
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China New City Commercial Development Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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China New City Commercial Development Limited

中國新城市商業發展有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 1321)

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at 11:00 a.m. at Conference Room No. 5, 4th Floor, Holiday Inn Hangzhou Xiaoshan, No. 688 Shanyin Road, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC on Wednesday, 20 May 2015 is set out on pages 29 to 34 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the Annual General Meeting or any adjournment thereof to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

16 April 2015

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Adoption Date”	the date on which the Share Option Scheme is to be conditionally adopted by ordinary resolution of the Shareholders
“Annual General Meeting”	the annual general meeting of the Company to be held at 11:00 a.m. at Conference Room No. 5, 4th Floor, Holiday Inn Hangzhou Xiaoshan, No. 688 Shanyin Road, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC on Wednesday, 20 May 2015, the notice of which is set out on pages 29 to 34 of this circular, and any adjournment thereof
“Articles”	the articles of association of the Company (as amended from time to time)
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China New City Commercial Development Limited 中國新城市商業發展有限公司, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares up to a maximum of 20% of the aggregate number of Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	10 April 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	option(s) to be granted under the Share Option Scheme
“PRC”	The People’s Republic of China, excluding for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase the Shares on the Stock Exchange the aggregate number of which shall not exceed 10% of the aggregate number of Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme proposed to be adopted by the Shareholders at the Annual General Meeting
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“RMB”	Reminbi, the lawful currency of the People’s Republic of China
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“%” per cent.

* *for identification purposes only*

LETTER FROM THE BOARD



China New City Commercial Development Limited

中國新城市商業發展有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 1321)

Executive Directors:

Mr. Zhou Minghai

Mr. Shi Guoliang

Ms. Jin Ni

Mr. Li Chu

Ms. Tang Yiyao

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Non-executive Director:

Mr. Shi Kancheng (*alias Shi Zhongan*)

(Chairman)

Principal place of business

in Hong Kong:

40th Floor

Jardine House

1 Connaught Place

Central

Hong Kong

Independent non-executive Directors:

Mr. Ng Sze Yuen, Terry

Mr. Xu Chengfa

Mr. Yim Chun Leung

16 April 2015

To the Shareholders

Dear Sir/Madam,

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include, inter alia: (a) ordinary resolutions on the proposed grant of each of the General Mandate, the Repurchase Mandate and the Extension Mandate; and (b) ordinary resolutions relating to the proposed re-election of the Directors; and (c) the adoption of the Share Option Scheme.

LETTER FROM THE BOARD

ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new Shares up to 20% of the aggregate number of Shares in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 1,738,000,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 347,600,000 Shares.

REPURCHASE MANDATE AND EXTENSION MANDATE

At the Annual General Meeting, an ordinary resolution will also be proposed to give the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the number of Shares in issue as at the date of passing of the relevant resolution. In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting to authorise the increase in the total number of new Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or by any applicable law or Companies Law to be held; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in the Appendix I to this circular.

RE-ELECTION OF DIRECTORS

According to Article 105(A) of the Articles, at each annual general meeting, one third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

LETTER FROM THE BOARD

According to Article 105(B) of the Articles, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

By virtue of Articles 105(A) and 105(B) of the Articles, Ms. Jin Ni, Mr. Li Chu and Ms. Tang Yiyang will retire as Directors at the Annual General Meeting, and they, being eligible, will offer themselves for re-election at the Annual General Meeting.

According to Article 109 of the Articles, any Director appointed to fill a casual vacancy or as an additional Director shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

By virtue of Article 109 of the Articles, the office of Mr. Shi Kancheng, Mr. Zhou Minghai and Mr. Shi Guoliang will end at the Annual General Meeting. Each of Mr. Shi Kancheng, Mr. Zhou Minghai and Mr. Shi Guoliang, all being eligible, will offer himself for re-election at the Annual General Meeting.

Particulars of Ms. Jin Ni, Mr. Li Chu, Ms. Tang Yiyang, Mr. Shi Kancheng, Mr. Zhou Minghai and Mr. Shi Guoliang are set out in Appendix II to this circular.

ADOPTION OF THE SHARE OPTION SCHEME

As at the Latest Practicable Date, the Company had not adopted any share option scheme. The Board proposes the adoption of the Share Option Scheme for the approval by the Shareholders at the Annual General Meeting.

The Share Option Scheme

An ordinary resolution will be proposed at the Annual General Meeting for the approval of the adoption of the Share Option Scheme with effect from the close of business of the day on which the resolution is passed by the Shareholders at the Annual General Meeting. A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. A copy of the Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at 40th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the Annual General Meeting.

The purpose of the Share Option Scheme is to grant options to selected participants as incentives or rewards for their contribution to the Group. It will enable the Group to reward the employees, the directors and other selected participants for their contributions to the Group and to motivate them to contribute to the development of the Group. Furthermore, the Board believes that the authority given to the Board under the Share Option Scheme to specify terms and conditions, including the minimum holding period, performance targets

LETTER FROM THE BOARD

and subscription price, in any Option to be granted and to select the appropriate participants, will serve to protect the value of the Company as well as to achieve these purposes of retaining and motivating the participants to contribute to the Group. Accordingly, the Directors consider that it is in the interest of the Company to adopt the Share Option Scheme.

The Share Option Scheme will be administered by the Board. None of the Directors is a trustee of the Share Option Scheme or has a direct or indirect interest in such trustee (if any). With respect to the operation of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, there are no outstanding options, warrants or convertible securities which entitle the holders to subscribe for the Shares. Assuming that there is no further change in the issued share capital between the period from the Latest Practicable Date to the Adoption Date, based on the issued share capital of the Company of 1,738,000,000 Shares as at the Latest Practicable Date, the number of Shares issuable pursuant to the Share Option Scheme on the Adoption Date will be 173,800,000 Shares, representing 10% of the issued share capital of the Company on the Adoption Date. Subject to the obtaining of Shareholders' approval with respect to the adoption of the Share Option Scheme at the Annual General Meeting, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the total issued capital of the Company as at the Adoption Date unless the Company obtains a fresh approval from Shareholders to refresh the 10% limit provided that, inter alia, the maximum number of Shares in respect of which Options may be granted under the Share Option Scheme together with any options outstanding and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the issued share capital of the Company from time to time.

Value of the Options

The Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. The Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

Conditions precedent of the Share Option Scheme

The adoption of the Share Option Scheme is conditional upon:

- (A) the passing of an ordinary resolution to approve and adopt the Share Option Scheme by the Shareholders in general meeting and the passing of an ordinary resolution to approve the Share Option Scheme by the shareholders of Zhong An Real Estate Limited ("Zhong An") in general meeting; and

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- (B) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of Options in accordance with the terms of the Share Option Scheme.

Application for listing

Application has been made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the Share Option Scheme.

ACTIONS TO BE TAKEN

At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the proposed grant of the General Mandate, Repurchase Mandate and Extension Mandate;
- (b) the proposed re-election of Directors; and
- (c) the adoption of the Share Option Scheme.

To the best information of the Directors after making reasonable enquires, no Shareholder is required to abstain from voting for any resolution proposed to be adopted at the Annual General Meeting. A form of proxy for use at the Annual General Meeting is enclosed herewith and published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.chinanewcity.com.cn. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time for the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the Annual General Meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to article 72 of the Articles. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, 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

LETTER FROM THE BOARD

reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

RECOMMENDATION

The Board considers that the ordinary resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolutions at the Annual General Meeting.

CLOSURE OF REGISTER OF MEMBERS

For determination of the entitlement to attend and vote at the Annual General Meeting, the transfer books and register of members will be closed from Monday, 18 May 2015 to Wednesday, 20 May 2015 (both days inclusive) during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar and transfer office, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 15 May 2015.

GENERAL INFORMATION

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

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
For and on behalf of the Board of
China New City Commercial Development Limited
中國新城市商業發展有限公司
Shi Kancheng
Chairman

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

1. Listing Rules relating to the repurchase of shares

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. Share capital

As at the Latest Practicable Date, there was a total of 1,738,000,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 173,800,000 Shares which represents 10% of the aggregate number of Shares in issue as at the date of passing such resolution.

3. Reasons for the repurchase

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

4. Funding of repurchases

In repurchasing the Company's securities, the Company may only apply funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2014, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. Share prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the period from 10 July 2014 (the date of listing of the Shares on the Stock Exchange) up to and including the Latest Practicable Date were as follows:

	Highest HK\$	Lowest HK\$
July 2014 (<i>Note 1</i>)	2.18	1.41
August 2014	2.20	1.76
September 2014	2.29	1.75
October 2014	2.15	2.00
November 2014	2.75	2.05
December 2014	3.79	2.60
January 2015	4.46	3.60
February 2015	4.89	4.11
March 2015	4.65	3.64
April 2015 (<i>Note 2</i>)	3.78	3.55

Notes:

1. From 10 July 2014 (the date of listing of the Shares on the Stock Exchange)
2. Up to the Latest Practicable Date

6. The Takeovers Code and minimum public holding

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

On the basis of the respective shareholding held by Ideal World Investments Limited ("**Ideal World**") and Whole Good Management Limited ("**Whole Good**") (all being the companies controlled by Mr. Shi Kancheng) as at the Latest Practicable Date set out below, the exercise in full of the Repurchase Mandate will not result in any of Ideal World and/or Whole Good (being presumed parties acting in concert under the Takeovers Code) obliged to make a mandatory offer under Rule 26 of the Takeovers Code. In addition, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Name	Number of Shares	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Ideal World	1,270,000,000 Shares (<i>Note 1</i>)	73.07%	81.19%
Whole Good	31,303,594 Shares (<i>Note 2</i>)	1.80%	2.00%
		Total:	
		<u>74.87%</u>	<u>83.19%</u>

Notes:

1. These 1,270,000,000 Shares were registered in the name of and beneficially owned by Ideal World, the entire issued share capital of which is beneficially owned by Zhong An. The entire issued shares of Zhong An are owned as to about 69.35% by Whole Good, which is wholly owned by Mr. Shi Kancheng, an executive Director.
2. These 31,303,594 Shares were registered in the name of and beneficially owned by Whole Good.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

7. Share repurchase made by the Company

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

8. General

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and the regulations set out in the memorandum of association of the Company and the Articles.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her to the Company in the event that the Repurchase Mandate is granted.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

The biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:

EXECUTIVE DIRECTORS

Mr. Zhou Minghai, aged 44

Mr. Zhou was appointed as the executive Director and co-chairman of the Board on 29 January 2015.

Mr. Zhou entered into a service contract with the Company for an initial term of three years with effect from 29 January 2015 to act as an executive Director, which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term, until terminated either by him by giving not less than three months' written notice expiring at the end of the initial term of his appointment or any time thereafter to the Company, or by the Company by giving not less than three months' written notice expiring at the first anniversary of the initial term of his appointment or any time thereafter to him. As at the Latest Practicable Date, he was entitled to an annual salary of RMB2,499,996 which is covered under his service contract. Such salary is subject to an annual increment after 1 January 2016 at the discretion of the Board of not more than 20% of the annual salary immediately prior to such increase. Furthermore, Mr. Zhou is entitled to the usage of a company car. Mr. Zhou's emoluments was determined by the Board with reference to his duties and responsibilities.

Mr. Zhou has years of senior management experience in commercial property development, retail, capital and corporate management. Prior to joining the Group, he had been the president of Intime Department Store (Group) Company Limited (currently known as Intime Retail (Group) Company Limited) (stock code: 1833), a company which shares are listed on the main board of the Stock Exchange, from 2007 to 2008. Mr. Zhou also held senior management positions at China Putian Information Industry (Group) Company and was a director of Eastern Communications Co., Ltd., a company which shares are listed on the Shanghai Stock Exchange, from May 2001 to September 2004. He obtained a doctoral degree in management from Fudan University.

As at the Latest Practicable Date, Mr. Zhou did not have any interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO, nor was he related to any other Directors, senior management, or substantial or controlling shareholders of the Company. He did not hold directorship in other listed public companies in the last three years.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

Mr. Shi Guoliang, aged 48

Mr. Shi was appointed as the executive Director and the president of the Group on 29 January 2015.

Mr. Shi entered into a service contract with the Company for an initial term of three years with effect from 29 January 2015 to act as an executive Director, which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term, until terminated either by him by giving not less than three months' written notice expiring at the end of the initial term of his appointment or any time thereafter to the Company, or by the Company by giving not less than three months' written notice expiring at the first anniversary of the initial term of his appointment or any time thereafter to him. As at the Latest Practicable Date, he was entitled to an annual salary of RMB1,999,992 which is covered under his service contract. Such salary is subject to an annual increment after 1 January 2016 at the discretion of the Board of not more than 20% of the annual salary immediately prior to such increase. Furthermore, Mr. Shi will be entitled to the usage of a company car. Mr. Shi's emoluments was determined by the Board with reference to his duties and responsibilities.

Mr. Shi has years of experience in infrastructure and property development, and corporate management. Prior to joining the Group, he had been the general manager of Jiaxing City Zhajiasu Highway Co., Ltd.* (嘉興市乍嘉蘇高速公路有限責任公司). Mr. Shi obtained a bachelor degree in ship design and manufacturing from Wuhan University of Technology in July 1987.

As at the Latest Practicable Date, Mr. Shi did not have any interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO, nor was he related to any other Directors, senior management, or substantial or controlling shareholders of the Company. He did not hold directorship in other listed public companies in the last three years.

Ms. Jin Ni, aged 39

Ms. Jin is the executive Director and vice chairlady of the Board. She was appointed as an executive Director on 30 September 2013.

Mr. Jin entered into a service contract with the Company for an initial term of three years with effect from 31 May 2014 to act as an executive Director, which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term, until terminated either by her by giving not less than three months' written notice expiring at the end of the initial term of her appointment or any time thereafter to the Company, or by the Company by giving not less than three months' written notice expiring at the first anniversary of the initial term of her appointment or any time thereafter to her. As at the Latest Practicable Date, she was entitled to an annual salary of RMB1,100,000 which is covered under her service contract. Such salary is subject to an annual increment at the discretion of the Board of not more than 20% of the annual salary immediately prior to such increase. Furthermore, Ms. Jin is entitled to the usage of a company car. Ms. Jin's emoluments was determined by the Board with reference to her duties and responsibilities.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

Prior to joining the Group, Ms. Jin held directorial and/or executive roles of certain subsidiaries of Zhong An excluding the Group (the “**Remaining Zhong An Group**”). She obtained a bachelor degree in administrative management from the Zhejiang University of Technology (浙江工業大學) in July 2003 and obtained a diploma in financial accounting from the Oriental Institute of the Zhejiang University* (浙江大學東方學院) (currently known as Oriental Institute of Finance and Economics* (浙江財經大學東方學院)) in July 1997. She is also a director of certain subsidiaries of the Group.

At the Latest Practicable Date, Ms. Jin did not have any interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO, nor was she related to any other Directors, senior management, or substantial or controlling shareholders of the Company. She did not hold directorship in other listed public companies in the last three years.

Mr. Li Chu, aged 40

Mr. Li is the executive Director and vice president of the Group. He was appointed as an executive Director on 30 September 2013.

Mr. Li entered into a service contract with the Company for an initial term of three years with effect from 31 May 2014 to act as an executive Director, which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term, until terminated either by him by giving not less than three months’ written notice expiring at the end of the initial term of his appointment or any time thereafter to the Company, or by the Company by giving not less than three months’ written notice expiring at the first anniversary of the initial term of his appointment or any time thereafter to him. As at the Latest Practicable Date, he was entitled to an annual salary of RMB450,000 which is covered under his service contract. Such salary is subject to an annual increment at the discretion of the Board of not more than 20% of the annual salary immediately prior to such increase. Furthermore, Mr. Li is entitled to transportation allowance of RMB1,600 per month. Mr. Li’s emoluments was determined by the Board with reference to his duties and responsibilities.

Prior to joining the Group, he held various positions including general manager, vice general manager and general director of New Century Hotels and Resorts (開元酒店集團). Mr. Li is a certified hospitality supervisor conferred by the Educational Institute of the American Hotel & Lodging Association in October 2005. He obtained a bachelor in business management from the Sichuan Agricultural University (四川農業大學) in February 2006. Mr. Li obtained a diploma in English from the Hubei Radio & TV University (湖北廣播電視大學) in July 1999. He is also a director of certain subsidiaries of the Group.

At the Latest Practicable Date, Mr. Li did not have any interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO, nor was he related to any other Directors, senior management, or substantial or controlling shareholders of the Company. He did not hold directorship in other listed public companies in the last three years.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

Ms. Tang Yiyan, aged 44

Ms. Tang is the executive Director and vice president of the Group. She was appointed as an executive Director on 30 September 2013.

Mr. Tang entered into a service contract with the Company for an initial term of three years with effect from 31 May 2014 to act as an executive Director, which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term, until terminated either by her by giving not less than three months' written notice expiring at the end of the initial term of her appointment or any time thereafter to the Company, or by the Company by giving not less than three months' written notice expiring at the first anniversary of the initial term of her appointment or any time thereafter to her. As at the Latest Practicable Date, she was entitled to an annual salary of RMB250,000 which is covered under her service contract. Such salary is subject to an annual increment at the discretion of the Board of not more than 20% of the annual salary immediately prior to such increase. Furthermore, Ms. Tang is entitled to transportation allowance of RMB1,600 per month. Ms. Tang's emoluments was determined by the Board with reference to her duties and responsibilities.

Prior to joining the Group, she held various positions including assistant to general manager of Jiaqing Jiahe Beijing City Shopping Center Company Limited (嘉興嘉禾北京城購物廣場有限公司), and manager of sales department, project supervisor, deputy general manager and vice general manager in general affairs of Zhejiang Lai Yin Da Commercial Development Company Ltd. (浙江萊茵達商業發展有限公司). Ms. Tang obtained a diploma in economics and management from the Zhejiang Province Mechanic and Politics University (浙江省職工政治大學) (currently known as Zhejiang University of Economics and Management (浙江經濟管理大學)) in July 1994.

At the Latest Practicable Date, Ms. Tang did not have any interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO, nor was she related to any other Directors, senior management, or substantial or controlling shareholders of the Company. She did not hold directorship in other listed public companies in the last three years.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

NON-EXECUTIVE DIRECTOR

Mr. Shi Kancheng, aged 52

Mr. Shi is the non-executive Director and chairman of the Board. He was appointed as a Director on 2 July 2013 and re-designated as non-executive Director on 30 September 2013.

Mr. Shi entered into an appointment letter with the Company for an initial term of three years with effect from 31 May 2014 to act as a non-executive Director, which shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term, until terminated either by him by giving not less than three months' written notice expiring at the end of the initial term of his appointment or any time thereafter to the Company, or by the Company by giving not less than three months' written notice expiring at the first anniversary of the initial term of his appointment or any time thereafter to him. As at the Latest Practicable Date, he shall be entitled to a director's fee of RMB200,000 per annum. Furthermore, Mr. Shi will be entitled to the usage of a company car with chauffeur. Save for the director's fee, Mr. Shi is not expected to receive any other remuneration for holding his office as a non-executive Director. Mr. Shi's emoluments was determined by the Board with reference to his duties and responsibilities.

Mr. Shi currently also serves as the executive director, chairman and the chief executive officer of Zhong An (stock code: 672), a company which shares are listed on the main board of the Stock Exchange. Mr. Shi completed an Executive Master of Business Administration Program (Finance Track) organized by the Shanghai National Accounting Institute and obtained a CFO Qualifying Training Certificate in June 2007, a program for executive officers, focusing on globalization and real estate developers, organized by the Foreign Academic Cultural Exchange Center of Tsinghua University (清華大學對外學術文化交流中心) in October 2006 and a program for presidents of real estate companies organized by Zhejiang University in July 2006. Mr. Shi is a director of certain subsidiaries of the Remaining Zhong An Group and the Group.

As at the Latest Practicable Date, Mr. Shi was interested in 1,301,303,594 Shares. Among these 1,301,303,594 Shares, 1,270,000,000 Shares were held by Ideal World, the wholly owned subsidiary of Zhong An. The entire issued shares of Zhong An was owned as to approximately 69.35% by Whole Good, which is wholly owned by Mr. Shi. In addition, 31,303,594 Shares were held by Whole Good. By virtue of the SFO, Mr. Shi is taken to be interested in the Shares in which each of Ideal World and Whole Good is interested.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Shi did not have any other interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO, nor was he related to any other Directors, senior management, or substantial or controlling shareholders of the Company. Save as disclosed, he did not hold directorship in other listed public companies in the last three years.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

GENERAL

There are no other matters concerning any of the above Directors that need to be brought to the attention of the Shareholders in relation to their re-election and there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

This Appendix summaries the principal terms of the Share Option Scheme and does not form, nor is intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme proposed to be approved and adopted by ordinary resolution of the Shareholders at the Annual General Meeting.

(i) Purposes of the scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

(ii) Who may join

The Directors (which expression shall, for any purpose of this paragraph, include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

- (aa) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of the Company's subsidiaries or any entity ("**Invested Entity**") in which any member of the Group holds an equity interest;
- (bb) any non-executive directors (including independent non-executive directors) of the Company, any of the Company's subsidiaries or any Invested Entity;
- (cc) any supplier of goods or services to any member of the Group or any Invested Entity;
- (dd) any customer of any member of the Group or any Invested Entity;
- (ee) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

- (ff) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity;
- (gg) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group;

and, for the purposes of the Share Option Scheme, the offer for the grant of option may be made to any company wholly owned by one or more persons belonging to any of the above classes of participants.

For avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the above class of participants to an offer for the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

(iii) Maximum number of the Shares

- (aa) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the share capital of the Company in issue from time to time.
- (bb) The total number of the Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the number of Shares in issue as at the date of approval of the Share Option Scheme (“**General Scheme Limit**”).
- (cc) Subject to (aa) above but without prejudice to (dd) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the number of Shares in issue as at the date of approval of the refreshed limit and, for the purpose of calculating the refreshed limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme

and any other share option scheme of the Group will not be counted. The circular sent by the Company to the Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (cc) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

(iv) Maximum entitlement of each participant

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the number of Shares in issue for the time being (the “**Individual Limit**”). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the Shareholders in general meeting of the Company with such grantee and his close associates (or his associates if the grantee is a connected person of the Company) abstaining from voting. The number and terms (including the exercise price) of options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

(v) Grant of options to the Directors, chief executive or substantial shareholders of the Company or their respective associates

- (aa) Any grant of options under the Share Option Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding independent non-executive Director who or whose associates is the proposed grantee of the options).
- (bb) Where any grant of options to a substantial shareholder or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already

granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each offer for the grant, in excess of HK\$5 million;

such further grant of options must be approved by Shareholders in general meeting. The Company must send a circular to the Shareholders. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive Director or any of their respective associates must be approved by the Shareholders in general meeting.

(vi) Time of acceptance and exercise of option

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(vii) Performance targets

Unless the Directors otherwise determined and stated in the offer for the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

(viii) Subscription price for the Shares and consideration for the option

The subscription price for the Shares under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer for the grant, which must be a business day; (ii) the average

closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(ix) Ranking of the Shares

The Shares allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the completion of the registration of the name of the grantee on the register of members of the Company as the holder thereof.

Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a subdivision, consolidation, re-classification or re-construction of the share capital of the Company from time to time.

(x) Restrictions on the time of the offer for the grant of options

No offer for grant of options shall be made after inside information has come to the Company's knowledge until it has announced the information. In particular, during the period commencing one month immediately preceding the earlier of (aa) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and (bb) the deadline for the Company to publish an announcement of its results for any year, half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, no offer for the grant of options may be made.

The Directors may not make any offer for the grant of option to a participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

(xi) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

(xii) Rights on ceasing employment

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds referred to in sub-paragraph (xiv) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and shall not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

Eligible Employee means any employee (whether full time or part time employee, including any executive director but not any non-executive director) of the Company, any of the Company's subsidiaries or any Invested Entity.

(xiii) Rights on death, ill-health or retirement

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation of employment which date shall be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

(xiv) Rights on dismissal

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group or the Invested Entity into disrepute), his option (to the extent not already exercised) will lapse automatically on the date of cessation to be an Eligible Employee.

(xv) Rights on breach of contract

If the Directors shall at their absolute discretion determine that (aa)(1) the grantee of any option (other than an Eligible Employee) or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and the Group or any Invested Entity on the other part; or (2) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by other reason whatsoever; and (bb) the option granted to the grantee under the Share Option Scheme shall lapse as a result of any event specified in sub-paragraph (1), (2) or (3) above, his option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(xvi) Rights on a general offer, a compromise or arrangement

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders, a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his option at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, revised offer) closed or the relevant date for entitlements under such scheme of arrangement, as the case may be.

(xvii) Rights on winding up

In the event of a resolution being proposed for the voluntary winding-up of the Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two business days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one business day before the date on which such resolutions to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the

aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

(xviii) Grantee being a company wholly owned by eligible participants

If the grantee is a company wholly owned by one or more eligible participants:

- (aa) sub-paragraphs (xii), (xiii), (xiv) and (xv) shall apply to the grantee and to the options to such grantee, *mutatis mutandis*, as if such options had been granted to the relevant eligible participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in sub-paragraphs (xii), (xiii), (xiv) and (xv) shall occur with respect to the relevant eligible participant; and
- (bb) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant eligible participant provided that the Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(xix) Adjustments to the subscription price

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of the Company while an option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number of Shares to which the Share Option Scheme or any option relates (insofar as it is/they are unexercised) and/or the subscription price of the option concerned and/or (unless the grantee of the option elects to waive such adjustment) the number of Shares comprised in an option or which remains comprised in an option, provided that (aa) any adjustments shall give a grantee the same proportion of the number of issued Shares as that to which such grantee was entitled immediately prior to such alteration; (bb) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; (cc) no alteration may be made to the extent that a Share would be issued at less than its nominal value; and (dd) any adjustment must be made in compliance with the Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

(xx) Cancellation of options

Any cancellation of options granted but not exercised must be subject to the prior written consent of the relevant grantee and the approval of the Directors.

When the Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant sub-paragraphs (iii) (cc) and (dd) above.

(xxi) Termination of the Share Option Scheme

The Company may by resolution in general meeting at any time terminate the Share Option Scheme and in such event no further options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(xxii) Rights are personal to the grantee

An option is personal to the grantee and shall not be transferable or assignable.

(xxiii) Lapse of option

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the option period referred to in paragraph (vi);
- (bb) the expiry of the periods or dates referred to in paragraph (xii), (xiii), (xiv), (xv), (xvi), (xvii) and (xviii); and
- (cc) the date on which the Directors exercise the Company's right to cancel the option by reason of a breach of paragraph (xxii) above by the grantee.

(xxiv) Miscellaneous

- (aa) The Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.

- (bb) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the Shareholders in general meeting.
- (cc) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (dd) The amended terms of the Share Option Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (ee) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme shall be approved by the Shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

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China New City Commercial Development Limited

中國新城市商業發展有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 1321)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China New City Commercial Development Limited (“**Company**”) will be held at 11:00 a.m. at Conference Room No. 5, 4th Floor, Holiday Inn Hangzhou Xiaoshan, No. 688 Shanyin Road, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC on Wednesday, 20 May 2015 to consider and, if thought fit, transact the following ordinary businesses:

ORDINARY RESOLUTIONS

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 31 December 2014;
2. (a) to re-elect, each as a separate resolution, the following person as a director of the Company:
 - (i) Mr. Zhou Minghai;
 - (ii) Mr. Shi Guoliang;
 - (iii) Ms. Jin Ni;
 - (iv) Mr. Li Chu;
 - (v) Ms. Tang Yiyan; and
 - (vi) Mr. Shi Kancheng;
- (b) to authorise the board of directors of the Company to fix the directors’ remuneration;

NOTICE OF ANNUAL GENERAL MEETING

3. to re-appoint Ernst & Young as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration;

to consider and, if thought fit, pass the following resolutions (with or without modification) as ordinary resolutions:

4. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**“Listing Rules”**), the exercise by the directors of China New City Commercial Development Limited (**“Company”**) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each, a **“Share”**) of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate number of Shares in issue on the date of the passing of this resolution; and
 - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of Shares purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate number of Shares in issue on the date of the passing of this resolution),

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and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law or the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of China New City Commercial Development Limited (“**Company**”) during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

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- (b) the aggregate number of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate number of Shares in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
 - (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law or the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the directors of China New City Commercial Development Limited (“**Company**”) pursuant to paragraph (a) of resolution numbered 4 above be and it is hereby extended by the addition to the aggregate number of shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate number of Shares purchased or agreed to be purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”
- and to consider as special business and, if thought fit, pass the following resolution (with or without modification) as ordinary resolution:
7. “**THAT** with effect from the close of business of the day on which this resolution is passed, the share option scheme (“**Share Option Scheme**”), a copy of which having been produced to the meeting marked “A” and signed by the Chairman for the purpose of identification, be and is hereby approved and adopted to be the share option scheme of China New City Commercial Development Limited (“**Company**”) and that the directors of the Company be and are hereby authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the The Stock Exchange of Hong Kong Limited, and at their absolute discretion to grant options to subscribe for shares of the

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Company thereunder and to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Share Option Scheme.”

For and on behalf of the Board
China New City Commercial Development Limited
中國新城市商業發展有限公司
Shi Kancheng
Chairman

The PRC, 16 April 2015

Registered office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
40th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch registrar and transfer office, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 48 hours before the time of the above meeting or any adjourned meeting.
3. For the purpose of determining members who are qualified for attending the annual general meeting, the register of members of the Company will be closed from Monday, 18 May 2015 to Wednesday, 20 May 2015, both days inclusive, during which no transfer of share will be effected. In order to qualify for attending the annual general meeting, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch register and transfer office in Hong Kong at the address stated in note 2 above not later than 4:30 p.m. on Friday, 15 May 2015 for registration.
4. In relation to proposed resolutions numbered 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the directors of the Company a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The directors of the Company wish to state that they will exercise the powers conferred thereby to allot and issue Shares in circumstances which they deem appropriate for the benefit of the Company and its shareholders as a whole.
5. In relation to proposed resolution numbered 5 above, the directors of the Company wish to state that they will exercise the powers conferred thereby to purchase Shares in circumstances which they deem appropriate for the benefit of the Company and its shareholders as a whole. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I to the circular of which this notice of the Annual General Meeting forms part.

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6. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto to, but if more than one of such joint holders are present at the above meeting, personally or by proxy, that one of the said person so present whose name stands first in the register in respect of such Share shall alone be entitled to vote in respect thereof.

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhou Minghai, Mr. Shi Guoliang, Ms. Jin Ni, Mr. Li Chu and Ms. Tang Yiyan, as executive directors of the Company; Mr. Shi Kancheng, as non-executive director of the Company; and Mr. Ng Sze Yuen, Terry, Mr. Xu Chengfa and Mr. Yim Chun Leung, as independent non-executive directors of the Company.