China New City Group Limited
中國新城市集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 1321)

27 December 2024

To the Independent Shareholders

Dear Sirs/Madam,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS RENEWAL OF THE EXISTING FINANCIAL ADVANCES FRAMEWORK AGREEMENT

We refer to the circular of the Company dated 27 December 2024 (the "**Circular**") of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders of China New City Group Limited to consider the terms of the transactions contemplated under the New Financial Advances Framework Agreement and the proposed Caps, the details of which are set out in the section headed "Major and Continuing Connected Transactions" in the "Letter from the Board" contained in the Circular. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise us and you in this respect.

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

Having considered the information set out in the "Letter from the Board" and taking into account the advice of the Independent Financial Adviser, and the principal factors and reasons considered by the Independent Financial Adviser in relation thereto as stated in its letter, we consider that (i) while entering into the New Financial Advances Framework Agreement was not in the ordinary and usual course of business of the Group, the terms of the New Financial Advances Framework Agreement are considered to be on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole; and (ii) the basis of determining the proposed Caps is fair and reasonable.

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

Yours faithfully,
Independent Board Committee

Xu Chengfa
Independent
Non-executive Director

Lam Yau Yiu
Independent
Non-executive Director

Yuan Yuan
Independent
Non-executive Director