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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)

VOLUNTARY ANNOUNCEMENT
COMMENCEMENT OF NEW BUSINESS ACTIVITY

This announcement is made by China New City Commercial Development Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the Shareholders and potential investors that, to materialize the Group’s “Online To Offline” (“**O2O**”) business development strategy as stated in the interim report of the Company for the six months ended 30 June 2015, the Group launched an O2O platform (the “**System**”) including a website and a user-end mobile APP under the brand name of “Zhong Jia Le Homestay Travel Web” (眾家樂民宿旅遊網) designed for homestay travel related business (the “**New Business Activity**”) on 22 September 2015.

The System will bring business opportunities to the Company arising from online advertising, online homestay booking, online ordering of travel related services, as well as the operations of the Group’s self-operated chain of homestay facilities (自營民宿連鎖店) under the brand name of “Another Village” (又一邨). As at the date of this announcement, a total of around 21,000 merchants located in 15 Provinces of the PRC have registered under the System. The Company aimed to expand the merchant base and customer base globally in the near future and eventually turn the new business activity into large scale operation.

The Group is principally engaged in commercial property development, leasing and hotel operations. The Board is of the view that the New Business Activity can diversify the Group's income stream and broaden its revenue base, by fully leveraging on its own resources to gradually develop a diversified internet-based platform that encompasses homestay, urban apartment, eco-catering and local specialty. It is expected that the New Business Activity may also improve the capital usage efficiency of the Company and bring greater returns for its shareholders. Accordingly, the Board is of the view that the commencement of the New Business Activity will be in the interest of the Company and its shareholders as a whole.

Further announcement(s) in respect of the development of the aforesaid business will be published in accordance with the applicable Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as and when appropriate.

By order of the Board
China New City Commercial Development Limited
中國新城市商業發展有限公司
Shi Kancheng
Chairman

The PRC, 22 September 2015

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