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CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中國新城鎮發展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)

Hong Kong Stock Code: 1278

Singapore Stock Code: D4N.si

INSIDE INFORMATION

**PROVISION FOR IMPAIRMENT OF LAND DEVELOPMENT FOR
SALE AT A CONTROLLED SUBSIDIARY OF THE GROUP**

This announcement is made in accordance with Rule 703 of the Listing Manual of Singapore Exchange Securities Trading Limited, Rule 13.09 (2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and Section XIVA of the Securities and Futures Ordinance.

The Board would like to inform shareholders of the Company and potential investors that, in accordance with the requirements of International Financial Reporting Standards, the Group has performed preliminary assessment and impairment testing on unaudited management accounts. It is expected that a provision for impairment of land development for sale of RMB 622 million will be made at one of the Company's controlled subsidiaries as at 31 December 2014. The basis and actual amount of such impairment provision have not been reviewed or confirmed by auditors, but it is expected to directly impact the unaudited financial results of the Group for the financial year 2014, which is set to be announced by the end of February 2015. It is expected such impairment provision would reduce the consolidated net profit of the Group for this year by RMB 467 million and the net profit of the Group attributable to Shareholders by RMB 339 million. As land development for sale belongs to the Group's core business, its impairment provision was accounting adjustments made in accordance with the relevant review and reassessment requirements at the end of each reporting period. The finalized amount of the impairment provision is not expected to have any material impact on the net cash balance and financial strength of the Group.

Shareholders of the Company and potential investors are advised to exercise caution when dealing with the shares of the Company.

This announcement is made by China New Town Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with Rule 703 of the Listing Manual of Singapore Exchange Securities Trading Limited, Rule 13.09 (2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and Section XIVA of the Securities and Futures Ordinance.

The board of the Company (the “**Board**”) would like to inform shareholders of the Company (“**Shareholders**”) and potential investors that, in accordance with the requirements of International Financial Reporting Standards, the Group has performed preliminary assessment and impairment testing on unaudited management accounts. It is expected that a provision for impairment of land development for sale of RMB 622 million will be made at one of the Company’s controlled subsidiaries as at 31 December 2014. The basis and actual amount of such impairment provision have not been reviewed or confirmed by auditors of the Company (“**Auditors**”), but it is expected to directly impact the unaudited financial results of the Group for the financial year 2014, which is set to be announced by the end of February 2015. It is expected that such impairment provision would reduce the consolidated net profit of the Group for this year by RMB 467 million and the net profit of the Group attributable to Shareholders by RMB 339 million. As land development for sale belongs to the Group’s core business, its impairment provision was accounting adjustments made in accordance with the relevant review and reassessment requirements at the end of each reporting period. The finalized amount of the impairment provision is not expected to have any material impact on the net cash balance and financial strength of the Group.

Information set out in this announcement was based on preliminary assessment on unaudited management accounts of the Group as at 30 November 2014 and has not been reviewed or audited by Auditors of the Company. As of the date of this announcement, the relevant information is still under review and is to be confirmed by Auditors. Further details on the Group’s other financial information will be disclosed in the full year unaudited financial results of the Group for the financial year ending 31 December 2014, which will be published by the end of February 2015.

Shareholders of the Company and potential investors are advised to exercise caution when dealing with the shares of the Company.

By order of the Board
China New Town Development Company Limited
Liu Heqiang
Chief Executive Officer

Singapore and Hong Kong, 22 December 2014

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Shi Jian (Vice Chairman), Mr. Liu Heqiang, Ms. Yang Meiyu and Mr. Ren Xiaowei, four nonexecutive Directors, namely Mr. Fan Haibin (Chairman), Mr. Zuo Kun (Vice Chairman), Mr. Li Yao Min (Vice Chairman) and Mr. Zhang Yan and four independent non-executive Directors, namely Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.