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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)

Singapore Stock Code: D4N.si

Hong Kong Stock Code: 1278

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX-ST LISTING MANUAL

BACKGROUND

China New Town Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was placed on the watch-list pursuant to Rule 1311 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual (the “**Listing Manual**”) on 3 March 2016.

Pursuant to Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors (the “**Board**”) of the Company wishes to provide an update on the financial situation of the Company and the Group for the first quarter ended 31 March 2016 (“**1Q FY2016**”).

UPDATE ON UNAUDITED FINANCIAL PERFORMANCE AND FINANCIAL POSITION

In 1Q FY2016, the Group recorded an unaudited net profit of RMB20.81 million, compared to the loss after tax of RMB0.397 million in 1Q FY2015. The improved results achieved by the Group in 1Q FY2016 was a result of operations from fixed-income investments in new town projects, recorded revenue of RMB47.03 million, mainly including those from Nanjing Two Bridges Project, Danyang Flood Discharge PPP Project, Danyang Xinmeng River Project and Zhengzhou Heizhuzhuang Project, increasing RMB26.12 million compared to gain on investments in new town projects of RMB20.91 million in 1Q FY2015. The improved result was also contributed by the interest income from bank deposits and other revenue of continuing operations increasing RMB4.58 million as compared with 1Q FY2015.

For more details on the results and financial position of the Group for 1Q FY2016, please refer to our separate announcement released on 13 May 2016.

UPDATE ON FUTURE DIRECTION

As for the Group, 2016 represents a year of accelerated development and business reform after the acquisition by CDB Capital. On one hand the Group sets new-type urbanization investment as our principal business and continues to execute the strategy of establishing our business foundation through fixed income investment, on the other hand we stepped up our efforts in consolidating the core strategic resources of the CDB system and explored various downstream investment and operation business opportunities. Under this core strategy, during the first quarter, the Group proactively engaged in project initiation and evaluation in a wide spectrum of projects, in the high value-added operational fields such as industrial park, education and tourism etc.

In the first quarter, the Group also achieved substantial breakthrough in its onshore financing channel. After participating in the CDB (Beijing)-BOCOMM New-Type Urbanization Development Fund with a RMB150 million commitment in 2015, in March of this year the Group entered into agreement with China Industrial Bank Wealth Management Company Limited and CDB Jingcheng (Beijing) Investment Fund Company Limited on co-establishing the CDB New Town New-Type Urbanization Development Fund (Limited Partnership) with an aggregate capital amount of RMB5 billion. The funds will be deployed to investments in nationwide urbanization and PPP projects. The effective use of leverage through the partnership helps the Company to enhance its investment return and reach out to nationwide investment opportunities. In the future, the Company plans to take advantage of its capital source to accelerate project development and market share expansion, and originate downstream opportunities in the process of deploying its investment.

OTHER MATERIAL DEVELOPMENTS

The Company will update shareholders on any other material developments and will make such necessary announcements as and when appropriate.

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

Singapore and Hong Kong, 31 May 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. Wei Wei (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.