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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.

In the Company’s Annual Report, 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. 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 Code recommendation.

The Company’s response

Based on the internal controls and risk management framework and systems established and maintained by the Group, work performed by the internal auditors and the reviews conducted by the Audit Committee, and the assurance received from the CEO and CFO, the Board, with the

concurrence of the Audit Committee, is of the opinion that the Group's systems of internal controls and risk management systems are adequate and effective as at 31 December 2015 to address financial, operational, compliance and information technology control risks, which the Group considers relevant and material to safeguard shareholders' interest, Company's assets and its operations.

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

Hong Kong and Singapore, 21 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.