



# 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)**

## CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND EMPLOYEES

**(Amended and restated with effect from 01 January 2016)**

These rules relate to dealings by director(s) (“**Director(s)**”) and relevant employee(s) (“**Relevant Employee(s)**”) in the securities of China New City Commercial Development Limited (the “**Company**”).

### **Basic Principles**

1. This code (both the basic principles and the rules) is based on the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as contained in Appendix 10 to the Listing Rules, with modification where necessary. The Model Code sets a required standard against which Directors and Relevant Employees must measure their conduct regarding transactions in securities of the Company. Any breach of such required standard will be regarded as a breach of the Listing Rules. Any Director and Relevant Employee must seek to secure that all dealings in which he/she is or is deemed to be interested be conducted in accordance with this code.
2. The Stock Exchange regards it as highly desirable that directors of a listed issuer should hold securities in the listed issuer.
3. Directors and Relevant Employees wishing to deal in any securities in of the Company must first have regard to the provisions of Parts XIII and XIV of the Securities and Futures Ordinance (“**SFO**”) with respect to insider dealing and market misconduct. However, there are occasions where Directors and Relevant Employees should not be free to deal in the Company's securities even though the statutory requirements will not be contravened.

4. The single most important thrust of this code is that Directors and Relevant Employees who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions under Chapter 14 of the Listing Rules or connected transactions under Chapter 14A of the Listing Rules or any inside information must refrain from dealing in the Company's securities as soon as they become aware of them or privy to them until the information has been announced. Directors and Relevant Employees who are privy to relevant negotiations or agreements or any inside information should caution those Directors and Relevant Employees who are not so privy that there may be inside information and that they must not deal in the Company's securities for a similar period.
5. In addition, any Director and Relevant Employee must not make any unauthorized disclosure of confidential information, whether to co-trustees or to any other person (even those to whom he/she owes a fiduciary duty) or make any use of such information for the advantage of himself/herself or others.

### **Interpretation**

6. For the purpose of this code:
  - (i) Director(s) means director(s) of the Company;
  - (ii) Relevant Employee(s) means any employee of the Company, or a director or employee of a subsidiary or its holding company, who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities;
  - (iii) references to dealings in securities include dealings in warrants (including covered warrants issued by third parties and short positions) issued in respect of the securities. For the avoidance of doubt, any transfer of shares will be regarded as a deal including off-market transactions;
  - (iv) "dealing" includes, subject to paragraph (vii) below, any acquisition, disposal or transfer of, or offer to acquire, dispose of or transfer, or creation of pledge, charge or any other security interest in, any securities of the Company or any entity whose assets solely or substantially comprise securities of the Company, and the grant, acceptance, acquisition, disposal, transfer, exercise or discharge of any option (whether call, put or both) or other right or obligation, present or future, conditional or unconditional, to acquire, dispose of or transfer securities, or any interest in securities, of the Company, in each case whether or not for consideration and any agreements to do any of the foregoing, and "deal" shall be construed accordingly;
  - (v) "beneficiary" includes any discretionary object of a discretionary trust (where Director and Relevant Employee is aware of the arrangement) and any beneficiary of a non-discretionary trust;

- (vi) "securities" means listed securities and any unlisted securities that are convertible or exchangeable into listed securities and structured products (including derivative warrants issued by a third party) issued in respect of the listed securities of the Company;
- (vii) notwithstanding the definition of "dealing" in paragraph (iv) above, the following dealings are not subject to the provisions of this code:
  - a) taking up of entitlements under a rights issue, bonus issue, capitalization issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend) but, for the avoidance of doubt, applying for excess shares in a rights issue or applying for shares in excess of an assured allotment in an open offer is a "dealing";
  - b) allowing entitlements to lapse under a rights issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend);
  - c) undertakings to accept, or the acceptance of, a general offer for shares in the Company made to shareholders other than those that are concert parties (as defined under the Takeovers Code) of the offeror;
  - d) exercise of share options or warrants or acceptance of an offer for shares pursuant to an agreement entered into with the Company before a period during which dealing is prohibited under this code at the pre-determined exercise price, being a fixed monetary amount determined at the time of grant of the share option or warrant or acceptance of an offer for shares;
  - e) an acquisition of qualification shares where, under the Company's constitutional documents, the final date for acquiring such shares falls within a period when dealing is prohibited under this code and such shares cannot be acquired at another time;
  - f) dealing where the beneficial interest or interests in the relevant security of the Company do not change;
  - g) dealing where a shareholder places out his existing shares in a "top-up" placing where the number of new shares subscribed by him pursuant to an irrevocable, binding obligation equals the number of existing shares placed out and the subscription price (after expenses) is the same as the price at which the existing shares were placed out; and
  - h) dealing where the beneficial ownership is transferred from another party by operation of law.

7. For the purpose of this code, the grant to any Director and Relevant Employee of an option to subscribe or purchase the Company's securities shall be regarded as a dealing by him/her, if the price at which such option may be exercised is fixed at the time of such grant. If, however, an option is granted to any Director and Relevant Employee on terms whereby the price at which such option may be exercised is to be fixed at the time of exercise, the dealing is to be regarded as taking place at the time of exercise.

## **RULES**

### **A. Absolute prohibitions**

1. Any Director and Relevant Employee must not deal in any of the securities of the Company at any time when he/she possesses inside information in relation to those securities, or where clearance to deal is not otherwise conferred upon him/her under rule B.8 and B.9 of this code.

Inside information, in relation to a listed corporation, means specific information that:

(a) is about:

- (i) the corporation;
- (ii) a shareholder or officer of the corporation; or
- (iii) the listed securities of the corporation or their derivatives; and

(b) is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but would if generally known to them be likely to materially affect the price of the listed securities.

2. Any Director and Relevant Employee must not deal in the securities of the Company when by virtue of his position as a director or employee of another issuer, he/she possesses inside information in relation to those securities.

3. (a) Any Director and Relevant Employee must not deal in any securities of the Company on any day on which its financial results are published and:

(i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C below. In any event, the Director and Relevant Employee must comply with the procedure in rules B.8 and B.9 of this code.

(b) The Company must notify The Stock Exchange of Hong Kong Limited (the “**Exchange**”) in advance of the commencement of each period during which Directors and Relevant Employees are not allowed to deal under rule A.3(a).

*Note: Directors and Relevant Employees should note that the period during which they are not allowed to deal under A.3(a) will cover any period of delay in the publication of a results announcement. This is referred to as "the black-out period".*

4. Where any Director and Relevant Employee is a sole trustee, the provisions of this code will apply to all dealings of the trust as if he/she were dealing on his/her own account (unless the Director and Relevant Employee is a bare trustee and neither he/she nor any of his/her close associates is a beneficiary of the trust, in which case the provisions of this code will not apply).
5. Where any Director and Relevant Employee deals in the securities of the Company in his/her capacity as a co-trustee and he/she has not participated in or influenced the decision to deal in the securities and is not, and none of his/her close associates is, a beneficiary of the trust, dealings by the trust will not be regarded as his/her dealings.
6. The restrictions on dealings by any Director and Relevant Employee contained in this code will be regarded as equally applicable to any dealings by such Director's and Relevant Employee's spouse or by or on behalf of any minor child (natural or adopted) and any other dealings in which for the purposes of Part XV of the SFO he/she is or is to be treated as interested. It is the duty of the Director and Relevant Employee, therefore, to seek to avoid any such dealing at a time when he himself/ she herself is not free to deal.
7. When any Director and Relevant Employee places investment funds comprising securities of the Company under professional management, discretionary or otherwise, the managers must nonetheless be made subject to the same restrictions and procedures as the Director and Relevant Employee himself/herself in respect of any proposed dealings in the Company's securities.

## **B. Notification**

8. Any Director and Relevant Employee must not deal in any securities of the Company without first notifying in writing the Chairperson of the board of directors (“**Board**”) of the Company and receiving a dated written acknowledgement. In his own case, the Chairperson must first notify the Executive Director and Chief Executive Officer (the “**Designated Director**”) before any dealing. In each case,
  - (a) a response to a request for clearance to deal must be given to the relevant Director and Relevant Employee within five business days of the request being made; and
  - (b) the clearance to deal in accordance with (a) above must be valid for no longer than five business days of clearance being received.

*Note: For the avoidance of doubt, the restriction under A.1 of this code applies if inside information develops following the grant of clearance.*

9. A written record is maintained by the Company Secretary that the appropriate notification was given and acknowledged pursuant to rule B.8 of this code.
  10. Any Director and Relevant Employee of the Company who acts as trustee of a trust must ensure that his/her co-trustees are aware of the identity of any company of which he/she is a director or employee so as to enable them to anticipate possible difficulties. Any Director and Relevant Employee having funds under management must likewise advise the investment manager.
  11. Any Director and Relevant Employee who is a beneficiary, but not a trustee, of a trust which deals in securities of the Company must endeavor to ensure that the trustees notify him/her after they have dealt in such securities on behalf of the trust, in order that he/she in turn may notify the Company. For this purpose, he/she must ensure that the trustees are aware of the listed issuers of which he/she is a director or employee.
- \*12 Within three days (excluding Saturdays, Sundays, public holidays and days throughout or for part of which a black rainstorm warning or a gale warning number 8 or above is in force) of acquiring or disposing of an interest in any securities of the Company or in any warrants to subscribe for those securities, a director must notify the Stock Exchange and the Company. The notification should be sent to the Stock Exchange and the Company at the same time. Prescribed forms for giving such notice may be obtained from the Company Secretary or downloaded from the website of the Securities and Futures Commission at [www.sfc.hk](http://www.sfc.hk).**
13. The register of directors' and chief executive's interests and short positions maintained in accordance with Section 352 of the SFO will be made available for inspection at every meeting of the board.
- \*14 Directors must as a Board and individually endeavor to ensure that any employee of the Company or director or employee of a subsidiary company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of any issuer does not deal in those securities when he/she would be prohibited from dealing by this code if he/she were a Director.**

### C. Exceptional circumstances

15. If any Director and Relevant Employee proposes to sell or otherwise dispose of securities of the Company under exceptional circumstances where the sale or disposal is otherwise prohibited under this code, the Director and Relevant Employee must, in addition to complying with the other provisions of this code, comply with the provisions of rule B.8 of this code regarding prior written notice and acknowledgement. The Director and Relevant Employee must satisfy the Chairperson (in the case of the Chairperson himself, the Designated Director) that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the Director and Relevant Employee before the Director and Relevant Employee can sell or dispose of the securities. An example of the type of circumstances which may be considered exceptional for such purposes would be a pressing financial commitment on the part of the Director and Relevant Employee that cannot otherwise be satisfied.

**\*16 The Company has to give written notice of such sale or disposal to the Stock Exchange as soon as practicable stating why it considered the circumstances to be exceptional. It is also required to publish an announcement immediately after any such sale or disposal and state that the Chairperson or Designated Director is satisfied that there were exceptional circumstances for such sale or disposal of securities by the Director.**

### D. Disclosure

**\*17. In relation to securities transactions by Directors, the Company is required to disclose in its annual and interim reports:**

**(a) whether the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code;**

**(b) having made specific enquiry of all Directors, whether its Directors have complied with, or whether there has been any non-compliance with, the required standard set out in the Model Code and in this code; and**

**(c) in the event of any non-compliance with the required standard set out in the Model Code, details of such non-compliance and an explanation of the remedial steps taken by the Company to address such non-compliance.**

\* These provisions apply to dealings by Directors only and do not apply to those by Relevant Employees.

*Note: If there is any inconsistency between the English and Chinese versions of this policy, the English version shall prevail.*