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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 2016 FIRST QUARTER RESULTS

This announcement is made by China New Town Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the disclosure obligation under Rule 13.10(B) 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 trading in the shares of the Company.

This presentation contains projections and forward-looking statements regarding the Group’s objectives and expectations with respect to urbanization investment 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 not limited to, adverse changes in the Chinese economy and investment environment; slow down and non-favorable policy in urbanization; fluctuations in the availability and pricing of residential and commercial properties; 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 2016

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 2016

RMB'000 Group	First quarter ended 31 March 2016	First quarter ended 31 March 2015*	Increase / (Decrease) (%)
Continuing Operations			
Revenue	59,054	28,349	108
Land development	-	-	-
Gain on investments in new town projects	47,029	20,907	125
Other income	12,025	7,442	62
Cost of sales	(43,134)	(31,419)	37
Finance costs	(24,316)	(6,263)	288
Business tax and surcharges	(2,781)	(1,606)	73
Selling and administrative expenses	(15,686)	(20,021)	(22)
Other expenses	(351)	(3,529)	(90)
Operating profit/(loss)	15,920	(3,070)	(619)
Attributable profit from a joint venture	4	-	100
Profit/(loss) before tax from continuing operations	15,924	(3,070)	(619)
Income tax	(3,190)	(4,797)	(34)
Profit/(loss) after tax from continuing operations	12,734	(7,867)	(262)
Discontinued Operations			
Loss after tax from discontinued operations	(17,226)	(52,162)	(67)
Gain after tax on partial disposal of assets and liabilities relating to discontinued operations	25,306	59,632	(58)
Profit/(loss) for the period	20,814	(397)	(5,343)
Other comprehensive income, net of tax	-	-	-
Total comprehensive profit/(loss), net of tax	20,814	(397)	(5,343)
Profit/(loss) attributable to:			
Equity holders of the parent	25,825	675	3,726
Non-controlling interests	(5,011)	(1,072)	367
	20,814	(397)	(5,343)

RMB'000	First quarter ended 31 March 2016	First quarter ended 31 March 2015*	Increase / (Decrease) (%)
Group			
Total comprehensive profit/(loss) attributable to:			
Equity holders of the parent	25,825	675	3,726
Non-controlling interests	(5,011)	(1,072)	367
	20,814	(397)	(5,343)

*: The Group formulated its future development strategy as the complementary combination of “investment in primary land development” with “downstream business cultivation and operation”, affirming that investment in township development is the Group’s principal activity. Therefore the Company adjusted its disclosure of revenue and related costs to reflect such changes. The 2015 comparative information was restated to conform with the current year’s presentation and disclosures.

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

a) Gain on investments in new town projects

RMB'000	First quarter ended 31 March 2016	First quarter ended 31 March 2015*	Increase / (Decrease) (%)
Nanjing Two Bridges Project	20,532	20,907	(2)
Danyang Flood Discharge PPP Project,	6,572	-	-
Danyang Xinmeng River Project	6,067	-	-
Zhengzhou Heizhuzhuang Project.	5,160	-	-
Other projects	8,698	-	-
	47,029	20,907	125

b) Other income and other expenses

Other income

RMB'000	First quarter ended 31 March 2016	First quarter ended 31 March 2015*	Increase / (Decrease) (%)
Interest income	8,095	6,226	30
Foreign exchange gain, net	(624)	211	(396)
Others	4,554	1,005	353
	12,025	7,442	62

Other expenses

RMB'000	First quarter ended 31 March 2016	First quarter ended 31 March 2015	Increase / (Decrease) (%)
Bank charges	33	406	(92)
Others	318	3,123	(90)
	351	3,529	(90)

c) Finance costs

RMB'000	First quarter ended 31 March 2016	First quarter ended 31 March 2015	Increase / (Decrease) (%)
Interest on bank and borrowings	5,567	6,263	(11)
Interest on senior guaranteed notes	18,749	-	100
Less: interest capitalised	-	-	-
	24,316	6,263	288

*: The 2015 comparative information was restated to conform with the current year's presentation and disclosures.

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

Statement of Financial Position as at 31 March 2016

RMB'000	Group	
	31 March 2016	31 March 2015
Assets		
Non-current assets		
Investment in a joint venture	10,599	10,595
Loans and receivables	732,063	690,000
Financial assets available for sale	32,000	32,000
Financial assets designated at fair value through profit or loss	71,874	68,874
Property, plant and equipment	40,236	39,792
Prepaid land lease payments	11,562	11,657
Deferred tax assets	56,191	56,191
Other assets	10,682	10,744
Total non-current assets	965,207	919,853
Current assets		
Land development for sale	1,547,668	1,546,483
Amount due from subsidiaries	-	-
Prepayments	6,066	1,675
Inventories	6,191	-
Other receivables	1,633,251	1,415,727
Trade receivables	61,627	59,218
Loans and receivables	616,592	570,488
Cash and bank balances	1,508,492	1,568,656
Assets classified as held for sale	4,636,454	4,803,516
Total current assets	10,016,341	9,965,763
Total assets	10,981,548	10,885,616

RMB'000	Group	
	31 March 2016	31 March 2015
Equity		
Owners of the parent:		
Share capital	4,110,841	4,110,841
Other reserves	579,270	579,270
Accumulated losses	(1,073,329)	(1,099,154)
	3,616,782	3,590,957
Non-controlling interests	305,831	293,465
Total Equity	3,922,613	3,884,422
Non-current liabilities		
Senior guaranteed notes	1,291,413	1,290,490
Interest bearing bank and other borrowings	324,470	309,030
Deferred tax liabilities	21,151	21,151
Total non-current liabilities	1,637,034	1,620,671
Current liabilities		
Interest bearing bank and other borrowings	365,000	365,000
Trade payables	161,913	149,942
Other payables and accruals	261,976	270,964
Advance from customers	1,269	-
Advances received for the settlement of Disposal Assets	581,032	538,975
Deferred revenue arising from land development	352,794	352,794
Current income tax liabilities	336,628	336,628
Liabilities directly associated with assets classified as held for sale	3,361,289	3,366,220
Total current liabilities	5,421,901	5,380,523
Total liabilities	7,058,935	7,001,194
Equity and total liabilities	10,981,548	10,885,616
Net current assets	4,594,440	4,585,240
Total assets less current liabilities	5,559,647	5,505,093

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

i) Borrowings

RMB'000	31 March 2016	31 December 2015
Bank and other borrowings - secured	200,000	200,000
Bank and other borrowings - guaranteed	339,470	324,030
Bank and other borrowings – unsecured and unguaranteed	150,000	150,000
	689,470	674,030

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

RMB'000	31 March 2016	31 December 2015
Bank and other borrowings - secured	200,000	200,000
Bank and other borrowings - guaranteed	15,000	15,000
Bank and other borrowings – unsecured and unguaranteed	150,000	150,000
	<u>365,000</u>	<u>365,000</u>

b) **Amount repayable after one year**

RMB'000	31 March 2016	31 December 2015
Bank and other borrowings - guaranteed	324,470	309,030
	<u>324,470</u>	<u>309,030</u>

c) **Whether the amounts are secured/guaranteed or unsecured.**

See table above.

d) **Details of any collateral/guarantee**

Bank and other borrowings – secured or guaranteed

As at 31 March 2016, the carrying amount of long-term bank loan of RMB339 million was due to the loan from Industrial and Commercial Bank of China Limited. This loan was guaranteed by China Development Bank Capital Corporation Limited.

As at 31 March 2016, an outstanding short-term bank loan balance of RMB200 million was due to the loan from the Beijing branch of Xiamen International Bank Company Limited with term lasting from 6 September 2015 to 1 September 2016. China New Town Holding Company Limited provided guarantee by pledging a cash deposit together with the corresponding interest income at the pledgee (Xiamen International Bank Company Limited Beijing Branch).

ii) **Senior guaranteed notes**

RMB'000	31 March 2016
Book value of senior guaranteed notes at the beginning of period	1,290,490
Interest expenses (based on effective interest rate of 5.84%)	18,749
Interest payment	-
Book value of senior guaranteed notes at the end of period	<u>1,309,239</u>
Categorized as current liabilities	17,826
Categorized as non-current liabilities	<u>1,291,413</u>

Senior guaranteed notes of RMB1.29 billion were Renminbi denominated senior guaranteed notes issued by the Company in 2015, with issuer being a wholly-owned subsidiary of the Company – China New Town Finance I Limited. The notes were guaranteed by the Company with credit enhancement measures such as the keepwell deed, liquidity support and deed of equity interest purchase undertaking from China Development Bank Capital Corporation Limited. The Company on 28 April 2015 announced the completion of notes issuance, with issuance amount of RMB1.3 billion, tenor of three years and coupon rate of 5.5%. The total issuance cost was RMB11.94 million, measured at amortized cost.

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

RMB'000	First Quarter ended 31 March 2016	First Quarter ended 31 March 2015
Cashflow from operating activities		
Profit/(loss) before tax from continuing operations	15,924	(3,070)
Profit before tax from discontinued operations	8,080	7,470
Profit before tax	24,004	4,400
Adjustments for:		
Bad debt provision of of impairment of other receivables	-	2,803
Depreciation of property, plant and equipment	1,157	802
Amortization of prepaid land lease payments	94	94
Amortization of intangible assets	39	-
Gain from disposal of subsidiaries and joint venture	(21,499)	(59,632)
Share of profit from associates and a joint venture	(4)	-
Interests from loans and receivables	(47,029)	(19,301)
Interests from bank deposits	(8,121)	(6,464)
Interest expense on bank and other borrowings	18,742	29,172
Interest expense on senior guaranteed notes	18,749	-
Foreign exchange loss/(gain)	624	(211)
	(13,244)	(48,337)
Increase in land development for sale	(1,184)	(1,448)
Decrease/(increase) in properties under development for sale	8,836	(16,749)
(Increase)/decrease in prepaid land lease payments	(1,182)	4,370
(Increase)/decrease in inventories	(665)	320
(Increase)/decrease in prepayments	(13,133)	16,222
Increase in other receivables and other current assets	(3,485)	(116,639)
Increase in trade receivables	(125)	(88)

RMB'000	First Quarter ended 31 March 2016	First Quarter ended 31 March 2015
Decrease in deferred revenue arising from sale of golf club membership	(4,866)	(4,004)
Increase in advances from customers	79,639	35,252
Increase in trade and other payables	4,554	293,160
	55,145	162,059
Income tax paid	(23,323)	-
Net cash inflow from operating activities	31,822	162,059
Cashflow from investing activities		
Purchase/construction of property, plant and equipment	(904)	(24,235)
Payments for investment properties	-	(1,053)
Disposal of subsidiaries and joint venture	(533)	601,821
Acquisition of a subsidiary	6,608	-
Investments in loans and receivables	(88,167)	-
Interest received from loans and receivables	21,306	-
Investments in financial assets designated at fair value through profit or loss	(3,000)	-
Interest received from bank deposits	8,121	6,464
Net cash (outflow)/inflow from investing activities	(56,569)	582,997
Cashflow from financing activities		
Proceeds from bank and other borrowings	29,448	30,000
Repayment of bank and other borrowings	(2,270)	(522,270)
Interest paid	(43,002)	(32,564)
Net cash outflow from financing activities	(15,824)	(524,834)
Net increase in cash and cash equivalents	(40,571)	220,222
Cash and cash equivalents at beginning of period	1,373,159	876,294
Cash and cash equivalents at end of period	1,332,588	1,096,516

- 1(d)(i) **A statement (for the 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 Change in Equity

Group

First quarter ended 31 March 2016

RMB'000	Attributable to equity holders of the parent				Non-controlling interest	Total equity
	Share capital	Other reserves	Accumulated loss	Total		
Balance as at 1 January 2016	4,110,841	579,270	(1,099,154)	3,590,957	293,465	3,884,422
Total comprehensive income/(loss)	-	-	25,825	25,825	(5,011)	20,814
Acquisition of a subsidiary	-	-	-	-	17,377	17,377
Balance as at 31 March 2016	4,110,841	579,270	(1,073,329)	3,616,782	305,831	3,922,613

First quarter ended 31 March 2015

RMB'000	Attributable to equity holders of the parent				Non-controlling interest	Total equity
	Share capital	Other reserves	Accumulated loss	Total		
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

- 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 2016 and as at 31 March 2015 are set out below:

	As at 31 March 2016	As at 31 March 2015
	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 2016.

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 31 March 2016	As at 31 December 2015
	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	9,846,119,747
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 2016.

2 Whether the figures have been audited or reviewed, and in accordance with 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 2015, 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 2016.

- 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 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 attributable to shareholders after deducting any provision for preference dividends	First quarter ended 31 March 2016	First quarter ended 31 March 2015
(a)	Based on the weighted average number of ordinary shares on issue (RMB)	0.0026	0.0001
(b)	On a fully diluted basis (RMB)	0.0026	0.0001

The calculation of basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent for the period ended 31 March 2016 and the period ended 31 March 2015.

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

RMB'000	First quarter ended 31 March 2016	First quarter ended 31 March 2015
Earnings attributable to ordinary equity holders of the parent	25,825	675
Number of ordinary shares used to calculate the basic and diluted earnings per share	9,846,119,747	9,846,119,747

- 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	
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)	31 March 2016	31 December 2015
	0.3673	0.3647

- 8 **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

Revenue

Our results from operation mainly include fixed-income investments in new town projects, sharing of land sale proceeds in some projects and downstream operations in urbanization. In the first quarter of 2016, there was no revenue related to land sale and land development. We recorded revenue of RMB47.03 million from fixed-income investments in new town projects, mainly including those from Nanjing Two Bridges Project, Danyang Flood Discharge PPP Project, Danyang Xinmeng River Project and Zhengzhou Heizhuzhuang Project.

In the first quarter of 2015, there was no revenue related to land sale and land development. We recorded revenue of RMB20.91 million from fixed-income investments in new town project - Nanjing Two Bridges Project.

Other income

In the first quarter of 2016, other income increased by RMB3.43 million as compared with the same period of 2015, which was mainly attributable to interest income from bank deposits and other revenue increasing as compared with the same period of last year.

Selling and administrative costs

In the first quarter of 2016, selling and administrative costs decreased by RMB4.34 million as compared with the same period of 2015, which was mainly attributable to the office rental and property management costs arising from the relocation of the Group's administrative center to Beijing in 2015.

Other expenses

In the first quarter of 2016, other expenses decreased by RMB3.18 million as compared with the same period of 2015, which was mainly due to the impairment provision on a receivable from Shanghai Luonan Town Government and other trade receivables amounting to RMB2.8 million in aggregate in 2015, while there was no such items in the first quarter of 2016.

Finance costs

In the first quarter of 2016, we incurred net finance costs of RMB24.32 million, including the interest expense of RMB5.57 million on bank and other borrowings and interest expense of RMB18.75 million on senior guaranteed notes. This represented an increase of RMB18.06 million from the net finance costs of RMB6.26 million in the same period of 2015, primarily due to the additional interest expenses arising from the senior guaranteed notes.

Income tax

In the first quarter of 2016, the Company recorded income tax of RMB3.75 million, which was attributable to the profit from fixed-income investment projects.

Profit after tax from continuing operation

A profit after tax from continuing operation of RMB12.73 million is recorded for the first quarter of 2016, compared to a loss after tax of RMB7.87 million.

Discontinued Operations

In the first quarter of 2016, after-tax loss from discontinued operations reduced by RMB34.94 million as compared with the same period of 2015, mainly due to the disposal of part of discontinued operations through 2015 and the first quarter of 2016. In the first quarter of 2016, a part of discontinued operations were disposed to subsidiary company of SRE Group Limited pursuant to the Disposal Master Agreement, resulting in gain after tax of RMB25.31 million.

Statements of Financial Position

Loans and receivables (Non-current assets and Current assets)

The balance as at 31 March 2016 increased by RMB88.17 million as compared with the balance as at 2015 year end. Such increase was mainly due to the new indirect loan of RMB180 million to Henan Renxin Properties Company Limited in support of the Zhengzhou Heizhuzhuang Project development in the first quarter of 2016.

Financial assets designated at fair value through profit or loss

The balance as at 31 March 2016 increased by RMB3 million as compared with the balance as at 2015 year end. This was mainly due to CDB New Town (Beijing) Asset Management Company Limited, in the capacity of junior-tranche limited partner, contributed capital of RMB3 million towards the CDB-BOCOMM New-type Urbanization Development Fund in the first quarter of 2016.

Inventories

The balance as at 31 March 2016 increased by RMB6.19 million as compared with the balance as at 2015 year end. Such increase was mainly due to the CDB Chengdu Agriculture Development Company Limited, the principal business of which includes the growing and distribution of agricultural products. The balance of inventory mainly includes seedlings of late-maturing citrus, specialty pears and rice.

Prepayments

The balance as at 31 March 2016 increased by RMB4.39 million as compared with the balance as at 2015 year end. Such increase was mainly due to prepaid office rent from April to August by CDB New Town (Beijing) Asset Management Company Limited.

Other receivables

The balance as at 31 March 2016 increased by RMB218 million as compared with the balance as at 2015 year end. Such increase was mainly attributable to the corresponding increase of other

receivables by RMB191 million arising from the disposal of part of discontinued operations in the first quarter of 2016.

Interest-bearing bank and other borrowings (non-current liabilities)

The balance as at 31 March 2016 was RMB324 million, representing an increase of RMB15.44 million from the balance as at 2015 year end. This was mainly due to a new loan amounting to RMB15 million during the period, with term from 21 March 2016 to 20 April 2020 and interest rate at 4.41%. This loan is guaranteed by China Development Bank Capital Corporation Limited.

Trade payables

The balance as at 31 March 2016 increased by RMB11.97 million as compared with the balance as at 2015 year end. Such increase was mainly due to increase of RMB21.5 million from Shenyang Lixiang Project and decrease of RMB9.65 million from Shanghai Luodian Project.

Liquidity

Overall, cash and cash equivalents in the period reduced by RMB40.57 million as compared with the balance as at 2015 year end with a balance of RMB1.33 billion as at 31 March 2016. This was mainly due to net cash inflow from operating activities amounting to RMB29.35 million, net cash outflow from financing activities amounting to RMB15.82 million, as well as net cash outflow from investing activities amounting to RMB54.10 million in the first quarter of 2016.

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 on 28 March 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 the terms and conditions of which the Company agreed to dispose the Disposal Assets, 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**”). As at 31 March 2016, 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 locked and shall not be affected by the subsequent profit or loss.

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

RMB'000	First quarter ended 31 March 2016	First quarter ended 31 March 2015
Group		
Revenue	32,403	47,584
Cost of sales	(13,952)	(41,104)
Gross profit	18,451	6,480
Other income	492	437
Selling and distribution costs	(5,099)	(10,284)
Administrative expenses	(17,574)	(25,249)
Other expenses	(321)	(637)
Operating loss from discontinued operations	(4,051)	(29,253)
Finance costs	(13,175)	(22,909)
Loss before tax from discontinued operations	(17,226)	(52,162)
Income tax	-	-
Loss for the year from discontinued operations	(17,226)	(52,162)
Gain after tax from disposing subsidiaries	25,306	59,632
Profit for the period from discontinued operations	8,080	7,470

The major classes of assets and liabilities classified as held for sale as at 31 March 2016 and 31 December 2015 are as follows:

RMB'000	31 March 2016	31 December 2015
Assets:		
Investments in an associate	200	200
Property, plant and equipment	1,430,943	1,609,322
Completed investment properties	698,000	698,000
Prepaid land lease payments– long-term	146,851	146,851
Deferred tax assets	24,750	27,358
Other assets	40,373	40,714
Properties under development for sale	1,586,723	1,589,023
Prepaid land lease payments – short-term	441,890	443,638
Inventories	1,614	1,998
Prepayments	19,657	9,322
Other receivables	187,781	199,184
Trade receivables	2,232	2,059
Prepaid income taxes	25,158	25,158
Cash and bank balances	30,282	10,689
Assets classified as held for sale	<u>4,636,454</u>	<u>4,803,516</u>
Liabilities		
Non-current interest-bearing bank and other borrowings	673,307	688,619
Interest-bearing bank and other borrowings	515,971	488,471
Deferred revenue from sale of golf club memberships	448,429	453,296
Trade payables	317,299	412,734
Other payables and accruals	1,108,766	1,037,212
Advances from customers	318,805	281,223
Deferred tax liabilities	4,665	4,665
Current income tax liabilities	(25,953)	-
Liabilities directly associated with assets classified as held for sale	<u>3,361,289</u>	<u>3,366,220</u>
Net assets directly associated with Disposal Assets	<u><u>1,275,165</u></u>	<u><u>1,437,296</u></u>

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

	1 January 2016 to 31 March 2016	1 January 2015 to 31 March 2015
Operating	25,067	213,855
Investing	2,397	(29,976)
Financing	(7,871)	(18,570)
Net cash inflow	<u><u>19,593</u></u>	<u><u>165,309</u></u>

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 FY2015 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.

2016 marks the opening year for the “thirteenth five-year” of China. On the policy backdrop of supply-side reform, there were early signs of stabilization in the country's economy. Indicators such as investment growth, consumer price indices and corporate profits started to pick up. Meanwhile the domestic property market continued to go through the trends of “promoting demand” and “de-inventorying”. Mortgage down payment ratio, real estate transaction tax and business tax in China were adjusted downward one after another, while household system reform and rural land system reform were promoted to release the property demand from the rural population migrating to urban regions for work and stimulate property market demands. Statistics revealed that the real estate sector continued to show stabilization trends in the first quarter. For example, the nationwide investment in property development had nominal year-on-year growth of 3.0% in the first two months of the year, the first time in two years that such indicator shows growth.

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.

In addition, the Group has also achieved a milestone success in assets disposal. On 20 April 2016, the Company entered into binding agreement with SRE Group Limited and SREI in relation to disposing a basket of Disposal Assets held by the Shanghai Golden Luodian Company to SRE Group, at an aggregate consideration of RMB1.315 billion (more details refer to announcement

made on 20 April 2016). After the completion of this disposal transaction, the Company would have substantially completed the disposal of the Disposal Assets and can better focus management efforts and the Group's resources on new project opportunities going forward.

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/recommended, a statement to that effect.

No dividend has been declared or recommended for the first quarter ended 31 March 2016.

13 Interest Persons Transactions ("IPT")

RMB'000	Financial period ended 31 March 2016	
Name of interested person	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)
CDB Jingcheng (Beijing) Investment Fund Company Limited	1,050,000	NA

As CDB Capital is the controlling shareholder of the Company, CDB Jingcheng (Beijing) Investment Fund Company Limited ("**CDB Fund**"), which is under CDB Capital's management, is deemed interested person of the Company under the Singapore Listing Manual. On 2 March 2016, CDB New Town (Beijing) Asset Management and Shengqi (Jiaxing) Investment Management, wholly-owned subsidiaries of the Company, entered into partnership agreement with

CDB Fund regarding the establishment of the CDB New Town New-type Urbanization Development Fund. Pursuant to the agreement, the total capital amount was set at RMB5 billion, while the Company committed to contribute a total capital of RMB1.05 billion with the capacity as the junior-tranche limited partner and manager. For further information, please refer to the announcement made by the Company on 2 March 2016.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that undertakings have been procured from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

15. 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 interim unaudited financial statements of China New Town Development Company Limited for the first quarter ended 31 March 2016 presented in this announcement to be false or misleading in any material aspect.

16. Subsequent event

On 20 April 2016, the Company entered into binding agreement with SRE Group Limited and SREI regarding the disposal of a basket of Disposal Assets to SRE Group. The terms and conditions of such disposal transaction is consistent with the terms and conditions set out in the Disposal Master Agreement. Furthermore, the disposal consideration was RMB1.315 billion, which was consistent with the consideration amount of the Shanghai Disposal Assets as set out in the Disposal Master Agreement. For further information on the disposal transaction, please refer to the announcement made by the Company on 21 April 2016.

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

Singapore and Hong Kong, 13 May 2016

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