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China New Town Development Company Limited **中國新城鎮發展有限公司**

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

Hong Kong Stock Code: 1278

Singapore Stock Code: D4N.si

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) ON ANNUAL REPORT 2015

With reference to the captioned subject, the Board of Directors of the Company (the “Board”) appends the Company’s reply to the following queries raised by the SGX-ST on the 2015 Annual Report:

SGX-ST’s Query 1

Guideline 11.3 of the Code of Corporate Governance 2012 (the “Code”) states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the Company’s Annual Report.

As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please make disclosures on the Board’s comments on the effectiveness of the Company’s internal controls, including financial, operational, compliance and information technology controls, and risk management systems or otherwise explain the reason(s) for the deviation from the following Code recommendation.

The Company’s response

The Company has disclosed that the Board with the concurrence of the Audit Committee, is of the opinion that the Group’s internal control systems and with management systems addressing financial, operational, compliance and information technology risk were adequate as at 31 December 2015 on Page 36 of the 2015 Annual Report.

SGX-ST's Query 2

Rule 1207(6)(b) of the Listing Manual provides that: "Confirmation by the audit committee that it has undertaken a review of all non-audit services provided by the auditors and they would not, in the audit committee's opinion, affect the independence of the auditors."

Please disclose accordingly.

The Company's response

The Audit Committee has conducted a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

SGX-ST's Query 3

Guideline 9.4 of the Code states that the Company should disclose details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclose of remuneration should be in incremental bands of S\$50,000.

As recommended by Guideline 9.4 of the Code, please disclose the remunerations in incremental bands of S\$50,000 or otherwise explain the reason(s) for the deviation from the following Code.

The Company's response

The Company would like to clarify that as at 31 December 2015 there is no employee who is immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000.

SGX-ST's Query 4

As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in Guideline 9.2 of the Code or otherwise explain the reason(s) for the deviation from the following Code recommendations. We note that the Company had disclosed the remuneration of the top five key management personnel in bands of S\$250,000 without an upper limit for Band B. Please provide an upper limit to the band.

The Company's response

The upper limit for Band B is S\$500,000.

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

Hong Kong and Singapore, 15 April 2016

As at the date of this announcement, the executive directors of the Company are Mr. Liu Heqiang (Chief Executive Officer), Ms. Yang Meiyu and Mr. Ren Xiaowei; the non-executive directors of the Company are Mr. Fan Haibin (Chairman), Mr. Zuo Kun (Vice Chairman), Mr. Li Yao Min (Vice Chairman) and Mr. Xie Zhen; and the independent non-executive directors of the Company are Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.