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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 2014 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 (“**HKE**x”). 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 land development and 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 in the availability 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 2014**

**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 2014**

| RMB'000                                                       | 1Q 2014<br>31 March 2014 | 1Q 2013*<br>31 March 2013 | Increase<br>(Decrease)<br>(%) |
|---------------------------------------------------------------|--------------------------|---------------------------|-------------------------------|
| Group                                                         |                          |                           |                               |
| <b>Continuing operations</b>                                  |                          |                           |                               |
| <b>Revenue</b>                                                | -                        | 608,266                   | (100)                         |
| Cost of sales                                                 | -                        | (309,110)                 | (100)                         |
| <b>Gross profit</b>                                           | -                        | 299,156                   | (100)                         |
| Other income                                                  | 8,954                    | 4,472                     | 100                           |
| Selling and distribution costs                                | (771)                    | (10,348)                  | (93)                          |
| Administrative expenses                                       | (17,755)                 | (18,315)                  | (3)                           |
| Other expenses                                                | (497)                    | (165)                     | 201                           |
| <b>Operating (loss)/profit</b>                                | (10,069)                 | 274,800                   | (104)                         |
| Finance costs                                                 | (20,471)                 | (25,028)                  | (18)                          |
| <b>(Loss)/profit before tax from continuing operations</b>    | (30,540)                 | 249,772                   | (112)                         |
| Income tax                                                    | (85)                     | (63,823)                  | (100)                         |
| <b>(Loss)/profit after the tax from continuing operations</b> | (30,625)                 | 185,949                   | (116)                         |
| <b>Discontinued operations</b>                                |                          |                           |                               |
| Loss after tax from discontinued operations                   | (52,401)                 | (52,750)                  | (1)                           |
| <b>(Loss)/profit for the year</b>                             | (83,026)                 | 133,199                   | (162)                         |
| Other comprehensive (loss)/income                             | -                        | -                         | -                             |
| <b>Total comprehensive (loss)/income</b>                      | (83,026)                 | 133,199                   | (162)                         |
| (Loss)/profit attributable to:                                |                          |                           |                               |
| Owners of the parent                                          | (64,617)                 | 89,677                    | (172)                         |
| Non-controlling interests                                     | (18,409)                 | 43,522                    | (142)                         |
|                                                               | (83,026)                 | 133,199                   | (162)                         |
| Total comprehensive income attributable to:                   |                          |                           |                               |
| Owners of the parent                                          | (64,617)                 | 89,677                    | (172)                         |
| Non-controlling interests                                     | (18,409)                 | 43,522                    | (142)                         |
|                                                               | (83,026)                 | 133,199                   | (162)                         |

\*Comparative figures have been reclassified in accordance with the current quarter presentation.

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

**a) Revenue, other income and other expenses**

| RMB'000                           | 1Q 2014<br>31 March 2014 | 1Q 2013<br>31 March 2013 | Increase<br>(Decrease)<br>(%) |
|-----------------------------------|--------------------------|--------------------------|-------------------------------|
| <b>Revenue</b>                    |                          |                          |                               |
| Land development                  | -                        | 643,336                  | (100)                         |
| Less: Business tax and surcharges | -                        | (35,070)                 | (100)                         |
|                                   | -                        | 608,266                  | (100)                         |

**Other income**  
**RMB'000**

|                            | <b>1Q 2014</b><br><b>31 March 2014</b> | <b>1Q 2013</b><br><b>31 March 2013</b> | <b>Increase</b><br><b>(Decrease)</b><br><b>(%)</b> |
|----------------------------|----------------------------------------|----------------------------------------|----------------------------------------------------|
| Foreign exchange gain, net | 4,413                                  | -                                      | 100                                                |
| Interest income            | 1,262                                  | 2,436                                  | (48)                                               |
| Others                     | 3,279                                  | 2,036                                  | 61                                                 |
|                            | <b>8,954</b>                           | <b>4,472</b>                           | <b>100</b>                                         |

**Other expenses**  
**RMB'000**

|                                                   | <b>1Q 2014</b><br><b>31 March 2014</b> | <b>1Q 2013</b><br><b>31 March 2013</b> | <b>Increase</b><br><b>(Decrease)</b><br><b>(%)</b> |
|---------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------------------|
| Foreign exchange loss, net                        | -                                      | 60                                     | (100)                                              |
| Bank charges                                      | 411                                    | 42                                     | 887                                                |
| Loss on disposal of property, plant and equipment | 10                                     | -                                      | 100                                                |
| Others                                            | 76                                     | 63                                     | 21                                                 |
|                                                   | <b>497</b>                             | <b>165</b>                             | <b>201</b>                                         |

**b) Cost of sales by business units**  
**RMB'000**

|                  | <b>1Q 2014</b><br><b>31 March 2014</b> | <b>1Q 2013</b><br><b>31 March 2013</b> | <b>Increase</b><br><b>(Decrease)</b><br><b>(%)</b> |
|------------------|----------------------------------------|----------------------------------------|----------------------------------------------------|
| Land development | -                                      | 309,110                                | (100)                                              |
|                  | <b>-</b>                               | <b>309,110</b>                         | <b>(100)</b>                                       |

**c) Finance costs**  
**RMB'000**

|                                 | <b>1Q 2014</b><br><b>31 March 2014</b> | <b>1Q 2013</b><br><b>31 March 2013</b> | <b>Increase</b><br><b>(Decrease)</b><br><b>(%)</b> |
|---------------------------------|----------------------------------------|----------------------------------------|----------------------------------------------------|
| Interest on bank and borrowings | 20,471                                 | 25,028                                 | (18)                                               |
| Less: Interest capitalised      | -                                      | -                                      | -                                                  |
|                                 | <b>20,471</b>                          | <b>25,028</b>                          | <b>(18)</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 2014**

| <b>RMB'000</b>                           | <b>Group</b>                   |                                   | <b>Company</b>                 |                                   |
|------------------------------------------|--------------------------------|-----------------------------------|--------------------------------|-----------------------------------|
|                                          | <b>31 March</b><br><b>2014</b> | <b>31 December</b><br><b>2013</b> | <b>31 March</b><br><b>2014</b> | <b>31 December</b><br><b>2013</b> |
| <b>Assets</b>                            |                                |                                   |                                |                                   |
| <b>Non-current assets</b>                |                                |                                   |                                |                                   |
| Investments in subsidiaries              | -                              | -                                 | 2,591,259                      | 2,591,259                         |
| Investment in an associate               | -                              | 200                               | -                              | -                                 |
| Investments in a joint venture           | -                              | 55,656                            | -                              | -                                 |
| Property, plant and equipment            | 79,657                         | 1,631,967                         | 52                             | 62                                |
| Completed investment properties          | -                              | 740,000                           | -                              | -                                 |
| Investment properties under construction | -                              | 106,000                           | -                              | -                                 |
| Prepaid land lease payments              | 99,487                         | 244,586                           | -                              | -                                 |
| Non-current trade receivables            | 42,291                         | 48,626                            | -                              | -                                 |
| Deferred tax assets                      | 88,600                         | 132,625                           | -                              | -                                 |
| Other assets                             | -                              | 47,727                            | -                              | 2,794                             |
| <b>Total non-current assets</b>          | <b>310,035</b>                 | <b>3,007,387</b>                  | <b>2,591,311</b>               | <b>2,594,115</b>                  |
| <b>Current assets</b>                    |                                |                                   |                                |                                   |
| Land development for sale                | 5,078,541                      | 5,130,517                         | -                              | -                                 |
| Properties under development for sale    | -                              | 1,568,991                         | -                              | -                                 |

| RMB'000                                                                        | Group             |                     | Company          |                     |
|--------------------------------------------------------------------------------|-------------------|---------------------|------------------|---------------------|
|                                                                                | 31 March<br>2014  | 31 December<br>2013 | 31 March<br>2014 | 31 December<br>2013 |
| Prepaid land lease payments                                                    | -                 | 642,312             | -                | -                   |
| Inventories                                                                    | -                 | 5,878               | -                | -                   |
| Amounts due from subsidiaries                                                  | -                 | -                   | 506,866          | 506,805             |
| Prepayments                                                                    | 243               | 93,382              | -                | -                   |
| Other receivables                                                              | 299               | 21,832              | 3                | 6                   |
| Trade receivables                                                              | 721,405           | 743,272             | 1                | 1                   |
| Prepaid income tax                                                             | -                 | 17,480              | -                | -                   |
| Cash and bank balances                                                         | 1,357,823         | 332,333             | 1,145,703        | 1,853               |
| Assets classified as held for sale                                             | 5,118,925         | -                   | -                | -                   |
| <b>Total current assets</b>                                                    | <b>12,277,236</b> | <b>8,555,997</b>    | <b>1,652,573</b> | <b>508,665</b>      |
| <b>Total assets</b>                                                            | <b>12,587,271</b> | <b>11,563,384</b>   | <b>4,243,884</b> | <b>3,102,780</b>    |
| <b>Equity and liabilities</b>                                                  |                   |                     |                  |                     |
| <b>Equity</b>                                                                  |                   |                     |                  |                     |
| Owners of the parent:                                                          |                   |                     |                  |                     |
| Share capital                                                                  | 4,110,841         | 2,980,809           | 4,110,841        | 2,980,809           |
| Other reserves                                                                 | 579,270           | 579,270             | 1,912,683        | 1,912,683           |
| Accumulated losses                                                             | (1,167,508)       | (1,102,891)         | (2,005,212)      | (2,002,889)         |
|                                                                                | 3,522,603         | 2,457,188           | 4,018,312        | 2,890,603           |
| Non-controlling interests                                                      | 503,687           | 522,096             | -                | -                   |
| <b>Total equity</b>                                                            | <b>4,026,290</b>  | <b>2,979,284</b>    | <b>4,018,312</b> | <b>2,890,603</b>    |
| <b>Non-current liabilities</b>                                                 |                   |                     |                  |                     |
| Interest-bearing bank and other borrowings                                     | 667,000           | 1,797,870           | -                | -                   |
| Deferred income from sale of golf club membership                              | -                 | 486,208             | -                | -                   |
| Deferred tax liabilities                                                       | 21,151            | 32,195              | -                | -                   |
| <b>Total non-current liabilities</b>                                           | <b>688,151</b>    | <b>2,316,273</b>    | <b>-</b>         | <b>-</b>            |
| <b>Current liabilities</b>                                                     |                   |                     |                  |                     |
| Interest-bearing bank and other borrowings                                     | 643,869           | 1,338,992           | 204,869          | 198,312             |
| Trade payables                                                                 | 2,162,292         | 2,557,878           | -                | -                   |
| Other payables and accruals                                                    | 624,699           | 872,498             | 20,703           | 13,865              |
| Amounts due to related parties                                                 | 3,000             | 3,500               | -                | -                   |
| Advances from customers                                                        | -                 | 336,482             | -                | -                   |
| Deferred income arising from land development                                  | 620,221           | 620,221             | -                | -                   |
| Current income tax liabilities                                                 | 525,593           | 538,256             | -                | -                   |
| Liabilities directly associated with the assets<br>classified as held for sale | 3,293,156         | -                   | -                | -                   |
| <b>Total current liabilities</b>                                               | <b>7,872,830</b>  | <b>6,267,827</b>    | <b>225,572</b>   | <b>212,177</b>      |
| <b>Total liabilities</b>                                                       | <b>8,560,981</b>  | <b>8,584,100</b>    | <b>225,572</b>   | <b>212,177</b>      |
| <b>Total equity and liabilities</b>                                            | <b>12,587,271</b> | <b>11,563,384</b>   | <b>4,243,884</b> | <b>3,102,780</b>    |
| <b>Net current assets</b>                                                      | <b>4,404,406</b>  | <b>2,288,170</b>    | <b>1,427,001</b> | <b>296,488</b>      |
| <b>Total assets less current liabilities</b>                                   | <b>4,714,441</b>  | <b>5,295,557</b>    | <b>4,018,312</b> | <b>2,890,603</b>    |

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

**i) Borrowings**

| <b>RMB'000</b>                        | <b>31 March 2014</b> | <b>31 December 2013</b> |
|---------------------------------------|----------------------|-------------------------|
| Bank and other borrowings - unsecured | 410,000              | 738,000                 |
| Bank and other borrowings - secured   | 900,869              | 2,398,862               |
|                                       | <u>1,310,869</u>     | <u>3,136,862</u>        |

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

| <b>RMB'000</b>                        | <b>31 March 2014</b> | <b>31 December 2013</b> |
|---------------------------------------|----------------------|-------------------------|
| Bank and other borrowings - unsecured | 260,000              | 588,000                 |
| Bank and other borrowings - secured   | 383,869              | 750,992                 |
|                                       | <u>643,869</u>       | <u>1,338,992</u>        |

**b) Amount repayable after one year**

| <b>RMB'000</b>                        | <b>31 March 2014</b> | <b>31 December 2013</b> |
|---------------------------------------|----------------------|-------------------------|
| Bank and other borrowings - unsecured | 150,000              | 150,000                 |
| Bank and other borrowings - secured   | 517,000              | 1,647,870               |
|                                       | <u>667,000</u>       | <u>1,797,870</u>        |

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

See table above.

**d) Details of any collateral**

**Bank and other borrowings – secured**

As at 31 March 2014, bank borrowings of RMB451 million (2013: RMB1,949 million) were secured using certain of the Group's properties, property, plant and equipment, completed investment properties, properties under development for sale, prepaid land lease payments as well as bank deposits, whose net carrying amounts at 31 March 2014 were RMB314 million (2013: RMB429 million), RMB6 million (2013: RMB606 million), RMB0 million (2013: RMB1,249 million), RMB64 million (2013: RMB450 million), and RMB195 million (2013: RMB195 million), respectively.

As at 31 March 2014, the other borrowing of RMB450 million (2013: RMB 450 million) is a loan from a third party trust fund which is secured by pledge of the Group's 90% equity interest in Wuxi Hongqing, and entitlement to certain economic benefits (right to dividends, if any, etc.) in the equity interest of Wuxi Hongqing, use rights of two pieces of land and the title to the properties thereon (whose net carrying amounts at 31 March 2014 were RMB327 million (2013: RMB327 million). The loan is also guaranteed by SREI and Mr. Shi Jian, the Vice Chairman of the Company. The Group has the right to repay the loan (the outstanding balance of principal and interest thereon) in full, at any time prior to expiry of the term of the loan.

**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>1Q 2014<br/>31 March 2014</b> | <b>1Q 2013<br/>31 March 2013</b> |
|-----------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>Cash flows from operating activities</b>                                             |                                  |                                  |
| Profit/(Loss) before tax from continuing operations                                     | (30,540)                         | 197,015                          |
| Profit/(Loss) before tax from discontinued operations                                   | (52,401)                         | -                                |
| Profit/(Loss) before tax                                                                | (82,941)                         | 197,015                          |
| Adjustments for:                                                                        |                                  |                                  |
| Depreciation of property, plant and equipment                                           | 19,673                           | 15,203                           |
| Amortization of prepaid land lease payments                                             | 1,718                            | 2,320                            |
| Loss on disposal of an associate and a joint venture                                    | 4                                | -                                |
| Fair value loss on completed investment properties                                      | 326                              | -                                |
| Interest income                                                                         | (1,507)                          | (2,489)                          |
| Interest expense                                                                        | 44,849                           | 57,390                           |
| Exchange gain                                                                           | 1,753                            | -                                |
|                                                                                         | (16,125)                         | 269,439                          |
| Decrease/(increase) in prepaid land lease payments                                      | 11,444                           | 38,846                           |
| Decrease/(increase) in land development for sale                                        | (2,308)                          | 294,809                          |
| Decrease/(increase) in properties under development for sale                            | (15,104)                         | 82,444                           |
| Decrease/(increase) in inventories                                                      | (481)                            | (17)                             |
| Decrease/(increase) in prepayments                                                      | 33,935                           | (1,748)                          |
| Decrease/(increase) in other receivables and other current assets                       | (22,922)                         | (6,734)                          |
| Decrease/(increase) in trade receivables                                                | 21,265                           | (572,301)                        |
| Decrease/(increase) in prepaid income tax                                               | (1,227)                          | (4,986)                          |
| Increase/(decrease) in deferred income from sale of golf club membership                | (4,087)                          | (4,649)                          |
| Increase/(decrease) in advances from customers                                          | 15,174                           | (64,836)                         |
| Decrease in deferred income arising from land development                               | -                                | 24,438                           |
| Increase/(decrease) in trade and other payables                                         | (66,926)                         | (204,835)                        |
| Increase/(decrease) in amounts due to related parties                                   | -                                | (869)                            |
| <b>Net cash outflow from operating activities</b>                                       | <b>(47,362)</b>                  | <b>(150,999)</b>                 |
| <b>Cash flows from investing activities</b>                                             |                                  |                                  |
| Purchase/construction of property, plant and equipment                                  | (6,163)                          | (102,192)                        |
| Refund of prepayments for property, plant and equipment                                 | -                                | 222,542                          |
| Payment for investment properties                                                       | (3,863)                          | 2,384                            |
| Interest received                                                                       | 1,507                            | 2,489                            |
| <b>Net cash outflow from investing activities</b>                                       | <b>(8,519)</b>                   | <b>125,223</b>                   |
| <b>Cash flows from financing activities</b>                                             |                                  |                                  |
| Cash proceeds from placing of new shares                                                | 1,138,979                        | -                                |
| Proceeds from bank borrowings                                                           | 46,005                           | 62,158                           |
| Repayment of bank and other borrowings                                                  | (17,270)                         | (95,000)                         |
| Cash placed as restricted deposits in relation to interest payments for bank borrowings | -                                | 20,000                           |
| Interest paid                                                                           | (46,276)                         | (49,056)                         |
| <b>Net cash inflow/(outflow) from financing activities</b>                              | <b>1,121,438</b>                 | <b>(61,898)</b>                  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                             | <b>1,065,557</b>                 | <b>(87,674)</b>                  |
| <b>Cash and cash equivalents at beginning of period</b>                                 | <b>136,833</b>                   | <b>229,267</b>                   |
| <b>Cash and cash equivalents at end of period</b>                                       | <b>1,202,390</b>                 | <b>141,593</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**

**1Q ended 31 March 2013**

**RMB'000**

|                              | Share<br>Capital | Other<br>reserves | Accumulated<br>losses | Total     | Non-<br>controlling<br>interests | Total<br>equity |
|------------------------------|------------------|-------------------|-----------------------|-----------|----------------------------------|-----------------|
| Balance as at 1 January 2013 | 2,980,809        | 579,270           | (889,899)             | 2,670,180 | 570,367                          | 3,240,547       |
| Total comprehensive income   | -                | -                 | 89,677                | 89,677    | 43,522                           | 133,199         |
| Balance as at 31 March 2013  | 2,980,809        | 579,270           | (800,222)             | 2,759,857 | 613,889                          | 3,373,746       |

**1Q ended 31 March 2014**

**RMB'000**

|                                        | Share<br>Capital | Other<br>reserves | Accumulated<br>losses | Total     | Non-<br>controlling<br>interests | Total<br>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 income             | -                | -                 | (64,617)              | (64,617)  | (18,409)                         | (83,026)        |
| Placing of 5,347,921,071 new<br>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       |

**The Company**

**1Q ended 31 March 2013**

**RMB'000**

|                              | Share<br>Capital | Other reserves | Accumulated<br>losses | Total     |
|------------------------------|------------------|----------------|-----------------------|-----------|
| Balance as at 1 January 2013 | 2,980,809        | 1,912,683      | (1,972,078)           | 2,921,414 |
| Total comprehensive income   | -                | -              | (6,185)               | (6,185)   |
| Balance as at 31 March 2013  | 2,980,809        | 1,912,683      | (1,978,263)           | 2,915,229 |

**1Q ended 31 March 2014**

**RMB'000**

|                                     | Share<br>Capital | Other reserves | Accumulated<br>losses | Total     |
|-------------------------------------|------------------|----------------|-----------------------|-----------|
| Balance as at 1 January 2014        | 2,980,809        | 1,912,683      | (2,002,889)           | 2,890,603 |
| Total comprehensive income          | -                | -              | (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 |

- 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 2014 and as at 31 March 2013 are set out below:

|                                                                                                  | As at<br>31 March 2014 | As at<br>31 March 2013 |
|--------------------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                                  | No. of Shares          | No. of Shares          |
| Shares to be issued pursuant to the release of all the awards granted under the Management Grant | -                      | -                      |
| Treasury Shares                                                                                  | -                      | -                      |
| Total number of issued shares excluding treasury shares as at the end of the period              | 9,846,119,747          | 4,498,198,676          |

The Group has no outstanding convertible instruments as at 31 March 2014.

- 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 2014 | As at<br>31 December 2013 |
|-------------------------------------------------------------------------------------------|------------------------|---------------------------|
|                                                                                           | No. of Shares          | No. of Shares             |
| Total number of issued shares excluding treasury shares as at the beginning of the period | 4,498,198,676          | 4,498,198,676             |
| Issue of new shares from placement                                                        | 5,347,921,071          | -                         |
| Exercise of Management Grant                                                              | -                      | -                         |
| Add/(Less) : Treasury shares                                                              | -                      | -                         |
| Total number of issued shares excluding treasury shares as at the end of the period       | 9,846,119,747          | 4,498,198,676             |

- 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 2014.

- 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 2013, except that the Group has adopted all the new and amended IFRS and IFRIC interpretations effective in the 3 months ended as at 31 March 2014.

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 | 1Q ended<br>31 March 2014 | 1Q ended<br>31 March 2013 |
| (a) | Based on the weighted average number of ordinary shares on issue (RMB)                                                                                | (0.0138)                  | 0.0199                    |
| (b) | On a fully diluted basis (RMB)                                                                                                                        | (0.0138)                  | 0.0199                    |

The calculation of basic (loss)/earnings per share amounts is based on the profit/(loss) attributable to ordinary equity holders of the parent for the period ended 31 March 2014 and the period ended 31 March 2013.

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

**RMB'000**

|                                                                                                       | 1Q ended<br>31 March 2014 |
|-------------------------------------------------------------------------------------------------------|---------------------------|
| Loss attributable to ordinary equity holders of the Company                                           | (64,617)                  |
| Weighted average number of ordinary shares used to calculate the basic and diluted earnings per share | 4,676,462,712             |
| Basic and diluted (loss)/earnings per share (RMB)                                                     | (0.0138)                  |

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          |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|------------------|---------------------|
|                                                                                                                                                                                        | 31 March<br>2014 | 31 December<br>2013 | 31 March<br>2014 | 31 December<br>2013 |
| 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, after share split) | 0.4089           | 0.6623              | 0.4081           | 0.6426              |

**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**

According to the Disposal Master Agreement signed on 10 October 2013 and the subscription of new shares by CDBIH on 28 March 2014, the Disposal Assets (assets not relating to the main principal business of planning and development of new town projects, as defined in the Announcement of the Company dated on 10 October 2013, the "Disposal Assets") were classified as assets held for sale and liabilities directly associated with the assets held for sale relating to the disposal group and the results from discontinued operations in the accompanying financial statements..

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 2014, there were no sales of land development.

During the first quarter of 2014, total revenue has decreased by RMB608 million as compared with the corresponding period of 2013. The decrease was primarily due to a piece of land parcel sold during first quarter of 2013. However, there were no such sales of land development in the first quarter of 2014.

### **Operating expense**

In the first quarter of 2014, selling and distributing costs decreased by RMB10 million compared to the same period of 2013. The decrease was primarily due to the National Urbanization Forum held in our Luodian new town with a total cost of RMB10 million during first quarter of 2013, while such forum was not scheduled to be held in the first quarter of 2014 and hence no such expense was incurred during this period.

During the first quarter of 2014, administrative expenses kept in line with the corresponding period of 2013.

### **Financing cost**

In the first quarter of 2014, we have recorded a total net finance cost of RMB20 million, which merely comprised of RMB20 million interest expenses. This was decreased by RMB5 million compared with the same period of 2013 of net finance costs of RMB25 million. The decrease primarily resulted from the decrease of bank and other borrowings balance.

### **Taxation**

During the first quarter of 2014, the income tax expense decreased by RMB64 million, which was mainly due to the decrease of profit before tax from continuing operations in this period.

### **Discontinued operations**

During the first quarter of 2014, profit after tax from discontinued operations kept in line with the corresponding period of 2013.

### **Statements of Financial Position**

#### **Properties under development for sale**

The balance as at 31 March 2014 was decreased by RMB1,569 million or by 100% due to the classification to the assets classified as held for sale. For details, please refer to the note of discontinued operations section as below. The properties under development reclassified to assets held for sale mainly represent the construction cost of Lake Malaren Silicon Valley Project, Lake Malaren UHO Project, Chengdu project and Wuxi Hongqing project of RMB1,119 million, RMB146 million, RMB275 million and RMB45 million respectively. The net increase was mainly due to the addition of RMB31 million with the construction progress, offset by RMB15 million with the completion and delivery of our Chengdu Albany Oasis Garden Project and Lake Malaren UHO Project.

#### **Prepayment**

The balance as at 31 March 2014 decreased by RMB93 million compared with that at the end of 2013. The decrease was mainly due to a total of RMB38 million of the construction prepayment in our Wuxi Hongshan project which was collected during the first quarter of 2014, and a prepayment for Shanghai golf course renovation of RMB26 million incurred during first quarter of 2014. In addition, the prepaid business tax of RMB4 million was recorded as a result of pre-sale of secondary property development. Also, the classification to the assets classified as held for sale amounting to RMB85 million resulted in the fluctuation. For details, please refer to the note of discontinued operations section as below.

#### **Other receivables**

The balance as at 31 March 2014 decreased by RMB22 million compared with that at the end of 2013. The decrease was due to the classification to the assets classified as held for sale amounting to RMB22 million.

#### **Trade receivables (non-current and current assets)**

The balance as at 31 March 2014 decreased by RMB28 million as compared with the balance as at the end of 2013, which was mainly resulted from an infrastructure fee of RMB22 million which was collected during the first quarter of 2014. Also, the classification to the assets classified as held for sale amounting to RMB7 million resulted in the fluctuation. For details, please refer to the note of discontinued operations section as below.

#### **Trade payables**

The balance as at 31 March 2014 decreased by RMB396 million. The decrease of trade payables relates to payables recorded at the end of 2013 that had been paid in this quarter. Also, the classification to liabilities directly associated with the assets classified as held for sale amounting to RMB320 million resulted in the fluctuation. For details, please refer to the note of discontinued operations section as below.

#### **Other payables and accruals**

The balance as at 31 March 2014 was decreased by RMB248 million. The increase was primarily resulted from i) intention deposit of RMB19 million was collected during this period; ii) a total of RMB6 million was accrued for professional fee of CDBIH subscription deal; and iii) A deposit from supplier relating to UHO project amounting to RMB10 million was repaid during the period. Also, the classification to liabilities directly associated with the assets classified as held for sale amounting to RMB259 million resulted in the fluctuation. For details, please refer to the note of discontinued operations section as below.

#### **Advance from customer**

The balance as at 31 March 2014 decreased by RMB336 million or by 100% due to the classification to liabilities directly associated with the assets classified as held for sale amounting to RMB352 million. For details, please refer to the note of discontinued operations section as below. The liabilities directly associated with the assets held for sale that are reclassified comprise of mainly the collection from pre-sale revenue of property development. This included RMB62 million from pre-sale of the UHO project, RMB159 million from pre-sale of the Chengdu Albany Oasis Garden and RMB124 million from pre-sale of the Lake Malaren Silicon Valley.

#### **Discontinued operations**

On 10 October 2013, the Company, China Development Bank International Holdings Limited (“CDBIH”) and SRE Investment holding Limited (“SREI”, a controlling shareholder of the Company at that time) entered into a subscription agreement (“Subscription Agreement”) pursuant to which CDBIH has agreed to subscribe for 5,347,921,071 new shares of the Company subject to the terms and conditions contained therein (the “Subscription”). This subscription has been completed in this quarter and the shares issued.

As an appendix of the Subscription Agreement, there was a disposal master agreement (the “Disposal Master Agreement”) between the Company and SREI, pursuant to which the Company has agreed, to sell the Disposal Assets, and SREI has agreed to purchase the Disposal Assets for a total consideration of RMB 2,069,832,594 in the form of cash payments in installments subject to the terms and conditions contained therein (the “Disposal”).

On 28 March 2014, the Group publicly announced the completion of subscription of new shares by CDBIH. The Disposal is expected to be completed within the next 12 months and no later than 24 months from 28 March 2014. The Disposal Assets was classified as a disposal group held for sale and regarded as a discontinued operations in the accompanying financial statements. The results of the discontinued operations for the periods are presented below:

| <b>RMB'000</b>                                            | <b>1Q 2014</b>       | <b>1Q 2013</b>       |
|-----------------------------------------------------------|----------------------|----------------------|
|                                                           | <b>31 March 2014</b> | <b>31 March 2013</b> |
| Group                                                     |                      |                      |
| <b>Revenue</b>                                            | 57,958               | 222,976              |
| Cost of sales                                             | (41,443)             | (211,248)            |
| <b>Gross profit</b>                                       | 16,515               | 11,728               |
| Other income                                              | 291                  | 249                  |
| Selling and distribution costs                            | (13,329)             | (13,624)             |
| Administrative expenses                                   | (30,465)             | (18,145)             |
| Other expenses                                            | (220)                | (603)                |
| Fair value gain/(loss) on completed investment properties | (326)                | -                    |
| <b>Operating loss of the discontinued operations</b>      | (27,534)             | (20,395)             |
| Finance costs                                             | (24,378)             | (32,362)             |
| Share of loss from jointly-controlled entities            | (4)                  | -                    |
| <b>Loss before tax from the discontinued operations</b>   | (51,916)             | (52,757)             |
| Income tax                                                | (485)                | 7                    |
| <b>Loss for the year from the discontinued operations</b> | (52,401)             | (52,750)             |

The major classes of assets and liabilities classified as held for sale as at 31 March 2014 are as follows:

| RMB'000                                                                 | 31 March<br>2014 |
|-------------------------------------------------------------------------|------------------|
| <b>Assets:</b>                                                          |                  |
| Investment in an associate                                              | 200              |
| Interest in jointly-controlled entities                                 | 55,652           |
| Property, plant and equipment                                           | 1,534,829        |
| Completed investment properties                                         | 740,000          |
| Investment properties under construction                                | 106,000          |
| Prepaid land lease payments                                             | 143,381          |
| Deferred tax assets                                                     | 44,023           |
| Other assets                                                            | 44,396           |
| Land development for sale                                               | 54,284           |
| Properties under development for sale                                   | 1,585,747        |
| Prepaid land lease payments                                             | 630,868          |
| Inventories                                                             | 6,359            |
| Prepayments                                                             | 84,704           |
| Other receivables                                                       | 22,286           |
| Trade receivables                                                       | 6,937            |
| Prepaid income tax                                                      | 19,192           |
| Cash and bank balances                                                  | 40,067           |
| Assets classified as held for sale                                      | <u>5,118,925</u> |
| <b>Liabilities:</b>                                                     |                  |
| Non-current interest-bearing bank and other borrowings                  | 1,108,825        |
| Deferred income from sale of golf club membership                       | 482,121          |
| Deferred tax liabilities                                                | 11,044           |
| Interest-bearing bank and other borrowings                              | 747,880          |
| Trade payables                                                          | 319,577          |
| Other payables and accruals                                             | 258,896          |
| Advance from customers                                                  | 351,656          |
| Current income tax liability                                            | 12,657           |
| Amount due to related parties                                           | 500              |
| Liabilities directly associated with assets classified as held for sale | <u>3,293,156</u> |
| Net assets directly associated with Disposal Assets                     | <u>1,825,769</u> |

#### Interest-bearing bank and other borrowings

As at 31 March 2014, bank borrowings of RMB1,487 million were secured using certain of the Group's properties, property, plant and equipment, completed investment properties, properties under development for sale as well as prepaid land lease payments, whose net carrying amounts at 31 March 2014 were RMB108 million, RMB597 million, RMB1,239 million and RMB380 million, respectively.

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

|                           | 1 January 2014 to<br>31 March 2014 | 1 January 2013 to<br>31 March 2013 |
|---------------------------|------------------------------------|------------------------------------|
| Operating                 | (27,993)                           | (22,213)                           |
| Investing                 | (9,620)                            | 57,215                             |
| Financing                 | (6,875)                            | (65,204)                           |
| Net cash (outflow)/inflow | <u>(44,488)</u>                    | <u>(30,202)</u>                    |

## Liquidity

The Group has been granted the following banking facilities.

a> For development of Lake Malaren Silicon Valley Project in our Shanghai Luodian New Town Project:

- Principal: RMB 600 million
- Total facility utilised as at 31 March 2014: RMB519.7 million

b> For development of Chengdu Albany Oasis Garden Project:

- Principal: RMB 200 million
- Total facility utilised as at 31 March 2014: RMB165.7 million

c> For development of Hospital Project in our Shanghai Luodian New Town Project:

- Principal: RMB 450 million
- Total facility utilised as at 31 March 2014: RMB447.9 million

Overall, cash and cash equivalents excluding the restricted cash increased by RMB1,066 million over 3 months ended 31 March 2014 with a balance of RMB1,202 million as at 31 March 2014, which was mainly attributable to an outflow of RMB47 million from operating activities and an outflow of RMB9 million from investing activities offset by an inflow of RMB1,121 million from financing activities.

Gearing ratio (as measured by net debt / total equity holders' capital and net debt) decreased to the ratio of 30% from the ratio of 48% as at 31 March 2013.

## 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 2013 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.**

According to the official statistics of the National Bureau of Statistics, in the first quarter of 2014, the total investment in real estate development was RMB1, 533.9 billion, a year-on-year growth of 16.8 percent, or a real growth of 15.5 percent. Of this total, the investment in residential buildings went up by 16.8 percent. Floor space of houses newly started in the first quarter was 290.90 million square meters, down by 25.2 percent. Specifically, the floor space of residential buildings started in the first quarter dropped by 27.2 percent. The floor space of commercial buildings sold reached 201.11 million square meters, down by 3.8 percent. Of this total, that of residential buildings went down by 5.7 percent. The sale of commercial buildings in the first quarter was RMB1,326.3 billion, down by 5.2 percent. Of this total, that of residential buildings was down by 7.7 percent. In the first quarter of this year, the land space purchased by real estate development enterprises was 59.90 million square meters, down by 2.3 percent. By the end of March, the floor space of commercial buildings for sale reached 521.63 million square meters, up by 22.9 percent. The actual funds for real estate development enterprises in the first quarter reached RMB2,873.1 billion, up by 6.6 percent.

During the first quarter, no parcel of land was auctioned, and the Company will continue to apply for land auctions in line with local governments' land grant quota and schedule. The land parcels upon approval for land auctions are expected to be launched in an orderly manner.

As an appendix of the Subscription Agreement, there was a disposal master agreement (the "Disposal Master Agreement") between the Company and SREI, pursuant to which the Company has agreed, to sell the Disposal Assets, and SREI has agreed to purchase the Disposal Assets for a total consideration of RMB 2,069,832,594 in the form of cash payments in installments subject to the terms and conditions contained therein (the "Disposal"). The Disposal is expected to be completed within the next 12 months and no later than 24 months from 28 March 2014.

The company will continue to look for new urbanization projects.

We consider it reasonable to believe that our unique business model and prudent cash flow management will lay a solid foundation for the sustainable development and urbanization projects of the Company.

**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) **Books 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 2014.

13 **Interest Persons Transactions (“IPT”)**

| RMB'000                   | 3 months ended 31 March 2014                                                                                                                                                                 |                                                                                                                                      |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 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) |
| 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 2014 presented in this announcement to be false or misleading in any material aspect.

15 **Subsequent event**

Not applicable.

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

Singapore and Hong Kong, 14 May 2014

*As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely Mr. Shi Jian (Vice Chairman), Mr. Liu Heqiang, 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.*