



19 October 2015

**High Concentration of Shareholding
in
China New City Commercial Development Limited (Stock Code: 01321)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of China New City Commercial Development Limited (“the Company”) in the hands of a limited number of shareholders as at 18 September 2015.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 18 September 2015, a group of 14 shareholders held an aggregate of 418,374,384 Shares, representing 24.07% of the issued Shares. Such shareholding, together with an aggregate of 1,301,303,594 Shares (representing 74.87% of the issued Shares) held by a substantial shareholder of the Company, represented 98.94% of the issued Shares as at 18 September 2015. Therefore, only 18,322,022 Shares (representing 1.06% of the issued Shares) were held by other shareholders.

As at 18 September 2015, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Whole Good Management Limited (<i>Note 1</i>)	1,301,303,594	74.87
A group of 14 shareholders	418,374,384	24.07
Other shareholders	<u>18,322,022</u>	<u>1.06</u>
Total	<u><u>1,738,000,000</u></u>	<u><u>100.00</u></u>

Note 1: Whole Good Management Limited is wholly owned by Mr. Shi Kancheng, the chairman and non-executive director of the Company. Whole Good Management Limited directly holds 31,303,594 Shares (representing 1.80% of the issued Shares). The remaining 1,270,000,000 Shares (representing 73.07% of the issued Shares) are held by Ideal World Investments Limited, the wholly owned subsidiary of Zhong An Real Estate Limited (stock code: 00672) that is owned as to 69.35% by Whole Good Management Limited. By virtue of the SFO, Whole Good Management Limited is deemed to be interested in the Shares held by Ideal World Investments Limited.



The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 10 July 2014 by global offering of 468,000,000 Shares, representing 26.93% of the issued Shares, at the offer price of \$1.30 per Share. The share price closed at \$1.57 on its first day of listing which was 20.8% higher than the offer price.

During the period from 24 August 2015 to 18 September 2015, the closing price of the Shares increased 248.8% from \$2.97 to \$10.36. Average daily market turnover also increased to 2,098,168 Shares for this period, compared to 85,750 Shares for the period from 21 July 2015 to 21 August 2015.

Since 24 August 2015, the Company has made, inter alia, the following announcements:

- 1) After trading hours on 24 August 2015, the Company announced that it was not aware of any reasons for the increases in price and trading volume on that day.
- 2) After trading hours on 27 August 2015, the Company announced the interim results for the six months ended 30 June 2015. The net profit for the period was RMB96.34 million, representing a decrease of 73% from the net profit of RMB361.31 million for the same period in 2014. The Company had published a relevant profit warning announcement earlier on 11 August 2015.
- 3) After trading hours on 15 September 2015, the Company announced a discloseable transaction that an indirectly wholly owned subsidiary of the Company made a successful bid for the land use right for commercial property development of a site area in Westlake District of Hangzhou city for a consideration of RMB281.1 million through open tender auction.
- 4) After trading hours on 22 September 2015, the Company made a voluntary announcement stating that the Company has commenced a new business activity in the area of online advertising, online homestay booking and online ordering of travel related services.

On 16 October 2015, the Share price closed at \$12.00, representing a further increase of 15.8% from the closing price of \$10.36 on 18 September 2015.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

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