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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)**

### **PROFIT ALERT**

The announcement is made by China New City Commercial Development Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Company, the Board is expected to record a substantial decrease in its profit attributable to the equity holders of the Company for the year ended 31 December 2016 as compared to for the corresponding period of 2015. The Board considers that the expected decrease in the consolidated net profit for the year ended 31 December 2016 is mainly attributable to, among other things:

- (i) other interest income of approximately RMB116 million from interest-bearing loans to a joint venture in last year;
- (ii) the gain on disposal of 45% indirect equity interest in a joint venture for approximately RMB126 million in last year; and
- (iii) fair value gain upon transfer to investment properties of approximately RMB797 million in last year

which contributed one-off net gain for 2015 result.

In 2016, the Group's overall business performance is encouraging and financial position remains solid. Based on the information currently available to the Company, the Board is expected for the year ended 31 December 2016 as compared to for the corresponding period of 2015, as the result of increase in recognized property sales:

- (i) revenue in 2016 increased by more than 70%;
- (ii) gross profit in 2016 increased by more than 80%; and
- (iii) gross profit margin in 2016 increased by more than 2.2 percentage points.

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 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 auditors. The actual results of the Group for the Year may be different from what is disclosed herein. Details of the audited financial information of the Group will be disclosed in the annual results announcement of the Group for the year ended 31 December 2016 which is expected to be published by the end of March 2017.

The Company will further consolidate its business layout and develop diversified business to enhance return to its shareholders.

**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**  
中國新城市商業發展有限公司  
**Shi Kancheng**  
*Chairperson*

The PRC, 13 March 2017

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