

For Immediate Release

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

Revenue Jumped By 70%
Main Business Performance Improved Significantly

2016 Annual Results Summary:

- The revenue of the Group was approx. RMB858 million, representing an YoY increase of about 70%;
- Gross Profit attributed to RMB325 million, representing an YoY increase of about 81%; Gross profit margin increased 2.3 bps to 37.9%;
- Profit attributable to equity holders of the Company recorded approx. RMB147 million, as the Group recognized fair value gain upon transfer to investment properties, and nonrecurring income such as other interest income and gain on disposal of joint ventures in last year, no such income had aroused in the period under review;
- The total cash and bank balances of the Group were approx. RMB463 million; the Current ratio was 1.09; The ratio of net debt to total equity was 53.1%;
- The total GFA of land reserves of the Group was approx. 2,900,000 sq. m., and is expected to support its development at lease in the next 5 years.

(Hong Kong, 27th March 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 audited condensed consolidated annual results of the Company and its subsidiaries (collectively referred to as the “Group”) for the 12 months ended 31st December 2016.

For the period under review, revenue of China New City was approx. RMB858 million, representing an increase of approx. 70% YoY; sale of properties increased approx. 93.6% to approx. RMB770 million YoY, driven by the large increase of sales from Jia Run Mansion during the year under review. Gross profit increased 81% YoY to approx. RMB325 million. Profit attributable to equity holders of the Company decreased about 80% YoY to RMB147 million; while earnings per share declined 81% from RMB43 cents of the same period of 2015 to approx. RMB8 cents for the period under review.

Wonderful Sky Financial Group 皓天財經集團

As at 31 Dec 2016, the property development projects held by the Group included 7 completed projects, units in 2 completed buildings, 4 projects under development, 4 projects held for future development and 2 projects contracted to be acquired. The total GFA of land reserves of the Group was approx. 2,900,000 sq. m., and is expected to support its development at lease in the next 5 years.

Main Business Performance Improved Significantly

The Profit attributable to equity holders of China New City declined mainly because the Group recognized fair value gain upon transfer to investment properties, and nonrecurring income such as other interest income and gain on disposal of joint ventures in last year, no such income had aroused in the period under review.

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. 17 times from approx. RMB8 million in 2015 to RMB141 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 2.3 bps to 37.9%; the current ratio and net debt to total equity ratio were 1.09 and 53.1% separately, indicating a healthy financial condition of the Company.

Develop the major projects of IOC and Jiangcun

The IOC project is still the major development project of the Group. Benefited from a set of favorable policies, Qianjiang Century City where the project located is under fast construction and development. Hangzhou Olympic Sports Stadium, adjacent to the IOC project, will host international major sports events such as the 2020 Asian Games in future. China New City intends to develop Plot A2 of IOC this year to create sustainable impetus to property sales.

The Group plans to start the development of Jiangcun Plot in 2017. Jiangcun Plot is located in Xihu District, Hangzhou, and is in close proximity to Xixi Wetland. The project is scheduled to construct an integrated commercial complex comprising serviced apartments, office buildings and shops.

Welcome the completion of investment properties in year 2017

Upon its listing, China New City has been at the construction stage of main projects. In 2017, the Company will welcome the harvest period due to the completion of more investment properties.

The opening up of several main projects such as Zhong An Times Square, Hangzhou Qiandao Lake Resort Hotel and Huaibei VC Hotel will significantly increase our leasable area and the number of available guest

rooms of the entire investment property portfolio, providing stable cash flow support to the Group in the long run.

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.”

— End —

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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