

For Immediate Release

23th August 2017



CHINA NEW CITY COMMERCIAL DEVELOPMENT LIMITED
中國新城市商業發展有限公司
(Stock Code : 1321.HK)

**Main Business Performance Maintain Steady
Profit Attributable to Equity Holders Increased Significantly**

2017 Interim Results Summary:

- The revenue of the Group was approx. RMB135,898,000, Gross Profit attributed to RMB78,351,000; Gross profit margin increased 21 percentage points to 58%;
- Profit attributable to equity holders of the Company recorded approx. RMB265,375,000 , representing an increase of approximately 315% as compared to the corresponding period in 2016;
- The total cash and bank balances of the Group were approx. RMB432,602,000; the Current ratio was 0.97; The ratio of net debt to total equity was 54%;
- The total GFA of land reserves of the Group was approx. 3,000,000 sq. m., and is expected to support its development at lease in the next 5 years.

(Hong Kong, 23th August 2017) **China New City Commercial Development Limited** (“China New City” or the “Company”; stock code: 1321.HK; together with its subsidiaries, the “Group”) is pleased to announce the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2017.

For the period under review, revenue of China New City was approx. RMB135 million, representing an decrease of approx. 72% YoY; sale of properties declined approx. 83 % to approx. RMB76.80 million YoY. Gross profit declined 56% YoY to approx. RMB78 million. Profit attributable to equity holders of the Company increased about 315% YoY to RMB265 million; while earnings per share increased 316% from RMB3.7 cents of the same period of 2016 to approx. RMB15.3 cents for the period under review.

Main Business Performance Improved Significantly

The increase in profit attributable to equity holders of the Company for the period under review was primarily attributable to the fair value changes of investment property recorded of approximately RMB359,529,000.

Wonderful Sky Financial Group 皓天財經集團

For the period under review, the main business performance of the Company improved significantly. The core profit before tax of the Company increased by approx. 2 times from approx. RMB116 million in 2016 to RMB363 million, under the circumstances of excluding transfer of appropriation of the changes in fair value of investment properties, the changes in fair value of investment properties, and non-recurring revenue of selling joint venture and non-recurring income from the interest-bearing loan to joint venture confirmed in the same period last year.

Furthermore, the gross profit further increased by 21 percentage points to 58%; the current ratio and net debt to total equity ratio were 0.97 and 53% separately, indicating a healthy financial condition of the Company.

Develop the major projects of IOC and Jiangcun

The International Office Center (“IOC”) project is still the major development project of the Group. Qianjiang Century City (錢江世紀城), where IOC is located, and Qianjiang New Town (錢江新城) across the river are the new main city centers in Hangzhou. For the Qianjiang Century City segment, this project enjoys a spectacular river view with superior geographical advantages. The Hangzhou Olympic Sports Stadium which is adjacent to the project will host the 2022 Asian Games in future and will fuel the further increase of the project value. The Group is of full confidence about the development prospect of the overall IOC project.

The Group started the major development project of Jiangcun Plot this year. Jiangcun Plot is located in Xihu District, Hangzhou, and is in close proximity to Xixi Wetland and adjacent to large e-commerce office zone. The project is scheduled to construct an integrated commercial complex comprising serviced apartments, office buildings and shops and will expect a pre-sale in the second half of the year. Meanwhile, the Group plans to explore more commercial lands with low price but high potential in the second half of the year through mergers and acquisitions for development and construction.

Mr. SHI Kancheng, Chairman of China New City Commercial Development Limited, commented, “The Group will actively face the development opportunities brought by the urbanization in the PRC, promoting and deepening industry internetization, and developing diversified new property projects, and plans to explore more lands with low price but high potential in 2017 through mergers and acquisitions. While controlling the stable development of the existing investment size of commercial complexes effectively, it will actively develop emerging industries like leisure tourism, healthcare services, cultural and entertainment and modern agriculture. China New City will also adhere firmly on its prudent financial strategies, enhance corporate governance transparency, and seek satisfactory and continuous returns for the shareholders of the Company.”

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About China New City Commercial Development Limited (Stock code: 1321)

China New City is a commercial property developer, owner and operator, with a focus on developing integrated commercial complexes in sub-city centers of second-tier cities in the Yangtze River Delta Region. Our business is comprised of three main areas: (i) sale of properties; (ii) property leasing and property management; and (iii) hotel operation. In the future, The Group will also expand into the business of land development and other urbanization related businesses and services in different towns and counties in the PRC by entering into cooperation agreements with local government authorities in the PRC.

The Group will continue to explore and gradually achieve the development strategy of transforming into the light asset business-based operation, actively facing the development opportunities brought by the urbanization in the PRC, promoting and deepening industry internetization, and developing diversified new property projects. While controlling the stable development of the existing investment size of commercial complexes effectively, the Group will actively develop emerging industries like leisure tourism, healthcare services, cultural and entertainment and modern agriculture.

This press release is distributed by Wonderful Sky Financial Group Limited on behalf of **China New City Commercial Development Limited**.

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