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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)

POSITIVE PROFIT ALERT

This announcement is made by China New City Commercial Development Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company is pleased to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2019 (the “**Year**”) and the Company’s existing information, the Group expects to record a consolidated net profit for the Year, which is expected to be not less than RMB40,000,000. As compared with that in 2018, the profitability of the Company’s business has improved substantially.

The aforesaid turnaround from loss to profit was mainly due to the revenue generated from the completed commercial real estate development projects of the Group’s core business during the Year has increased and the most of such projects achieved high profit margin, resulting in the gross profit of the Group having increased substantially during the Year. Moreover, the revenue and profit of the hotel segment of the Group has increased during the Year.

The information in this announcement is only based on the preliminary review and assessment made by the Board with reference to the information currently available to be Company that includes the unaudited consolidated management accounts of the Group for the Year, which have not been reviewed or audited by the Company’s independent auditor. The actual results of the Group for the Year may be different from what is disclosed herein. Detailed financial information of the Group for the Year will be disclosed in the results announcement of the Group for the Year which is expected to be published by the end of March 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China New City Commercial Development Limited
Shi Kancheng
Chairman

The People's Republic of China, 19 March 2020

As at the date of this announcement, the Board comprises Mr. Dong Shuixiao, Ms. Jin Ni and Ms. Tang Yiyan, as executive directors; 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.