares which the Underwriter has irrevocably undertaken to take up, the Company has not received any information or irrevocable undertaking from any Shareholders of their intention in relation to the Offer Shares to be offered to them under the Open Offer.

### **Information of the Underwriter and parties acting in concert with it**

The Underwriter is an investment holding company incorporated under the laws of the British Virgin Islands. As at the Latest Practicable Date, the Underwriter owned 1,036,200,000 Shares, representing approximately 40.72% of the issued share capital of the Company. As at the Latest Practicable Date, the entire issued share capital of the Underwriter was wholly and ultimately beneficially owned by Mr. Han.

Mr. Han is an executive Director and the chairman of the Company. As at the Latest Practicable Date, except his deemed interest in the 1,036,200,000 Shares under the SFO by virtue of his holding of the entire issued share capital of the Underwriter, Mr. Han did not

## LETTER FROM THE BOARD

hold, control or have directions over any Shares, convertible securities, warrants or options of the Company or any outstanding derivatives in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

### WARNING OF THE RISKS OF DEALING IN SHARES

The Open Offer is conditional, inter alia, upon (i) the fulfilment of the conditions set out under the section headed “Conditions of the Open Offer” in this prospectus; and (ii) the Underwriting Agreement not being terminated in accordance with its terms as set out in the section headed “Termination of Underwriting Agreement” in this prospectus. Accordingly, the Open Offer may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares from the Latest Practicable Date up to the date when the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

### SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Open Offer (assuming (i) no further issue of any Shares; (ii) no repurchase of any Shares by the Company; and (iii) no change in the shareholding of the substantial shareholders of the Company, after the Latest Practicable Date and immediately before completion of the Open Offer):

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Open Offer assuming all Qualifying Shareholders take up their entitlements under the Open Offer		Immediately after completion of the Open Offer assuming no other Qualifying Shareholders take up any of their entitlements under the Open Offer (save for the Underwriter who has undertaken to take up the Untaken Shares under the Open Offer)	
	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)
<b>Substantial Shareholder</b>						
The Underwriter <i>(Notes 1, 2 and 3)</i>	1,036,200,000	40.72	1,295,250,000	40.72	1,672,396,999	52.57
<i>Sub-total for the Underwriter and parties acting in concert with it</i>	1,036,200,000	40.72	1,295,250,000	40.72	1,672,396,999	52.57
Trinity Grace Limited <i>(Note 4)</i>	496,500,000	19.51	620,625,000	19.51	496,500,000	15.61
<i>Sub-total for the Substantial Shareholders</i>	1,532,700,000	60.23	1,915,875,000	60.23	2,168,896,999	68.18
<b>Public Shareholders</b>	1,012,087,999	39.77	1,265,109,998	39.77	1,012,087,999	31.82
<b>Total</b>	<u>2,544,787,999</u>	<u>100</u>	<u>3,180,984,998</u>	<u>100</u>	<u>3,180,984,998</u>	<u>100</u>



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## LETTER FROM THE BOARD

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*Notes:*

1. As at the Latest Practicable Date, (i) the Underwriter was the registered holder of 1,036,200,000 Shares; (ii) Mr. Han owned the entire issued share capital of the Underwriter. Under the SFO, Mr. Han is deemed to be interested in the 1,036,200,000 Shares held by the Underwriter.
2. The Underwriter has undertaken to the Company that it will subscribe for all its entitlement under the Open Offer.
3. Mr. Han is an executive Director and the chairman of the Company.
4. Trinity Grace Limited is a company wholly owned by Zhou Xi Quan, who is not related to the Underwriter and parties acting in concert with it.

### **REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The principal activity of the Company is investment holding. The Group is principally engaged in property development and investment in the PRC.

The net proceeds of the Open Offer after the deduction of all estimated expenses are estimated to be approximately HK\$174,090,000. The Company intends to apply the net proceeds from the Open Offer for possible acquisition(s) of certain investments should any opportunities arise. The Group has identified some investment opportunities (including a property development-related project in Luoyang City, the PRC, a car-parking facilities business in the arena of city development in Beijing City, the PRC and a project in development of medicare business in the PRC) and is in preliminary discussions with the relevant parties, but all are still at their initial stages and therefore no concrete terms in respect of the aforesaid projects have been reached as at the Latest Practicable Date (save and except that the Group entered into a letter of intent with an independent third party for the project in development of medicare business in the PRC on 12 July 2014, pursuant to which the Group will contribute RMB340,000 for setting up of a joint venture company). As the discussions with the relevant parties for the aforesaid investment opportunities are still at preliminary stage, there has not been any estimation as to the consideration payable for any of such investments as at the Latest Practicable Date. If all such possible acquisitions cannot be materialised, the net proceeds of the Open Offer will be used as general working capital of the Group to strengthen the Company's financial position.

The Board considers that it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity which will not increase the Group's finance costs. The Open Offer will give the Qualifying Shareholders an equal opportunity to maintain their proportionate interests in the Company and to continue to participate in the future development of the Group. Accordingly, the Board considers that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole.

### **EQUITY FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS**

The Company had not conducted any equity fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### EQUITY FUND RAISING EXERCISE OF THE COMPANY IN THE NEXT 12 MONTHS

As at the Latest Practicable Date and to the best of the Directors' knowledge, information and belief, the Company is not considering any equity fund raising exercise during the next 12 months from the Latest Practicable Date.

### IMPLICATION UNDER THE LISTING RULES

As no excess application for the Offer Shares is available under the Open Offer and the Open Offer is underwritten by the Underwriter (a controlling shareholder of the Company), specific approval has been obtained from the Independent Shareholders at the EGM (at which the Underwriter and its associates had abstained from voting) in respect of the absence of such excess application arrangement in compliance with the requirements under Rule 7.26A(2) of the Listing Rules.

The entering into of the Underwriting Agreement with the Underwriter, being a controlling shareholder of the Company and also an associate of Mr. Han (an executive Director and the chairman of the Company), constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As no underwriting commission is to be paid by the Company to the Underwriter for its underwriting commitment, the entering into of the Underwriting Agreement by the Company with the Underwriter is therefore exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

Save and except Mr. Han, no other Directors are involved in or interested in the Open Offer, the Underwriting Agreement, the Whitewash Waiver and all matters contemplated thereunder and were not required to abstain from voting on the relevant board resolutions approving, among other things, the Open Offer, the Underwriting Agreement, the Whitewash Waiver and all matters contemplated thereunder.

Pursuant to Rule 14A.92(2)(b) of the Listing Rules, provided that Rule 7.26A of the Listing Rules has been complied with, the allotment and issue of the Underwritten Shares to the Underwriter pursuant to the Underwriting Agreement will be exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Open Offer will be conducted in compliance with Rule 7.26A of the Listing Rules as mentioned above.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully,  
For and on behalf of the Board  
**Han Junran**  
*Chairman*

## 1. FINANCIAL INFORMATION FOR THE THREE YEARS ENDED 31 DECEMBER 2014 AND THE SIX MONTHS ENDED 30 JUNE 2015

The audited consolidated financial information of the Company for the three financial years ended 31 December 2012, 2013 and 2014, including the notes thereto, have been set out on pages 32 to 99 in the annual report of the Company for the financial year ended 31 December 2012 (<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0423/LTN20130423457.pdf>), pages 28 to 101 in the annual report of the Company for the financial year ended 31 December 2013 (<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0429/LTN20140429274.pdf>), and pages 28 to 97 in the annual report of the Company for the financial year ended 31 December 2014 (<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0429/LTN20150429151.pdf>) respectively. The unaudited financial results of the Group for the six months ended 30 June 2015 have been set out in the interim results announcement 2015 issued by the Company on 31 July 2015.

The said annual reports and interim results of the Company are incorporated by reference into this prospectus and form part of this prospectus and are available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.newcitygroup.com.hk](http://www.newcitygroup.com.hk)) respectively.

## 2. INDEBTEDNESS

### Borrowings

As at 30 June 2015, being the latest practicable date for the purpose of this indebtedness statement (the “Statement”) prior to the printing of this prospectus, the Group had the following outstanding borrowings:

	Non-current portion <i>HK\$'000</i>	Current portion <i>HK\$'000</i>	Total <i>HK\$'000</i>
Group			
Finance lease payables	185	159	344
Due to directors ( <i>note 1</i> )	–	1,260	1,260
Interest-bearing bank and other borrowings, secured			
– Bank loan – ICBC Loan ( <i>note 2a</i> )	14,567	2,848	17,415
– Other loan – Sichuan Loan ( <i>note 2b</i> )	89,246	17,690	106,936
Other payables			
– Loans from Chengda ( <i>note 3a</i> )			
Loan 1	2,936	–	2,936
Loan 2	8,308	–	8,308
Loan 3	1,499	–	1,499
– Due to Chengda ( <i>note 3b</i> )	5,402	–	5,402
	<u>122,143</u>	<u>21,957</u>	<u>144,100</u>

*Notes:*

- (1) The amounts due to directors are unsecured, interest-free and have no fixed terms of repayment.
- (2) All the bank and other borrowings are denominated in RMB and are secured by legal charges on the investment properties of the Group. Details of the secured interest bearing bank and other borrowings are as follows:
  - (a) On 15 June 2011, Guangdong Changliu Investment Company Limited (“Changliu”), an indirect subsidiary of the Company, entered into a loan agreement (the “ICBC Loan Agreement”) with Industrial and Commercial Bank of China (“ICBC”), pursuant to which, ICBC agreed to grant a loan (the “ICBC Loan”) in the amount of RMB140 million to Changliu with a term of 10 years. As at 31 December 2012, RMB19.7 million (equivalent to HK\$24,546,200) of the ICBC Loan has been drawn down by Changliu. The ICBC Loan bears interest at the benchmark annual lending and deposit rate of the People’s Bank of China and is payable by 120 monthly installments from July 2011 onwards.
  - (b) As for the undrawn balance of RMB120.3 million, ICBC has procured Sichuan Trust Co., Limited (the “Sichuan Trust”) to enter into a loan agreement (the “Sichuan Trust Loan Agreement”) with Changliu on 2 August 2011, pursuant to which, Sichuan Trust agreed to provide a loan in the amount of RMB\$120.3 million (the “Sichuan Trust Loan”) to Changliu with a term of 10 years. As at 31 December 2012, the Sichuan Trust Loan has been fully drawn down by Changliu. The Sichuan Trust Loan bears interest at 120% of the benchmark annual lending and deposit rate of the People’s Bank of China with the principal amount payable by 40 quarterly installments and interest payable on a monthly basis since August 2011.

In addition, ICBC charged (i) 30% of the interest on the ICBC Loan; and (ii) 10% of the interest on the Sichuan Trust Loan, as administrative fee for the arrangement of the ICBC Loan and the Sichuan Trust Loan, which in aggregate amounting to RMB7,543,640 (equivalent to approximately HK\$9,399,000). As at 31 December 2012, the Group has fully prepaid the administrative fee to ICBC, which would be amortised to the consolidated statement of profit or loss at the effective interest rate over a 10-year period since 2011.

- (3) The amounts represented three loans obtained by Changliu from Beijing Chengda Shunyi Shangmao Company Limited\* (北京誠達順逸商貿有限公司) (“Chengda”), one of its major creditors and a substantial shareholder of the Company.
  - (a) In June 2011, Changliu obtained a loan from Chengda, with the principal amount of RMB20,000,000 (equivalent to approximately HK\$24,920,000) (the “Loan 1”), which was unsecured and bore interest (i) at the benchmark annual lending and deposit rate of the People’s Bank of China for the first and second years; and (ii) at 130% of the benchmark annual lending and deposit rate of the People’s Bank of China for the third year. The Loan 1 was repayable by annual installment of approximately RMB6.67 million (equivalent to HK\$8,306,667) with the final repayment in May 2014. During the year ended 31 December 2013, Chengda agreed to waive the interest on the Loan 1 from date of inception of the Loan 1. Accordingly, the Loan 1 became interest-free and the interest accrued in the amount of approximately HK\$2,619,000 for the years 2011 and 2012 was written back to the consolidated statement of profit or loss during the year ended 31 December 2013. As at 30 June 2015, an aggregate principal amount of RMB17,650,000 (equivalent to approximately HK\$22,049,000) of the Loan 1 had been settled. For the remaining balance of RMB2,350,000 (equivalent to approximately HK\$2,936,000), Chengda has agreed not to demand for repayment in the next twelve months from the date of the Statement and until the Group is financially viable to do so.

\* For identification purpose only

In April 2014, Changliu obtained a second loan from Chengda, with the principal amount of RMB6,650,000 (equivalent to approximately HK\$8,308,000) (the “Loan 2”), which was unsecured and bore interest at benchmark annual lending and deposit rate of the People’s Bank of China and is repayable within 2 years. In March 2015, Chengda agreed to waive the interest on the Loan 2 from date of inception of the Loan 2. Accordingly, no finance costs was provided since the date of inception of the Loan 2 and it becomes interest-free. No settlement for Loan 2 has been paid.

In March 2015, Changliu further obtained a third loan from Chengda, with the principal amount of RMB1,200,000 (equivalent to approximately HK\$1,499,000) (the “Loan 3”), which is unsecured, interest-free and has no fixed terms of repayment.

- (b) The amount due to Chengda is unsecured, interest-free and has no fixed terms of repayment.
  - (c) Chengda has agreed not to demand for repayment of the remaining balance of the Loan 1, the Loan 2, the Loan 3 and the amount due to it in the next twelve months from the date of the Statement and until the Group is financially viable to do so. Accordingly, the aggregate amount of approximately HK\$18,145,000 was classified as non-current liabilities as at 30 June 2015.
- (4) Pledged assets

As at 30 June 2015, (i) the Group’s investment properties with a carrying value of approximately HK\$738,307,000 were pledged to secure the bank and other borrowings; (2) the leased motor vehicles with a carrying amount of HK\$367,256 was held under the finance lease.

- (5) Debt securities

As at 30 June 2015, the Group did not have any debt securities.

- (6) Commitments

*Operating lease commitments*

- (a) As lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for a term of 1 year. The tenancy agreements will be renewed the tenants upon expiry of the existing lease arrangement.

As at 30 June 2015, the Group had total future minimum lease receivables under non-cancellable operating lease with its tenants falling due as follows:

	<b>Total</b> <i>HK\$'000</i>
Within one year	22,420
In the second to fifth years, inclusive	—
	<u>22,420</u>

## (b) 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 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>Total</b> <i>HK\$'000</i>
Within one year	1,413
In the second to fifth years, inclusive	—
	<u>1,413</u>

*Other commitments*

In addition to the operating lease commitments detailed above, the Group had the following commitments as at 30 June 2015.

## (a) Proposed acquisition

On 8 November 2013, the Group entered into a co-operation agreement (the “Agreement”) with an independent third party (the “Vendor”) and Qingdao Chengtai Real Estate Development Company Limited 青島成泰房地產開發有限公司 (“Qingdao Chengtai”). Pursuant to which, the Group will acquire (the “Qingdao Acquisition”) the entire equity interest in Qingdao Chengtai in 2 phases at a consideration (the “Consideration”) of RMB200,000,000 (equivalent to approximately HK\$249,850,000), subject to the upward adjustment.

The principal assets of Qingdao Chengtai is a leasehold land (the “Land”) located in Qingdao City, Shandong Province, the PRC which is intended for the development of real estate (the “Project”).

For the first phase (the “1st Phase”) of the Qingdao Acquisition, the Group shall acquire 65% equity interest in Qingdao Chengtai when, among other things, the planning approval of the Project is obtained from the relevant government authorities, which should be completed on or before 8 July 2014. For the second phase (the “2nd Phase”) of the Qingdao Acquisition, the Group shall acquire the remaining 35% equity interest in Qingdao Chengtai when the Project has been completed.

The Consideration shall be satisfied by (i) as to RMB80,000,000 (equivalent to approximately HK\$99,940,000) by cash and payable upon the completion of the 1st Phase; and (ii) as to RMB120,000,000 (equivalent to approximately HK\$149,910,000), subject to an upward adjustment, by transferring the corresponding parts of the real estate of the Project which worth RMB120,000,000 (equivalent to approximately HK\$149,910,000) and payable upon the completion of the 2nd Phase.

On 29 January 2015, the Group entered into supplemental agreement with the Vendor to extend the completion date of the 1st Phase of the Qingdao Acquisition to 30 June 2015. On 19 June 2015, the Group further entered into a supplemental agreement with the Vendor to extend the completion date of the 1st Phase of the Qingdao Acquisition to 30 June 2016. As at the date of the Statement, both of the 1st Phase and the 2nd Phase of the Qingdao Acquisition have not been completed.

## (b) Capital injection

On 12 July 2014, the Company entered into a letter of intent for co-operation with an independent third party (the “Partner”), pursuant to which, a Hong Kong company, New City Fortune Medicare Group Limited (“NC Fortune Medicare”) was incorporated, of which, 34% equity interest in NC Fortune Medicare was held by the Group. NC Fortune Medicare will then set up a

wholly-owned subsidiary in Shanghai (the “Shanghai Subsidiary”) for the development of medicare business in various cities in the PRC. The registered capital of the Shanghai Subsidiary will be RMB1,000,000. As at 30 June 2015, none of the RMB340,000 (equivalent to approximately HK\$425,000), being the capital to be contributed by the Group has been injected by the Company to the Shanghai Subsidiary through NC Fortune Medicare.

(7) Litigations

The Company and 北京中證房地產開發有限公司 (literally translated as Beijing Zhong Zheng Real Estate Development Company Limited) (“Beijing Zhongzheng”), a company which was previously a subsidiary of the Company and was disposed of by the Company in 2010, received a civil summons dated 15 May 2014 from the Higher People’s Court of Beijing City (the “PRC Court”), pursuant to which, an application for retrial of a civil court case (the “Litigation”) had been filed by 上海復旦光華信息科技股份有限公司 (literally translated as Shanghai Fudan Guanghua Information Technology Company Limited) (the “Plaintiff”). The Litigation stems from a series of civil court proceedings commenced by the Plaintiff in Beijing No. 1 Intermediate People’s Court and the other courts in the PRC since 2003 which alleged that Beijing Zhongzheng had failed to perform its obligation under a sale contract dated 27 June 2002 (the “Sale Contract”) for selling certain real properties (the “Properties Transactions”) in the PRC to the Plaintiff at a consideration of US\$1,755,432 (equivalent to RMB14,529,886, by applying the exchange rate of US\$1 equivalent to RMB8.2271) entered into between Beijing Zhongzheng and the Plaintiff (the “Allegation”). The Company became one of defendants, as the Plaintiff claimed that Mr. Leung Kwo (梁戈) (“Mr. Leung”), the ex-director and former chairman of the Company, entered into a guarantee agreement (the “Guarantee Agreement”) with the Plaintiff on 28 June 2002 for and on behalf of the Company, pursuant to which, the Company acted as a guarantor to guarantee to the Plaintiff that Beijing Zhongzheng should perform its obligation under the Properties Transactions. No specific amount of compensation was demanded by the Plaintiff against the Company in the Litigation.

In view of the Litigation, the directors of the Company (the “Directors”) has conducted extensive investigations, in which (i) the Directors have inspected all the minutes of the meetings of its board of directors from the date of its incorporation to the end of year 2013 to see if the Allegation has ever been brought to the attention of the Directors, (ii) the Directors have contacted the key management personnel of Beijing Zhongzheng for ascertaining the merits of the Allegation, (iii) the Directors have discussed in their meeting to determine the financial impact of the Litigation and the Allegation; and (iv) sought for legal advices from the lawyers in the Cayman Islands and the PRC (collectively, the “Lawyers”) in respect of the Litigation. From such investigations, the Company found that (i) there was no record showing that the Allegation has ever been brought to the attention of the Directors and they did not approve and sign the Guarantee Agreement, (ii) Beijing Zhongzheng was aware of the Allegation and Litigation, but it has no records in respect of the sales of the Properties Transactions or the receipt of the sales proceeds as alleged in the Litigation. Based on the findings of the investigations, together with legal opinions from the Lawyers, the Directors are of the opinion that the Plaintiff has no merits in the Litigation against the Company.

On 29 July 2015, the Company received the judgment dated 14 May 2015 (the “Judgment”) granted by the PRC Court in respect of the Litigation.

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 Litigation. In short, the PRC Court ruled that both the Sale Contract and the Guarantee Agreement 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 lawyer in the PRC as to the action which should be taken by the Company. No provision in respect of the claims, if any, has been made in the Statement as at 30 June 2015.

(8) Contingent liabilities

Except for the Litigation, the Group did not have any material contingent liabilities as at 30 June 2015.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and others payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding as at 30 June 2015.

### **3. WORKING CAPITAL**

Taking into account the internally generated funds and subject to the completion of the Open Offer with the estimated net proceeds of approximately HK\$174,090,000 (if the Open Offer becomes unconditional), the Directors are of the opinion that the Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of this prospectus, in the absence of unforeseeable circumstances.

### **4. MATERIAL CHANGE**

As disclosed in the announcement of results for the year ended 31 December 2014 made by the Company on 26 March 2015, the Group recorded a decrease in profit attributable to equity holders for the year ended 31 December 2014 as compared with the corresponding period in 2013. Such decrease in profit attributable to equity holders was mainly due to (i) the decrease in gain of approximately HK\$105 million in fair value of investment properties; (ii) the management agreement of the property was expired on 31 December 2013 and accordingly, no property management fee income was recorded by the Group during the year ended 31 December 2014.

Save as disclosed in the paragraph below headed “Financial and Trading Prospects”, the Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 31 December 2014, being the date of which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

### **5. FINANCIAL AND TRADING PROSPECTS**

The land situated at Nos. 20-22, Chigang West Road, Haizhu District, Guangzhou, Guangdong Province, the PRC together with the buildings erected thereon owned by the Group which are currently leased out for rental income and will be redeveloped by the Group in the long run (the “Guangdong Changliu Project”) is currently the Group’s main operating unit. In view of the downward trend of the China’s economy, the stability of the Guangzhou Changliu Project’s rental income may be affected. However, the Group will proactively respond to the current situation by adjusting business structure, enhancing service quality and contributing funds for partial upgrade of the rental premises in order to maintain the stability of the rental income. As a result, it is difficult for the Company to predict with any certainty as to whether the rental income from the Guangzhou Changliu Project will decrease, increase or maintain at its current level in future. On the other hand, according to the overall planning and policy of Three Oldies Reform formulated by the Guangzhou Municipal Government, the Group will proceed forward with the Guangzhou Changliu Project at a pace which would correspond with the overall progress of the local government in the region.



In November 2013, the Group has entered into an agreement to acquire a parcel of land for scientific research use in Qingdao City, the PRC and on which the Group intends to develop real estate (the “Qingdao Project”). As there is a delay in overall control and detailed planning of the relevant district by the Qingdao Municipal Government, the Company is taking active steps for preliminary reporting and communicating with the district government. Meanwhile, the Group has also engaged an international planning and design firm, Parsons Brinckerhoff, which has prepared a design plan for the Qingdao Project. The Group is striving to obtain the relevant approvals from the government by 30 June 2016 and thus the supplemental agreements have been entered into to extend the long stop date accordingly. The Group will continue to adhere to direction of its planned strategic development.

Save for those investment opportunities disclosed in the sub-section headed “Reasons for the Open Offer and use of proceeds” under the section headed “Letter from the Board” in this prospectus, the Company was not in any negotiation and did not have any plan to acquire any new business and/or assets as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had no intention, negotiation or plan to dispose, scale down or terminate any of the Group’s existing business and/or major operating assets.

**SECTION A****UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET  
TANGIBLE ASSETS OF THE GROUP****1. Introduction**

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group which has been prepared on the basis of the notes set out below for illustrating the effect of the proposed open offer (the “Open Offer”) on the consolidated net tangible assets of the Group as if it had taken place on 30 June 2015. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 30 June 2015 or any future date.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net tangible assets of the Group as at 30 June 2015 as extracted from the interim results announcement of the Company and adjusted for the effect of the Open Offer.

*Unaudited pro forma statement of adjusted consolidated net tangible assets of the Group*

<b>Unaudited consolidated net tangible assets of the Group as at 30 June 2015</b>	<b>Estimated net proceeds from the Open Offer</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets of the Group as if the Open Offer had been completed as at 30 June 2015</b>
<i>HK\$'000 (Note 1)</i>	<i>HK\$'000 (Note 2)</i>	<i>HK\$'000</i>
<u>447,807</u>	<u>174,090</u>	<u>621,897</u>
Unaudited consolidated net tangible assets of the Group per share as at 30 June 2015 (Note 3)		<u>HK\$0.18</u>
Unaudited pro forma adjusted consolidated net tangible assets of the Group per share as if the Open Offer had been completed as at 30 June 2015 (Note 4)		<u>HK\$0.20</u>

*Notes:*

1. The unaudited consolidated net tangible assets of the Group as at 30 June 2015 is arrived at by deducting the intangible assets of HK\$Nil from the net assets of the Group of approximately HK\$447,807,000 as at 30 June 2015.
2. The estimated net proceeds from the Open Offer of approximately HK\$174,090,000 are calculated based on 636,196,999 offer shares (the "Offer Share") to be issued at the subscription price of HK\$0.28 per Offer Share, after deduction of the estimated legal and professional expenses and other related expenses of approximately HK\$4,045,000.
3. The calculation of unaudited consolidated net tangible assets of the Group per share as at 30 June 2015 is based on the consolidated net tangible assets of the Group of approximately HK\$447,807,000 and 2,544,787,999 shares in issue as at 30 June 2015.
4. The calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group per share as at 30 June 2015 is based on the unaudited pro forma adjusted consolidated net tangible assets of the Group as if the Open Offer had been completed as at 30 June 2015 of approximately HK\$174,090,000 and 636,196,999 shares in issue immediately following the completion of the Open Offer.
5. No adjustment has been made to reflect the operating results or other transaction of the Group entered into subsequent to 30 June 2015.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION  
INCLUDED IN AN INVESTMENT CIRCULAR**

The following is the text of a report received from the independent reporting accountants, Ascenda Cachet CPA Limited, prepared for the sole purpose of incorporation in this prospectus, in respect of the unaudited pro forma financial information of the Company.

**TO THE DIRECTORS OF NEW CITY DEVELOPMENT GROUP LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma statement of adjusted consolidated net tangible assets (the "Unaudited Pro Forma Financial Information") of New City Development Group Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors (the "Directors") of the Company for illustrative purposes only, to provide information about how the open offer (the "Open Offer") of 636,196,999 offer shares to the qualifying shareholders at the subscription price of HK\$0.28 per offer share on the basis of one offer share for every four shares held on 13 August 2015 (or such other date as the underwriter may agree in writing with the Company) (the "Record Date") might have affected the unaudited consolidated net tangible assets of the Group as if the Open Offer had taken place and completed on 30 June 2015. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 June 2015 and related notes as set out in Section A of Appendix II of this prospectus (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section A of Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Open Offer on the Group's financial position as at 30 June 2015 as if the transaction had taken place at 30 June 2015. As part of this process, information about the Group's financial position has been extracted by the Directors from the Company's interim results announcement for the six months ended 30 June 2015, which has been published.

**DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL  
INFORMATION**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**REPORTING ACCOUNTANT'S RESPONSIBILITIES**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the respective dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKASE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant transaction on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Open Offer would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**OPINION**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully

**ASCENDA CACHET CPA LIMITED**  
Certified Public Accountants  
Hong Kong  
**Chan Chi Yuen**  
**Practising Certificate Number P02671**

**1. RESPONSIBILITY STATEMENT**

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

**2. SHARE CAPITAL****(a) Share capital of the Company***(i) As at the Latest Practicable Date*

HK\$

*Authorised:*

<u>10,000,000,000</u>	Shares	<u>40,000,000.00</u>
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*Issued and fully paid:*

<u>2,544,787,999</u>	Shares	<u>10,179,151.996</u>
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*(ii) Immediately upon completion of the Open Offer (assuming no further issue of new Shares on or before the Record Date)*

HK\$

*Authorised:*

<u>10,000,000,000</u>	Shares	<u>40,000,000.00</u>
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*Issued and fully paid:*

2,544,787,999	Shares at the Latest Practicable Date	10,179,151.996
636,196,999	Offer Shares to be issued pursuant to the Open Offer	2,544,787.996
<u>3,180,984,998</u>	Shares following completion of the Open Offer	<u>12,723,939.992</u>

There has been no alternation to the authorised share capital of the Company since the end of its last financial year, being 31 December 2014. All of the Shares currently in issue rank pari passu in all respects with each other including, in particular, as to dividends, voting rights and capital. Since 31 December 2014 (being the date to which the latest published audited financial statements of the Company were made up) and up to the Latest Practicable Date, there had not been any new issue of Shares by the Company.

The Offer Shares to be allotted and issued will, when issued and fully paid, rank pari passu in all respects with the Shares then in issue.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Offer Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends were waived or agreed to be waived.

As at the Latest Practicable Date, no share or loan capital of the Company or any of its subsidiaries had been put under option or agreed conditionally or unconditionally to be put under option.

The Company did not have any derivatives, options, warrants and other convertible securities or rights convertible into Shares as at the Latest Practicable Date.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors and the chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors, the chief executive and their associates, in the Shares, underlying Shares or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules were as follow:

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of Shares/ underlying Shares</b>	<b>Approximate percentage of the total issued Shares</b>
Han Junran (Notes 1 and 2)	Interests of controlled corporation	1,036,200,000	40.72



**(b) Interest of substantial shareholders**

As at the Latest Practicable Date, so far as is known to any Director, the interests and short positions of persons in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register of substantial shareholder required to be kept by the Company under Section 336 of the SFO were as follows:

*Long positions in Shares and underlying Shares*

<b>Name of Shareholders</b>	<b>Capacity</b>	<b>Number of Shares/ underlying Shares</b>	<b>Approximate percentage of the total issued Shares</b>
Han Junran <i>(Notes 1 and 2)</i>	Interest of controlled corporation	1,036,200,000	40.72%
Junyi Investments Limited <i>(Notes 1 and 2)</i>	Beneficial owner	1,036,200,000	40.72%
Trinty Grace Limited <i>(Note 3)</i>	Beneficial owner	496,500,000	19.54%
Zhou Xi Quan <i>(Note 3)</i>	Interest of controlled corporation	496,500,000	19.54%
Beijing Chengda Shunyi Shangmao Company Limited <i>(Note 4)</i>	Interest of controlled corporation	198,600,000	7.82%
Grandfield Holdings Limited <i>(Note 4)</i>	Beneficial owner	198,600,000	7.82%
Xu Tao <i>(Note 4)</i>	Interest of controlled corporation	198,600,000	7.82%
Zhong Hui Yin <i>(Note 4)</i>	Interest of controlled corporation	198,600,000	7.82%

*Notes:*

1. As at the Latest Practicable Date, (i) Junyi Investment Limited is the registered holder of 1,036,200,000 Shares, representing approximately 40.72% of the issued share capital of the Company; (ii) the entire issued share capital of Junyi Investment Limited is held by Mr. Han. Accordingly, Mr. Han is deemed to be interested in such 1,036,200,000 Shares under the SFO.
2. As at the Latest Practicable Date, Mr. Han held the entire issued share capital of Junyi Investment Limited, the Underwriter. Pursuant to the Underwriting Agreement, Junyi Investment Limited will take up all the Underwritten Shares, being 377,146,999 Offer Shares other than the Committed Shares which have been irrevocably undertaken to be subscribed by the Underwriter as assured entitlement under the Open Offer (assuming no further issue of any Shares on or before the Record Date).
3. As at the Latest Practicable Date, (i) Trinity Grace Limited is the registered holder of 496,500,000 Shares, representing approximately 19.54% of the issued share capital of the Company; and (ii) the entire issued share capital of Trinity Grace Limited is held by Zhou Xi Quan. Accordingly, Zhou Xi Quan is deemed to be interested in such 496,500,000 shares under the SFO.
4. As at the Latest Practicable Date, (i) Grandfield Holdings Limited is the registered holder of 198,600,000 Shares, representing approximately 7.82% of the issued share capital of the Company; (ii) the entire issued share capital of Grandfield Holdings Limited is held by Beijing Chengda Shunyi Shangmao Company Limited; and (iii) the entire issued share capital of Beijing Chengda Shunyi Shangmao Company Limited is held by Xu Tao as to 70% and Zhong Hui Yin as to 30%; and (iv) Accordingly, Xu Tao and Zhong Hui Yin are deemed to be interested in such 198,600,000 Shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, no person who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

#### 4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries or associated companies:

- (i) which (including both continuous and fixed term contracts) has been entered into or amended within 6 months prior to the date of the Announcement;
- (ii) which is a continuous contract with a notice period of 12 months or more;
- (iii) which is a fixed term contract with more than 12 months to run irrespective of the notice period; or
- (iv) which is not expiring or determinable by the employer within one year without payment of compensation other than statutory compensation.

#### 5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group within two years immediately preceding the date of this prospectus (being 17 August 2015) and up to and including the Latest Practicable Date which are or may be material:

- (i) The Underwriting Agreement.
- (ii) The letter of intent dated 12 July 2014 made between the Company and an independent third party, pursuant to which the parties have established a joint venture Hong Kong company, New City Fortune Medicare Group Limited (“NC Fortune Medicare”) and 34% of its shareholding is held by the Group. NC Fortune Medicare will set up a wholly-owned subsidiary (with a registered capital of RMB1,000,000) in Shanghai for the development of medicare business in various cities in the PRC.
- (iii) The co-operation agreement (the “Co-operation Agreement”) dated 8 November 2013 made between an independent third party as vendor, Novel Apex Investments Limited (a wholly-owned subsidiary of the Company) (“Novel Apex”) as purchaser and Qingdao Chengtai Real Estate Development Company Limited\* (青島成泰房地產開發有限公司) (“Qingdao Chengtai”) as target company, pursuant to which the Group will acquire the entire equity interest in Qingdao Chengtai for a consideration of RMB200,000,000. The principal asset of Qingdao Chengtai is a leasehold land in Qingdao City, Shangdong Province, the PRC.
- (iv) The supplemental agreement dated 29 January 2015 to the Co-operation Agreement made between an independent third party as vendor, Novel Apex as purchaser and Qingdao Chengtai as target company, pursuant to which the long

stop date for obtaining the planning approval for the construction plan of the land situated in Qingdao City, Shandong Province, PRC (the “Planning Approval”) was extended to 30 June 2015.

- (v) The second supplemental agreement dated 19 June 2015 to the Co-operation Agreement made between an independent third party as vendor, Novel Apex as purchaser and Qingdao Chengtai as target company, pursuant to which the long stop date for obtaining the Planning Approval was further extended to 30 June 2016.
- (vi) The loan agreement dated 21 April 2014 made between Beijing Chengda Shunyi Shangmao Company Limited\* (北京誠達順逸商貿有限公司) (“Beijing Chengda”), as lender and Guangdong Changliu Investment Co., Limited\* (廣東暢流投資有限公司) (an indirect wholly-owned subsidiary of the Company) (“Guangdong Changliu”) as borrower, pursuant to which Beijing Chengda lent a loan of RMB6,650,000 to Guangdong Changliu.
- (vii) The loan agreement dated 31 March 2015 made between Beijing Chengda as lender and Guangdong Changliu as borrower, pursuant to which Beijing Chengda lent a loan of RMB1,200,000 to Guangdong Changliu.

## **6. INTERESTS IN THE GROUP ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which had been, since 31 December 2014 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, save for the Underwriting Agreement entered into between the Company, Mr. Han (an executive Director) and the Underwriter (a company wholly owned by Mr. Han), none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

## **7. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and their respective associates had any direct or indirect interest in a business which competes or may compete with the business of the Group.

\* For identification purpose only

## 8. MATERIAL LITIGATION

The Company and 北京中證房地產開發有限公司 (literally translated as Beijing Zhong Zheng Real Estate Development Company Limited) (“Beijing Zhongzheng”), a company which was previously a subsidiary of the Company and was disposed of by the Company in 2010, received a civil summons dated 15 May 2014 from the Higher People’s Court of Beijing City (the “PRC Court”), pursuant to which, an application for retrial of a civil court case (the “Litigation”) had been filed by 上海復旦光華信息科技股份有限公司 (literally translated as Shanghai Fudan Guanghua Information Technology Company Limited) (the “Plaintiff”).

The Litigation stems from a series of civil court proceedings commenced by the Plaintiff in Beijing No.1 Intermediate People’s Court and the other courts in the PRC since 2003 which alleged that Beijing Zhongzheng had failed to perform its obligation under a sale contract dated 27 June 2002 (the “Sale Contract”) for selling certain real properties (the “Properties Transactions”) in the PRC to the Plaintiff at a consideration of US\$1,755,432 (equivalent to RMB14,529,886, by applying the exchange rate of US\$1 equivalent to RMB8.2271) entered into between Beijing Zhongzheng and the Plaintiff (the “Allegation”). The Company became one of defendants, as the Plaintiff claimed that Mr. Leung Kwo (梁戈) (“Mr. Leung”), the ex-director and former chairman of the Company, entered into a guarantee agreement (the “Guarantee Agreement”) with the Plaintiff on 28 June 2002 for and on behalf of the Company, pursuant to which, the Company acted as a guarantor to guarantee to the Plaintiff that Beijing Zhongzheng should perform its obligation under the Properties Transactions. No specific amount of compensation was demanded by the Plaintiff against the Company in the Litigation.

On 29 July 2015, the Company received the judgment dated 14 May 2015 (the “Judgment”) granted by the PRC Court in respect of the Litigation.

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 Litigation. In short, the PRC Court ruled that both the Sale Contract and the Guarantee Agreement 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 lawyer in the PRC as to the action which should be taken by the Company. No provision has been made in the interim financial statements as at 30 June 2015.

Save as disclosed above, as at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

**9. EXPENSES**

The expenses in connection with the Open Offer, including financial advisory fees, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$4,045,000 which are payable by the Company.

**10. EXPERT AND CONSENT**

The following is the qualification of the expert who has been named in this prospectus or have given opinions, letters or advice contained in this prospectus:

<b>Name</b>	<b>Qualifications</b>
Ascenda Cachet CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, Ascenda Cachet CPA Limited did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group; and did not have any interest, direct or indirect, in any asset which since 31 December 2014, the date to which the latest published audited financial statements of the Company were made up, had been acquired or disposed of by or leased to any member of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group.

The letter or report of Ascenda Cachet CPA Limited is given as of the date of this prospectus for incorporation herein, Ascenda Cachet CPA Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letter and references to its name and logo in the form and context in which it appears.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available (i) for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. on any business day (except Saturdays, Sundays and public holidays) at Unit D, 17/F, MG Tower, 133 Hoi Bun Road, Kowloon, Hong Kong from the date of this prospectus up to 4:00 p.m. on 31 August 2015, being the latest time for acceptance and payment for the Offer Shares:

- (a) this prospectus;
- (b) the memorandum and articles of association of the Company;
- (c) the memorandum and articles of association of the Underwriter;
- (d) the annual reports of the Company containing audited consolidated financial statements of the Company for the two financial years ended 31 December 2013 and 2014;

- (e) the report on the unaudited pro forma financial information of the Group prepared by Ascenda Cachet CPA Limited, the text of which is set out in Appendix II to this prospectus;
- (f) the material contracts referred to in paragraph headed “5. Material contracts” in this appendix; and
- (g) the written consent referred to in paragraph headed “10. Expert and consent” in this appendix.

## 12. BIOGRAPHICAL DETAILS OF DIRECTORS

### *Executive Directors*

#### **Mr. Han Junran** (“Mr. Han”)

Mr. Han, aged 58, obtained a professional law diploma from China Politics and Laws University in 1988. In 2001, Mr. Han also obtained a master’s degree in enterprise management from Capital University of Economics and Business. Mr. Han has worked for Beijing Urban Construction Group Company Limited, the office of The Standing Committee of the National People’s Congress of Beijing City and the office of the Beijing Municipal Government since 1983. Mr. Han joined the Group in December 1999 as the Group’s general manager. Mr. Han is currently responsible for the Group’s overall strategic development and management. Mr. Han was appointed as an Executive Director of the Company in December 1999 and the Chairman of the Company in December 2002.

#### **Mr. Fu Yiu Kwong** (“Mr. Fu”)

Mr. Fu, PhD, aged 57, has over 30 years of experience in the accounting profession. Mr. Fu has worked for various local listed companies. He has extensive experience in auditing, merger and acquisition, business re-engineering and company re-structuring. Mr. Fu joined the Group in March 2003 as an Executive Director of the Group.

#### **Mr. Luo Min** (“Mr. Luo”)

Mr. Luo, aged 48, is an engineer and has extensive experience in property development, investments and management. Mr. Luo was appointed as a Non-Executive Director of the Company in May 2008. On 1 March 2012, Mr. Luo has been re-designated from a Non-Executive Director to an Executive Director.

*Independent non-executive Directors***Mr. Chan Yiu Tung, Anthony** (“Mr. Chan”)

Mr. Chan, aged 56, 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 Chan Shum Kee Sam Lee Construction Company Limited. Mr. Chan is currently the member of various organizations including Lions Club of Hong Kong West (President during the years 1996/97 and 2001/02), Hong Kong Registered Contractors Association (President), The Hong Kong Construction Association Ltd (Council Member), H.K. General Building Contractors Association Ltd (President for 2011-2013), Kwong Yuet Tong Hong Kong (Council Member), Association of Hong Kong Nanjing Fellows Ltd (Director), The Chinese General Chamber of Commerce (Shamshuipo) (Council Member), Commercial & Industrial Committee of DAB (Council Member), Guangzhou Overseas Friendship-Liaison Association (Council Member), Yan Oi Tong (Directors for the years 2006 to 2009 and 2011 to 2014), Mr. Chan was appointed as an Independent Non-Executive Director of the Company in August 2002.

**Mr. Seto Man Fai** (“Mr. Seto”)

Mr. Seto, aged 47, graduated from the Chinese University of Hong Kong with a bachelor’s degree in accounting. He is a member of the American Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He is also a member of the Institute of Chartered Accountants in England and Wales. Mr. Seto has extensive experiences in accounting, auditing and corporate finance. Mr. Seto is currently the partner of two accounting firms in Hong Kong. Mr. Seto was appointed as an Independent Non-Executive Director of the Company in October 2009.

**Mr. Zheng Qing** (“Mr. Zheng”)

Mr. Zheng, aged 49, 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 PRC. Mr. Zheng was appointed as an Independent Non-Executive Director of the Company in September 2004.

**Dr. Ouyang Qingru** (“Dr. Ouyang”)

Dr. Ouyang, aged 48, graduated from the Shanghai Second Medical University, is the engineer of the Anesthesiology division of a leading hospital. Working in the Hospital, Dr. Ouyang is familiar with clinical anesthesia and medical equipment application and has immersed experience in the hospital management. Dr. Ouyang was appointed as an Independent Non-Executive Director of the Company in December 2014.



Save as disclosed hereinabove and as at the Latest Practicable Date, none of the Directors (i) held any interests in the Shares of the Company within the meaning of Part XV of the SFO; (ii) had any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company; (iii) held any other position with the Company or its subsidiaries; (iv) held any other directorships in other public companies whose securities are listed on any securities market in Hong Kong or overseas in the last three years; and (v) was a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

### 13. CORPORATION INFORMATION

#### **Executive Directors**

Mr. Han Junran  
Flat A, 45/F, Tower 2  
8 First Street  
Island Crest  
Sai Ying Pun, Hong Kong

Mr. Fu Yiu Kwong  
Ground Floor, Block H,  
Sunny Villa, 306 Ha Tsuen,  
San Wai, Yuen Long,  
New Territories, Hong Kong

Mr. Luo Min  
Flat 3204, A/F  
28 Harbour Road  
Wanchai,  
Hong Kong

#### **Independent Non-Executive Directors**

Mr. Chan Yiu Tung, Anthony  
Flat 3C, Village Garden,  
30 Fa Bo Street, Yau Yat Chuen,  
Kowloon, Hong Kong

Mr. Seto Man Fai  
Flat A, 22/F,  
Tower 5,  
Island Harbourview,  
Tai Kok Tsui,  
Kowloon, Hong Kong

Mr. Zheng Qing  
No. 8, 2 Men,  
319 Block, No. 16 Yu Quan Lu,  
Hai Tian Qu, Beijing, PRC

	Dr. Ouyang Qingru Room 1001, No.1 Xuhong Road North, Lane 22, Xuhui District, Shanghai Postal Code 200030, PRC
<b>Principal place of business in Hong Kong</b>	Unit D, 17/F, MG Tower, 133 Hoi Bun Road, Kowloon, Hong Kong
<b>Registered Office</b>	Floor 4, Willow House, Cricket Square P.O. Box 2804, Grand Cayman, KY1-1112 Cayman Islands
<b>Auditors</b>	Ascenda Cachet CPA Limited 13F Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong
<b>Principal Bankers</b>	The Hong Kong and Shanghai Banking Corporation Limited No.1 Queen's Road Central, Hong Kong  Hang Seng Bank 83 Des Voeux Road Central, Hong Kong  China Citic Bank International Limited 61-65 Des Voeux Road Central, Hong Kong
<b>Principal share registrar and transfer office</b>	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House, 24 Shedden Road, George Town, Grand Cayman KY1-1110, Cayman Islands
<b>Hong Kong branch share registrar and transfer office</b>	Union Registrars Limited A18/F., Asia Orient Tower Town Place, 33 Lockhart Road, Wanchai, Hong Kong
<b>Authorised representatives</b>	Mr. Han Junran Mr. Fu Yiu Kwong

**Company secretary** Ms. Chan Yim Kum  
(a member of The Taxation Institute of Hong Kong, The Institute of Chartered Secretaries and Administration of the United Kingdom and The Hong Kong Institute of Company Secretaries)

#### 14. PARTIES INVOLVED IN THE OPEN OFFER AND WHITEWASH WAIVER

**Underwriter** Junyi Investments Limited  
P.O. Box 957,  
Offshore Incorporations Centre,  
Road Town, Tortola,  
British Virgin Islands

**Person(s) acting in concert** Mr. Han  
Unit D, 17/F, MG Tower,  
133 Hoi Bun Road, Kowloon, Hong Kong

**Financial adviser to the Company** Haitong International Capital Limited  
22/F, Li Po Chun Chambers, 189 Dex Voeux Road  
Central, Hong Kong

**Independent financial adviser to the Independent Board Committee and the Independent Shareholders** Veda Capital Limited  
Suite 3711, 37/F, Tower Two, Times Square  
Matheson Street, Causeway Bay, Hong Kong

**Legal adviser to the Company** *As to Hong Kong Law*  
Keith Lam Lau & Chan  
5th to 7th Floors, The Chinese Club Building  
Nos. 21-22, Connaught Road Central  
Central, Hong Kong

*As to PRC Law*  
Zheng Bang Law Firm  
Flat B, 7/F., North Tower, Xingye Real Estate,  
9 Tiyu West Road, Tianhe District,  
Guangzhou City, Guangdong, PRC

**Reporting accountant of the Company** Ascenda Cachet CPA Limited

**Property valuer of the Company** Savills Valuation and Professional Services Limited

**15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “10. Expert and consent” in this appendix have been delivered to the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance.

**16. LEGAL EFFECT**

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance.

**17. MISCELLANEOUS**

In the event of inconsistency, the English text of this prospectus and the accompanying form of proxy shall prevail over the Chinese text.