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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)

China New City Interim Results Gratifying
Revenue Jumped by 145%, Core Net Profit Improved Significantly

2016 Interim Results Summary:

- The revenue for 2016H1 was approx. RMB486.1 million, representing an increase of 145% YoY;
- Profit attributable to equity holders of the Company for 2016H1 decreased 34% to approx. RMB63.9 million as compared to the same period in 2015, mainly because the Group had recognized a non-recurring other interest income of approx. RMB98 million for the corresponding period in 2015 but such income did not occur during the period under review.
- The core net profit, which is calculated as net profit excludes non-recurring other income and gains and changes in fair value of investment properties, increased from RMB2.9 million loss of 2015H1 to RMB36.9 million profit of 2016H1, indicating a significant improvement of main business operations

(Hong Kong, 26 August 2016) **China New City Commercial Development Limited** ("China New City" or the "Company"; stock code: 1321; together with its subsidiaries, the "Group") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2016.

For the period under review, revenue of the Group was approx. RMB486 million, representing an increase of approx. 145% YoY. This was mainly due to the large increase in revenue from sales of properties. Gross profit increased 127% YoY to approx. RMB178 million. Profit attributable to equity holders of the Company was approx. RMB64 million, representing a decrease of 34% YoY, while earnings per share declined 34% from RMB5.54 cents of the same period of 2015 to approx. RMB3.68 cents for the period under review.

The net profit declined mainly because the Group had recognized a non-recurring other interest income of approx. RMB98 million for the corresponding period in 2015 but such income did not occur during the period under review. The core net profit, which is calculated as net profit excludes non-recurring other income and gains and changes in fair value of investment properties, increased from RMB2.9 million loss of 2015H1 to RMB36.9 million profit of 2016H1, indicating a significant improvement of main business operations.

As at 30 June 2016, the property development projects held by the Group included 8 completed projects, units in 2 completed buildings, 6 projects under development, 3 projects held for future development and 2 projects contracted to be acquired. The total GFA of land reserves of the Group was approximately 2,996,028 sq. m., and is expected to support its development at least in the next five years.

Expansion of IOC project

IOC 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 of Hangzhou. For the Qianjiang Century City segment, this project enjoys a spectacular river view with superior geographical advantages. With the imminent Group of Twenty (G20) Summit in September 2016, its transportation and greenery construction are speeding up, bringing significant benefits in promoting the projects. 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 full of confidence about the development prospect of the overall IOC project.

Welcome the completion of investment properties in the coming year

The large high-end integrated commercial complex of Yuyao Zhong An Times Square will be completed by the end of 2016. The Group reached the strategic cooperation with Beijing Yintai Landmark Commercial Co., Ltd.（北京銀泰置地商業有限公司）in September 2015 to pursue the joint operation project of Zhong An Yin Tai Cheng(眾安銀泰城)shopping mall adopting the “internet+” model, in which it will enhance the attraction of the entire project effectively. In addition, the hotel projects in Qiandao Lake and Huaibei will also commence operation respectively by the end of this year and early next year, whereby the Group will record significant growth in its property leasing and hotel operation segments by that time, and the long-term stable revenue from property leasing and hotel operation will contribute the continuing improvement of the operating activities cash flow of the Group, and support the healthy development of its future business.

Looking forward in future, **Mr. SHI Kancheng, Chairman of China New City Commercial Development Limited**, said, “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, it will actively develop emerging industries like leisure tourism, healthcare services, cultural and entertainment and modern agriculture. The Company 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)

We are 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, we 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.

In order to cooperate with the company's long-term development strategy and positioning, the Company proposed to move direction of development to new urbanization, Internet and diversified industry in 2015 interim report, efforts to achieve the "O2O" and "asset-light" development strategy.

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

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