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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)

### **UNAUDITED 2015 FIRST QUARTER RESULTS**

This announcement is made by China New Town Development Company Limited (the “**Company**”) pursuant to the disclosure obligation under Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKEx**”). This announcement is originally prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.

This announcement is prepared in accordance with relevant regulations of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Financial information set out in this report has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and has not been audited nor reviewed by auditors. Shareholders of the Company and public investors should exercise caution when dealing in the shares of the Company.

This presentation contains projections and forward-looking statements regarding the Group’s objectives and expectations with respect to property development plans, and its opportunities and business prospects. Such forward-looking statements are not guarantees of future performance of the Group and are subject to factors that could cause actual results and company plans and objectives to differ materially from those expressed in the forward-looking statements. These factors include, but are not limited to, timing and price of sales of land in public bidding process; adverse changes in the Chinese economy and property market; fluctuations of the inventory and pricing of residential and commercial properties; performance of construction and other contractors; and competition. The Group undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

**Unaudited First Quarter Financial Statements for the Financial Period Ended 31 March 2015**

**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**1(a)(i) Statement of comprehensive income for the first quarter ended 31 March 2015**

| <b>RMB'000</b>                                                                                   | <b>First quarter ended<br/>31 March 2015</b> | <b>First quarter ended<br/>31 March 2014</b> | <b>Increase/<br/>(Decrease)<br/>(%)</b> |
|--------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------|
| Group                                                                                            |                                              |                                              |                                         |
| <b>CONTINUING OPERATIONS</b>                                                                     |                                              |                                              |                                         |
| Revenue                                                                                          | -                                            | -                                            | -                                       |
| Cost of Sales                                                                                    | -                                            | -                                            | -                                       |
| <b>Gross profit</b>                                                                              | -                                            | -                                            | -                                       |
| Other income                                                                                     | 26,743                                       | 8,954                                        | 199                                     |
| Selling and distribution costs                                                                   | -                                            | (771)                                        | (100)                                   |
| Administrative expenses                                                                          | (20,021)                                     | (17,755)                                     | 13                                      |
| Other expenses                                                                                   | (3,529)                                      | (497)                                        | 610                                     |
| <b>Operating profit / (loss)</b>                                                                 | 3,193                                        | (10,069)                                     | 132                                     |
| Finance costs                                                                                    | (6,263)                                      | (20,471)                                     | (69)                                    |
| <b>Loss before tax from continuing operations</b>                                                | (3,070)                                      | (30,540)                                     | (90)                                    |
| Income tax                                                                                       | (4,797)                                      | (85)                                         | 5,544                                   |
| <b>Loss after tax from continuing operations</b>                                                 | (7,867)                                      | (30,625)                                     | (74)                                    |
| <b>DISCONTINUED OPERATIONS</b>                                                                   |                                              |                                              |                                         |
| Loss after tax from discontinued operations                                                      | (52,162)                                     | (52,401)                                     | (0)                                     |
| Gain after tax on partial disposal of assets and liabilities relating to discontinued operations | 59,632                                       | -                                            | 100                                     |
| <b>Loss for the year</b>                                                                         | (397)                                        | (83,026)                                     | (100)                                   |
| Other comprehensive income, net of tax                                                           | -                                            | -                                            | -                                       |
| <b>Total comprehensive loss, net of tax</b>                                                      | (397)                                        | (83,026)                                     | (100)                                   |
| Profit/ (Loss) attributable to:                                                                  |                                              |                                              |                                         |
| Owners of the parent                                                                             | 675                                          | (64,617)                                     | 101                                     |
| Non-controlling interests                                                                        | (1,072)                                      | (18,409)                                     | (94)                                    |
|                                                                                                  | (397)                                        | (83,026)                                     | (100)                                   |
| Total comprehensive profit/ (loss) attributable to:                                              |                                              |                                              |                                         |
| Owners of the parent                                                                             | 675                                          | (64,617)                                     | 101                                     |
| Non-controlling interests                                                                        | (1,072)                                      | (18,409)                                     | (94)                                    |
|                                                                                                  | (397)                                        | (83,026)                                     | (100)                                   |

**1(a)(ii) Notes to the statement of comprehensive income**

**a) Other income and other expenses**

**Other income**

**RMB'000**

|                                                               | <b>First quarter ended<br/>31 March 2015</b> | <b>First quarter ended<br/>31 March 2014</b> | <b>Increase/<br/>(Decrease)<br/>(%)</b> |
|---------------------------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------|
| Foreign exchange gain, net                                    | 211                                          | 4,413                                        | (95)                                    |
| Interest income                                               | 6,226                                        | 1,262                                        | 393                                     |
| Income from investment classified as<br>loans and receivables | 19,301                                       | -                                            | 100                                     |
| Others                                                        | 1,005                                        | 3,279                                        | (69)                                    |
|                                                               | <b>26,743</b>                                | <b>8,954</b>                                 | <b>199</b>                              |

**Other expenses**

**RMB'000**

|                                                      | <b>First quarter ended<br/>31 March 2015</b> | <b>First quarter ended<br/>31 March 2014</b> | <b>Increase/<br/>(Decrease)<br/>(%)</b> |
|------------------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------|
| Bank charges                                         | 406                                          | 411                                          | (1)                                     |
| Bad debt provision                                   | 2,803                                        | -                                            | 100                                     |
| Loss on disposal of property, plant and<br>equipment | -                                            | 10                                           | (100)                                   |
| Others                                               | 320                                          | 76                                           | 321                                     |
|                                                      | <b>3,529</b>                                 | <b>497</b>                                   | <b>610</b>                              |

**b) Finance costs**

**RMB'000**

|                                       | <b>First quarter ended<br/>31 March 2015</b> | <b>First quarter ended<br/>31 March 2014</b> | <b>Increase/<br/>(Decrease)<br/>(%)</b> |
|---------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------|
| Interest on bank and other borrowings | 6,263                                        | 20,471                                       | (69)                                    |
| Less: interest capitalised            | -                                            | -                                            | -                                       |
|                                       | <b>6,263</b>                                 | <b>20,471</b>                                | <b>(69)</b>                             |

**1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of immediately preceding financial year.**

**Statement of Financial Position as at 31 March 2015**

| RMB'000                                        | Group            |                        | Company          |                        |
|------------------------------------------------|------------------|------------------------|------------------|------------------------|
|                                                | 31 March<br>2015 | 31<br>December<br>2014 | 31 March<br>2015 | 31<br>December<br>2014 |
| <b>Assets</b>                                  |                  |                        |                  |                        |
| <b>Non-current assets</b>                      |                  |                        |                  |                        |
| Investment in subsidiaries                     | -                | -                      | 2,991,259        | 2,991,259              |
| Property, plant and equipment                  | 40,954           | 41,350                 | 144              | 93                     |
| Prepaid land lease payments                    | 11,940           | 12,034                 | -                | -                      |
| Deferred tax assets                            | 41,149           | 41,149                 | -                | -                      |
| Investment classified as loans and receivables | 490,000          | 490,000                | -                | -                      |
| Other assets                                   | 13,815           | -                      | -                | -                      |
| <b>Total non-current assets</b>                | <b>597,858</b>   | <b>584,533</b>         | <b>2,991,403</b> | <b>2,991,352</b>       |
| <b>Current assets</b>                          |                  |                        |                  |                        |
| Land development for sale                      | 1,550,527        | 1,549,079              | -                | -                      |
| Amounts due from subsidiaries                  | -                | -                      | 391,585          | 371,286                |
| Prepayments                                    | 1,432            | 8,539                  | -                | -                      |
| Other receivables                              | 1,348,534        | 1,906,439              | 132,907          | 128,204                |
| Trade receivables                              | 63,855           | 63,853                 | 1,636            | 1,635                  |
| Cash and bank balances                         | 850,364          | 795,451                | 512,138          | 543,542                |
| Assets classified as held for sale             | 5,008,483        | 4,904,237              | -                | -                      |
| <b>Total current assets</b>                    | <b>8,823,195</b> | <b>9,227,598</b>       | <b>1,038,266</b> | <b>1,044,667</b>       |
| <b>Total assets</b>                            | <b>9,421,053</b> | <b>9,812,131</b>       | <b>4,029,669</b> | <b>4,036,019</b>       |
| <b>Equity and liabilities</b>                  |                  |                        |                  |                        |
| <b>Equity</b>                                  |                  |                        |                  |                        |
| Owners of the parent                           |                  |                        |                  |                        |
| Share capital                                  | 4,110,841        | 4,110,841              | 4,110,841        | 4,110,841              |
| Other reserves                                 | 579,270          | 579,270                | 1,912,683        | 1,912,683              |
| Accumulated losses                             | (1,163,620)      | (1,164,295)            | (2,005,306)      | (2,007,038)            |
|                                                | 3,526,491        | 3,525,816              | 4,018,218        | 4,016,486              |
| Non-controlling interests                      | 322,389          | 321,620                | -                | -                      |
| <b>Total equity</b>                            | <b>3,848,880</b> | <b>3,847,436</b>       | <b>4,018,218</b> | <b>4,016,486</b>       |
| <b>Non-current liabilities</b>                 |                  |                        |                  |                        |
| Deferred tax liabilities                       | 21,151           | 21,151                 | -                | -                      |
| <b>Total non-current liabilities</b>           | <b>21,151</b>    | <b>21,151</b>          | <b>-</b>         | <b>-</b>               |

| RMB'000                                                          | Group            |                        | Company          |                        |
|------------------------------------------------------------------|------------------|------------------------|------------------|------------------------|
|                                                                  | 31 March<br>2015 | 31<br>December<br>2014 | 31 March<br>2015 | 31<br>December<br>2014 |
| <b>Current liabilities</b>                                       |                  |                        |                  |                        |
| Interest-bearing bank and other borrowings                       | 396,000          | 896,000                | -                | -                      |
| Trade payables                                                   | 149,430          | 161,534                | -                | -                      |
| Other payables and accruals                                      | 161,447          | 116,883                | 11,451           | 19,533                 |
| Advances received from settlement of Disposal Assets             | 553,549          | 553,549                | -                | -                      |
| Deferred income arising from land development                    | 383,716          | 383,716                | -                | -                      |
| Current income tax liabilities                                   | 363,305          | 359,841                | -                | -                      |
| Liabilities directly associated with classified as held for sale | 3,543,575        | 3,472,021              | -                | -                      |
| <b>Total current liabilities</b>                                 | <u>5,551,022</u> | <u>5,943,544</u>       | <u>11,451</u>    | <u>19,533</u>          |
| <b>Total liabilities</b>                                         | <u>5,572,173</u> | <u>5,964,695</u>       | <u>11,451</u>    | <u>19,533</u>          |
| <b>Total equity and liabilities</b>                              | <u>9,421,053</u> | <u>9,812,131</u>       | <u>4,029,669</u> | <u>4,036,019</u>       |
| <b>Net current assets</b>                                        | <u>3,272,173</u> | <u>3,284,054</u>       | <u>1,026,815</u> | <u>1,025,134</u>       |
| <b>Total assets less current liabilities</b>                     | <u>3,870,031</u> | <u>3,868,587</u>       | <u>4,018,218</u> | <u>4,016,486</u>       |

**1(b)(ii) Aggregate amount of the group's borrowings and debt securities.**

**i) Borrowings**

| <b>RMB'000</b>                              | <b>31 March 2015</b> | <b>31 December 2014</b> |
|---------------------------------------------|----------------------|-------------------------|
|                                             |                      |                         |
| Bank loans and other borrowings - unsecured | 150,000              | 650,000                 |
| Bank loans and other borrowings - secured   | 246,000              | 246,000                 |
|                                             | <u>396,000</u>       | <u>896,000</u>          |

**a) Amounts repayable in one year of less, or on demand**

| <b>RMB'000</b>                              | <b>31 March 2015</b> | <b>31 December 2014</b> |
|---------------------------------------------|----------------------|-------------------------|
|                                             |                      |                         |
| Bank loans and other borrowings - unsecured | 150,000              | 650,000                 |
| Bank loans and other borrowings - secured   | 246,000              | 246,000                 |
|                                             | <u>396,000</u>       | <u>896,000</u>          |

**b) Whether the amounts are secured or unsecured**

See table above.

**c) Details of any collateral**

**Bank loans and other borrowings - secured**

As at 31 March 2015, bank borrowings of RMB246 million (2014: RMB246 million) were pledged by the Group's certain properties, which were classified as assets held for sale, including property, plant and equipment and prepaid land lease payments, the net carrying amounts of which as at 31 March 2015 were RMB310 million (2014: RMB310 million), and RMB190 million (2014: RMB190 million) respectively. As these properties are classified as assets held for sale, the collateral amounts cannot be readily referenced to in the Statement of Financial Position as of 31 March 2015.

**1(c) A Statement of Cash Flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Cash Flow**

| <b>RMB'000</b>                                                | <b>First quarter ended<br/>31 March 2015</b> | <b>First quarter ended<br/>31 March 2014</b> |
|---------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>Cash flows from operating activities</b>                   |                                              |                                              |
| Loss before tax from continuing operations                    | (3,070)                                      | (30,540)                                     |
| Profit/ (loss) before tax from discontinued operations        | 7,470                                        | (52,401)                                     |
| Profit/ (loss) before tax                                     | 4,400                                        | (82,941)                                     |
| Adjustments for:                                              |                                              |                                              |
| Bad debt provision of trade and other receivables             | 2,803                                        | -                                            |
| Depreciation property, plant and equipment                    | 802                                          | 19,673                                       |
| Amortisation of prepaid land lease payments                   | 94                                           | 1,718                                        |
| Share of loss from associates and joint ventures              | -                                            | 4                                            |
| Fair value loss on completed investment properties            | -                                            | 326                                          |
| Gain from disposal of subsidiaries                            | (59,632)                                     | -                                            |
| Income from investment classified as loans and receivable     | (19,301)                                     | -                                            |
| Interest income                                               | (6,464)                                      | (1,507)                                      |
| Interest expense                                              | 29,172                                       | 44,849                                       |
| Exchange gain                                                 | (211)                                        | 1,753                                        |
|                                                               | (48,337)                                     | (16,125)                                     |
| Decrease in prepaid land lease payments                       | 4,370                                        | 11,444                                       |
| Increase in land development for sale                         | (1,448)                                      | (2,308)                                      |
| Increase in properties under development for sale             | (16,749)                                     | (15,104)                                     |
| Decrease/ (increase) in inventories                           | 320                                          | (481)                                        |
| Decrease in prepayments                                       | 16,222                                       | 33,935                                       |
| Increase in other receivables and other current assets        | (116,639)                                    | (22,922)                                     |
| (Increase)/ decrease in trade receivables                     | (88)                                         | 21,265                                       |
| Increase in prepaid income tax                                | -                                            | (1,227)                                      |
| Decrease in deferred income from sale of golf club membership | (4,004)                                      | (4,087)                                      |
| Increase in advances from customers                           | 35,252                                       | 15,174                                       |
| (Increase)/ decrease in trade and other payables              | 293,160                                      | (66,926)                                     |
| <b>Net cash inflow/ (outflow) from operating activities</b>   | <b>162,059</b>                               | <b>(47,362)</b>                              |
| <b>Cash flows from investing activities</b>                   |                                              |                                              |
| Purchases/ construction of property, plant and equipment      | (24,235)                                     | (6,163)                                      |
| Payments for investment properties                            | (1,053)                                      | (3,863)                                      |
| Disposal of subsidiaries                                      | 601,821                                      | -                                            |
| Interest received                                             | 6,464                                        | 1,507                                        |
| <b>Net cash inflow/ (outflow) from investing activities</b>   | <b>582,997</b>                               | <b>(8,519)</b>                               |

| RMB'000                                                     | First quarter ended<br>31 March 2015 | First quarter ended<br>31 March 2014 |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Cash flows from financing activities</b>                 |                                      |                                      |
| Cash proceeds from placing of new shares of the Company     | -                                    | 1,138,979                            |
| Proceeds from bank and other borrowings                     | 30,000                               | 46,005                               |
| Repayment of bank and other borrowings                      | (522,270)                            | (17,270)                             |
| Interest paid                                               | (32,564)                             | (46,276)                             |
| <b>Net cash (outflow)/ inflow from financing activities</b> | <b>(524,834)</b>                     | <b>1,121,438</b>                     |
| <b>Net increase in cash and cash equivalents</b>            | <b>220,222</b>                       | <b>1,065,557</b>                     |
| <b>Cash and cash equivalents at beginning of period</b>     | <b>876,294</b>                       | <b>136,833</b>                       |
| <b>Cash and cash equivalents at end of period</b>           | <b>1,096,516</b>                     | <b>1,202,390</b>                     |

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### Statements of Changes in Equity

##### Group

##### First quarter ended 31 March 2014

RMB'000

|                                     | Share capital | Other reserves | Accumulated losses | Total     | Non-controlling interests | Total equity |
|-------------------------------------|---------------|----------------|--------------------|-----------|---------------------------|--------------|
| Balance as at 1 January 2014        | 2,980,809     | 579,270        | (1,102,891)        | 2,457,188 | 522,096                   | 2,979,284    |
| Total comprehensive loss            | -             | -              | (64,617)           | (64,617)  | (18,409)                  | (83,026)     |
| Placing of 5,347,921,071 new shares | 1,130,032     | -              | -                  | 1,130,032 | -                         | 1,130,032    |
| Balance as at 31 March 2014         | 4,110,841     | 579,270        | (1,167,508)        | 3,522,603 | 503,687                   | 4,026,290    |

##### First quarter ended 31 March 2015

RMB'000

|                                    | Share capital | Other reserves | Accumulated losses | Total     | Non-controlling interests | Total equity |
|------------------------------------|---------------|----------------|--------------------|-----------|---------------------------|--------------|
| Balance as at 1 January 2015       | 4,110,841     | 579,270        | (1,164,295)        | 3,525,816 | 321,620                   | 3,847,436    |
| Total comprehensive income/ (loss) | -             | -              | 675                | 675       | (1,072)                   | (397)        |
| Disposal of subsidiaries           | -             | -              | -                  | -         | 1,841                     | 1,841        |
| Balance as at 31 March 2015        | 4,110,841     | 579,270        | (1,163,620)        | 3,526,491 | 322,389                   | 3,848,880    |

**Company****First quarter ended 31 March 2014**

| <b>RMB'000</b>                      | Share capital | Other reserves | Accumulated losses | Total     |
|-------------------------------------|---------------|----------------|--------------------|-----------|
| Balance as at 1 January 2014        | 2,980,809     | 1,912,683      | (2,002,889)        | 2,890,603 |
| Total comprehensive loss            | -             | -              | (2,323)            | (2,323)   |
| Placing of 5,347,921,071 new shares | 1,130,032     | -              | -                  | 1,130,032 |
| Balance as at 31 March 2014         | 4,110,841     | 1,912,683      | (2,005,212)        | 4,018,312 |

**First quarter ended 31 March 2015**

| <b>RMB'000</b>               | Share capital | Other reserves | Accumulated losses | Total     |
|------------------------------|---------------|----------------|--------------------|-----------|
| Balance as at 1 January 2015 | 4,110,841     | 1,912,683      | (2,007,038)        | 4,016,486 |
| Total comprehensive income   | -             | -              | 1,732              | 1,732     |
| Balance as at 31 March 2015  | 4,110,841     | 1,912,683      | (2,005,306)        | 4,018,218 |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The number of shares that may be issued on conversion of all the outstanding convertibles (including the number of shares held as treasury shares, if any) and against the total number of issued shares excluding treasury shares as at 31 March 2015 and as at 31 March 2014 are set out below:

|                                                                                     | As at<br>31 March 2015 | As at<br>31 March 2014 |
|-------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                     | No. of shares          | No. of shares          |
| Treasury shares                                                                     | -                      | -                      |
| Total number of issued shares excluding treasury shares as at the end of the period | 9,846,119,747          | 9,846,119,747          |

The Group has no outstanding convertible instruments as at 31 March 2015.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

|                                                                                           | As at<br>31 March 2015 | As at<br>31 December 2014 |
|-------------------------------------------------------------------------------------------|------------------------|---------------------------|
|                                                                                           | No. of shares          | No. of shares             |
| Total number of issued shares excluding treasury shares as at the beginning of the period | 9,846,119,747          | 4,498,198,676             |
| Completion of subscription of shares by CDBIH                                             | -                      | 5,347,921,071             |
| Add/(Less): Treasury shares                                                               | -                      | -                         |
| Total number of issued shares excluding treasury shares as at the end of the period       | 9,846,119,747          | 9,846,119,747             |

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Group had no treasury shares in issue as at 31 March 2015.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the most recently audited annual financial statements for the financial year ended 31 December 2014, except that the Group has adopted all the new and amended IFRS and IFRIC interpretations effective in the first three months ended as at 31 March 2015.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company have adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant in the current financial period. The adoption of these new/revised IFRSs has no material effect on the financial statements.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

|      |                                                                                                                                                       | Group                             |                                   |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
|      | Earnings per ordinary share for the period based on profit/(loss) attributable to shareholders after deducting any provision for preference dividends | First quarter ended 31 March 2015 | First quarter ended 31 March 2014 |
| (i)  | Based on the weighted average number of ordinary shares on issue (RMB)                                                                                | 0.0001                            | (0.0138)                          |
| (ii) | On a fully diluted basis (RMB)                                                                                                                        | 0.0001                            | (0.0138)                          |

The calculation of basic earnings/(loss) per share amounts is based on the profit/(loss) attributable to ordinary equity holders of the parent for the period ended 31 March 2015 and the period ended 31 March 2014.

The following reflects the income and share data used in the basic and diluted earnings/(loss) per share computation:

| <b>RMB'000</b>                                                                                               | <b>First quarter ended 31 March 2015</b> | <b>First quarter ended 31 March 2014</b> |
|--------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| Profit/ (loss) attributable to ordinary equity holders of the parent                                         | 675                                      | (64,617)                                 |
| Number of weighted average number of ordinary shares used to calculate the basic/ diluted earnings per share | 9,846,119,747                            | 4,676,462,712                            |
| Number of ordinary shares used to calculate the basic/ diluted earnings per share                            | 9,846,119,747                            | 4,676,462,712                            |

**7 Net asset value (for the issuer and the group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.**

|                                                                                                                                                                     | Group                |                  | Company              |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------|----------------------|------------------|
|                                                                                                                                                                     | <b>31 March 2015</b> | 31 December 2014 | <b>31 March 2015</b> | 31 December 2014 |
| Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer as at the end of the period reported on (RMB) | 0.3909               | 0.3908           | 0.4081               | 0.4079           |

**A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Operating Results**

Our results of operations are primarily driven by the frequency and achieved selling prices of public auction for land use rights. The frequency and selling prices of public auction, likely to be affected by all kinds of variables, are not completely within the control of the Group. In the first quarter of 2015, there was no land sale recorded from our land development projects which is same as the same period of 2014.

### **Operating Expenses**

#### **Selling and distribution costs**

In the first quarter of 2015, there was no selling and distribution costs and related expenses, whereas the selling and distribution costs of RMB7.7 million in the first quarter of 2014 was incurred in respect of reconstruction costs for the National 4A Tourist Attraction District in Shanghai Lake Malaren.

#### **Administrative expenses**

In the first quarter of 2015, administrative expenses increased by RMB2.27 million as compared with the same period of 2014. It was due to office rental expenses and property management fees after the relocation of administrative center to Beijing.

#### **Other income**

In the first quarter of 2015, other income increased by RMB17.79 million as compared with the same period of 2014. It was mainly due to the income from investment classified as loans and receivables relating to the Nanjing Yuhuatai Project for RMB19.30 million and interest income from bank of RMB6.23 million during the period.

#### **Other expenses**

In the first quarter of 2015, other expenses increased by RMB3.03 million as compared with the same period of 2014, mainly due to the impairment provision of receivables from Luonan district government and others amounting to RMB2.8 million.

## **Non-operating Activities**

### Finance costs

In the first quarter of 2015, we incurred total net finance costs of RMB6.26 million, which only include interest expense RMB6.26 million, representing a reduction of RMB14.21 million compared with the RMB20.47 million net finance cost in the same period of 2014. The decrease was primarily due to the reduction in bank and other borrowings.

### Taxation

In the first quarter of 2015, the Company recorded tax of RMB4.8 million mainly due to the investment gain from Nanjing Yuhuatai Project.

## **Discontinued operations**

In the first quarter of 2015, after-tax loss from discontinued operations remained in line with the corresponding period in 2014. In the first quarter of 2015, certain companies within the discontinued operations were disposed to independent third party in accordance with the Disposal Master Agreement, realizing gain of RMB59.63 million.

## **Statements of Financial Position**

### *Prepayments*

The balance at 31 March 2015 decreased by RMB7.11 million as compared with the balance at the end of 2014. This decrease was mainly due to completion of renovation of the Group's administrative center and relevant renovation prepayment was transferred to other assets.

### *Other receivables*

The balance at 31 March 2015 reduced by RMB558 million as compared with the balance at the end of 2014. Such reduction was primarily due to receipt of the first settlement of disposal consideration associated with the disposal of Wuxi project of RMB608 million in first quarter of 2015, while in the period the investment at Nanjing Yuhuatai Project generated fixed investment return receivables of RMB20.91 million and increase in consideration and other receivables of RMB24.83 million associated with the disposal of assets classified as held for sale.

### *Other assets*

The balance at 31 March 2015 increased by RMB13.82 million as compared with the balance at the end of 2014. Such asset was attributed to the renovation expenses of the Group's administrative center. The total amount of RMB8.54 million was transferred from prepayment and other residual of RMB5.28 million was incurred during the first quarter of 2015.

### *Interest-bearing bank and other borrowings*

The balance at 31 March 2015 was RMB396 million, it decreased by RMB500 million as compared with the balance at the end of 2014. Such decrease was due to the 500 million interest-bearing related parties borrowing repaid during the first quarter of 2015.

### *Trade payables*

The balance at 31 March 2015 was RMB12.1 million lower than the balance at 2014 year end. Such reduction was due to the payment made during the quarter, mainly including the payment of relocation costs of RMB7 million at Luodian as well as other construction costs of RMB6.23 million.

### *Other payables and accruals*

The balance at 31 March 2015 was RMB44.56 million higher than the balance at 2014 year end. This increase was mainly due to RMB54.64 million associated with the disposal of subsidiaries to an independent third party in the period in accordance with the Disposal Master Agreement, as well as accrued taxes of RMB1.61 million associated with investments classified as loans and receivables at Nanjing Yuhuatai Project, offset by the payment of RMB8.26 million associated with accrued professional advisory fees.

### **Discontinued operations**

On 10 October 2013, the Company, China Development Bank International Holdings Limited (“**CDBIH**”) and SRE Investment Holdings Co. Ltd. (“**SREI**”, the then controlling shareholder of the Company) entered into share subscription agreement (“**Subscription Agreement**”), pursuant to the terms and conditions of which CDBIH agreed to subscribe for 5,347,921,071 shares of the Company (the “**Subscription**”). The Subscription has been completed in the first quarter of 2014 and the relevant shares have been issued.

As a schedule of the Subscription Agreement, the Company and SREI entered into the Disposal Master Agreement (“**Disposal Master Agreement**”) pursuant to which the Company agreed to dispose the Disposal Assets at the terms and conditions under the Disposal Master Agreement, and SREI agreed to purchase the Disposal Assets at total consideration of RMB 2,069,832,594, the relevant consideration of which shall be paid in several cash instalments (“**Assets Disposal**”). It is expected that the Assets Disposal will be completed within twenty-four months from 23 March 2014. As at 31 March 2015, the Disposal Assets are classified as assets held for sale in financial statements and deemed discontinued operations of the Group. The cash proceeds attributable to the Company from the Disposal Assets have been fixed and shall not be affected by the subsequent operating performance of the Disposal Assets.

The financial results of discontinued operations in the following periods are as set out below:

| <b>RMB'000</b>                                                   | <b>First Quarter ended<br/>31 March 2015</b> | <b>First Quarter ended<br/>31 March 2014</b> |
|------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Group                                                            |                                              |                                              |
| <b>Revenue</b>                                                   | 47,584                                       | 57,958                                       |
| Cost of sales                                                    | (41,104)                                     | (41,443)                                     |
| <b>Gross profit</b>                                              | 6,480                                        | 16,515                                       |
| Other income                                                     | 437                                          | 291                                          |
| Selling and distribution costs                                   | (10,284)                                     | (13,329)                                     |
| Administrative expenses                                          | (25,249)                                     | (30,465)                                     |
| Other expenses                                                   | (637)                                        | (220)                                        |
| Fair value loss on completed investment properties               | -                                            | (326)                                        |
| <b>Operating loss from discontinued operations</b>               | (29,253)                                     | (27,534)                                     |
| Finance costs                                                    | (22,909)                                     | (24,378)                                     |
| Share of loss from a joint venture                               | -                                            | (4)                                          |
| <b>Loss before tax from discontinued operations</b>              | (52,162)                                     | (51,916)                                     |
| Income tax                                                       | -                                            | (485)                                        |
| <b>Loss for the year from discontinued operations</b>            | (52,162)                                     | (52,401)                                     |
| Gain after tax on disposal of subsidiaries                       | 59,632                                       | -                                            |
| <b>Profit/(loss) for the period from discontinued operations</b> | 7,470                                        | (52,401)                                     |

The major classes of assets and liabilities classified as held for sale as at 31 March 2015 are as follows:

| <b>RMB'000</b>                            | <b>31 March 2015</b> | <b>31 December 2014</b> |
|-------------------------------------------|----------------------|-------------------------|
| <b>Assets:</b>                            |                      |                         |
| Investments in associate(s)               | 200                  | 200                     |
| Property, plant and equipment             | 1,604,264            | 1,623,721               |
| Completed investment properties           | 698,000              | 698,000                 |
| Trade receivables – long-term             | 110                  | 110                     |
| Prepaid land leases – long-term           | 146,851              | 146,851                 |
| Deferred tax assets                       | 30,715               | 30,722                  |
| Other assets                              | 41,872               | 43,442                  |
| Properties under construction for sale    | 1,561,969            | 1,539,563               |
| Prepaid land leases – short-term          | 462,423              | 469,059                 |
| Inventories                               | 2,152                | 5,116                   |
| Prepayments                               | 23,009               | 35,240                  |
| Other receivables                         | 174,729              | 210,896                 |
| Trade receivables                         | 2,429                | 6,866                   |
| Prepaid income taxes                      | 13,608               | 13,608                  |
| Cash and bank balances                    | 246,152              | 80,843                  |
| <b>Assets classified as held for sale</b> | <b>5,008,483</b>     | <b>4,904,237</b>        |

| <b>RMB'000</b>                                                          | <b>31 March 2015</b> | <b>31December 2014</b> |
|-------------------------------------------------------------------------|----------------------|------------------------|
| <b>Liabilities:</b>                                                     |                      |                        |
| Non-current interest-bearing bank and other borrowings                  | 952,920              | 947,690                |
| Deferred income from sale of golf club memberships                      | 466,103              | 470,107                |
| Deferred tax liabilities                                                | 4,665                | 4,665                  |
| Interest-bearing bank and other borrowings                              | 520,980              | 573,480                |
| Trade payables                                                          | 413,208              | 463,182                |
| Other payables and accruals                                             | 902,720              | 756,151                |
| Advances from customers                                                 | 279,753              | 249,864                |
| Current income liabilities                                              | 3,226                | 6,882                  |
| Liabilities directly associated with assets classified as held for sale | 3,543,575            | 3,472,021              |
| Net assets directly associated with Disposal Assets                     | 1,464,908            | 1,432,216              |

The net cash flows related to Disposal Assets are as follows:

|                            | <b>1 January 2015 to<br/>31 March 2015</b> | <b>1 January 2014 to<br/>31 March 2014</b> |
|----------------------------|--------------------------------------------|--------------------------------------------|
| Operating                  | 213,855                                    | (27,993)                                   |
| Investing                  | (29,976)                                   | (9,620)                                    |
| Financing                  | (18,570)                                   | (6,875)                                    |
| Net cash inflow/ (outflow) | 165,309                                    | (44,488)                                   |

## **Liquidity**

The Group has obtained the following bank loan financing:

a. Used for land development for sale at Shanghai Luodian Project:

- Principal: RMB246 million
- Drawn amount as at 31 March 2015: RMB246 million

Overall, cash and cash equivalents (including assets classified as held for sale and discontinued operations, excluding restricted cash) in the period increased by RMB220 million as compared with 2014 year end, with balance of RMB1.097 billion as at 31 March 2015. This was due to net operating cash inflow of RMB162 million and net investing inflow of RMB583 million, partially offset by net financing cash outflow of RMB525 million.

**9      Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

As is evident from the first quarter results announced, the results for the current quarter is generally in line with the statements made in the Company's commentary in paragraph 10 of 2014 financial results. The Company considered that the market conditions remain similar to that were expected in the last period.

**10     Commentary of the significant trends and competitions of the industry in which the Group operates as at the date of this announcement and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

In the first quarter of 2015, the property market in China has trended towards stabilization. Among the nation's 70 largest cities, the number of cities recording month-on-month fall in first hand residential commodity housing price has decreased from 64 in January to 50 in March, while the number of cities recording month-on-month rise has increased from 2 in January to 12 in March. Property price in tier one cities showed early signs of bottoming, with first hand and second hand residential property pricing rising 0.2% and 0.3% respectively on overall average basis, representing a turnaround, while the first hand and second hand residential property pricing in tier 2 and tier 3 cities falling at a noticeably slower rate on overall average basis. On the other hand, curbing policies continued to tilt in favor of and support the housing improvement needs of citizens. On 30 March, the People's Bank of China, the Housing and Urban Construction Ministry and the China Banking Regulatory Commission jointly announced the lowering of down payment requirement for households with an outstanding mortgage arrangement applying for additional commercial mortgage for self-use to 40%. On the same day, the Ministry of Finance and State Revenue Bureau announced the shortening of the minimum holding period of normal housing eligible for business tax exemption upon sale from 5 years to 2 years. It is expected that these policies will support the healthy recovery of consumption demand for the property market.

In the first quarter of 2015, with the support of CDB Capital, our controlling shareholder, the Company proactively advanced the development of new projects and broadened its financing channels. In January, the Company announced the entering into of memorandum of understanding regarding strategic cooperation with the Industrial and Commercial Bank of China (Shanghai branch), pursuant to which the Industrial and Commercial Bank of China (Shanghai branch) would provide to the Company credit facilities amounting up to RMB10 billion in aggregate in the cooperation period, preferentially to be used to support the development of new town projects under the Company's planning and operations in China, leverage off the relevant free trade zone policies to provide cross border RMB financial services to the Company as well as exploring multiple innovative financing mechanisms to support our medium to long term funding need. In April, the Company announced that CDB Capital provided unconditional guarantee for the Company's subsidiary in securing an onshore bank loan, successfully helping our subsidiary secure bank financing at favorable interest rate. The continued improvement and enhancement in the Company's financing capabilities is crucial for accelerating the Company's dedicated investments to new town projects, facilitating the building of its new stable and attractive business model, expanding the Company's scale in assets and project portfolio, so that we are well-positioned to create better value for our shareholders.

**11 Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? **No**

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? **No**

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)**

Not applicable.

**(d) Date Payable**

Not applicable

**(e) Book Closure Date**

Not applicable

**12 If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for the first quarter ended 31 March 2015.

**13 Interest Persons Transactions ( "IPT" )**

| <b>RMB'000</b>                   | <b>3 months ended 31 March 2015</b>                                                                                                                                                          |                                                                                                                                      |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of interested person</b> | Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
| Not applicable                   |                                                                                                                                                                                              |                                                                                                                                      |

**14 Negative assurance confirmation by the Board of Directors pursuant to Rule 705 (5) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the first quarter unaudited financial statements of China New Town Development Company Limited for the first quarter ended 31 March 2015 presented in this announcement to be false or misleading in any material aspect.

## 15 Subsequent event

To better support the Company in sourcing and investing in new projects and fulfil the strategic objective of raising offshore funding, the Company announced the proposed issuance of RMB-denominated guaranteed notes on 22 April 2015. The issuer of the note was China New Town Finance I Limited, a wholly-owned subsidiary of the Company, with the benefit of guarantee by the Company and a deed of keepwell and liquidity support as well as a deed of equity interest purchase undertaking from CDB Capital. On 29 April 2015, the Company announced the successful completion of the note issuance, with finalized issuance amount of RMB1.3 billion, tenor of 3 years and coupon rate of 5.5%. This is the first offshore debt issuance by the Company after the acquisition by CDB. It is very helpful to the Company in terms of optimizing its financing structure and reducing financing cost. The proceeds from the issuance would support the Company's continued investments in new projects and the expansion in its business scale, improving the return to shareholders.

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

Singapore and Hong Kong, 14 May 2015

*As at the date of this announcement, the Board of the Company comprises four executive directors, namely Mr. Shi Jian (Vice Chairman), Mr. Liu Heqiang (Chief Executive Officer), Ms. Yang Meiyu and Mr. Ren Xiaowei; four non-executive 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.*