

13 July 2015

Dear Sirs,

**(1) PROPOSED OPEN OFFER  
ON THE BASIS OF ONE OFFER SHARE FOR EVERY FOUR SHARES  
HELD ON THE RECORD DATE;  
(2) APPLICATION FOR WHITEWASH WAIVER**

We refer to the circular of the Company dated 13 July 2015 (the “Circular”) of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Open Offer (including that the Open Offer will be fully underwritten by the Underwriter), the absence of excess application arrangement and the Whitewash Waiver and to recommend whether or not the Independent Shareholders should vote on the resolution(s) to be proposed at the EGM to approve the Open Offer (including that the Open Offer will be fully underwritten by the Underwriter), the absence of excess application arrangement and the Whitewash Waiver and the respective transactions contemplated thereunder. Veda Capital has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the Open Offer, the absence of excess application arrangement and the Whitewash Waiver in this regard.

We wish to draw your attention to the “Letter from the Board” set out in the Circular and the “Letter from Veda Capital” set out in the Circular to the Independent Board Committee and the Independent Shareholders which contains its advice to us in relation to the Open Offer, the absence of excess application arrangement and the Whitewash Waiver.

Having taken into account the principal factors and reasons considered by and the opinion of Veda Capital as set out in the “Letter from Veda Capital” in the Circular, we are of the view that the Open Offer is a fair and reasonable method for the Company to strengthen the capital base and obtain long-term capital, and are of the view that the Whitewash Waiver, which is to facilitate the implementation of the Open Offer, and the terms of the Open Offer (including that the Open Offer will be fully underwritten by the Underwriter) and the absence of excess application arrangement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM



**新城市建設發展集團有限公司**  
**NEW CITY DEVELOPMENT GROUP LIMITED**

to approve the Open Offer (including that the Open Offer will be fully underwritten by the Underwriter), the absence of excess application arrangement and the Whitewash Waiver and the respective transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

**The Independent Board Committee of  
New City Development Group Limited**

**Mr. Seto Man Fai**  
*Independent*  
*Non-executive Director*

**Mr. Chan Yiu Tung, Anthony**

*Independent*  
*Non-executive Director*

**Mr. Zheng Qing**  
*Independent*  
*Non-executive Director*

**Dr. Ouyang Qingru**

*Independent*  
*Non-executive Director*

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**Registered office:**

Floor 4, Willow House, Cricket Square, PO Box 2804, Grand Cayman, KY-1112, Cayman Islands

**Principal place of business in Hong Kong:**

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<b>Mr. Seto Man Fai</b>	<b>Mr. Chan Yiu Tung, Anthony</b>	<b>Mr. Zheng Qing</b>	<b>Dr. Ouyang Qingru</b>
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
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