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## **China New Town Development Company Limited**

### **中國新城鎮發展有限公司**

*(Incorporated as a company limited by shares under the laws of the British Virgin Islands)*

*(Hong Kong Stock Code : 1278)*

*(Singapore Stock Code : D4N.si)*

### **UNAUDITED 2015 SECOND QUARTER RESULTS**

This announcement is made by China New Town Development Company Limited (the “**Company**”) 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.

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This presentation contains projections and forward-looking statements regarding the Group’s objectives and expectations with respect to property development plans, and its opportunities and business prospects. Such forward-looking statements are not guarantees of future performance of the Group and are subject to factors that could cause actual results and company plans and objectives to differ materially from those expressed in the forward-looking statements. These factors include, but 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 Second Quarter Financial Statements for the Financial Period Ended 30 June 2015**

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

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

**1(a)(i) Statement of comprehensive income for the second quarter and first half year ended 30 June 2015**

|                                                                                                  | From 1 April<br>to 30 June |                 | Increase /<br>(Decrease) | 6 months<br>ended 30 June |                  | Increase /<br>(Decrease) |
|--------------------------------------------------------------------------------------------------|----------------------------|-----------------|--------------------------|---------------------------|------------------|--------------------------|
| <b>RMB'000</b>                                                                                   | <b>2015</b>                | <b>2014</b>     | <b>(%)</b>               | <b>2015</b>               | <b>2014</b>      | <b>(%)</b>               |
| <b>Group</b>                                                                                     |                            |                 |                          |                           |                  |                          |
| <b>Continuing Operations</b>                                                                     |                            |                 |                          |                           |                  |                          |
| <b>Revenue</b>                                                                                   | -                          | 53,626          | (100)                    | -                         | 53,626           | (100)                    |
| Cost of sales                                                                                    | 14,500                     | (46,397)        | (131)                    | 14,500                    | (46,397)         | (131)                    |
| <b>Gross profit</b>                                                                              | 14,500                     | 7,229           | 101                      | 14,500                    | 7,229            | 101                      |
| Other income                                                                                     | 29,837                     | 14,296          | 109                      | 56,580                    | 23,250           | 143                      |
| Selling and distribution costs                                                                   | -                          | (8,000)         | (100)                    | -                         | (8,771)          | (100)                    |
| Administrative expenses                                                                          | (17,508)                   | (13,116)        | 33                       | (37,529)                  | (30,871)         | 22                       |
| Other expenses                                                                                   | (84)                       | (22)            | 282                      | (3,613)                   | (519)            | 596                      |
| <b>Operating profit/(loss)</b>                                                                   | 26,745                     | 387             | 6,811                    | 29,938                    | (9,682)          | (409)                    |
| Finance costs                                                                                    | (13,316)                   | (32,481)        | (59)                     | (19,579)                  | (52,952)         | (63)                     |
| <b>Profit/(loss) before tax from continuing operations</b>                                       | 13,429                     | (32,094)        | (142)                    | 10,359                    | (62,634)         | (117)                    |
| Income tax                                                                                       | (4,863)                    | -               | -                        | (9,660)                   | (85)             | 11,265                   |
| <b>Profit/(loss) after tax from continuing operations</b>                                        | 8,566                      | (32,094)        | (127)                    | 699                       | (62,719)         | (101)                    |
| <b>Discontinued operations</b>                                                                   |                            |                 |                          |                           |                  |                          |
| Loss after tax from discontinued operations                                                      | (22,433)                   | (19,193)        | 17                       | (74,595)                  | (71,594)         | 4                        |
| Gain after tax on partial disposal of assets and liabilities relating to discontinued operations | -                          | -               | -                        | 59,632                    | -                | -                        |
| <b>Loss for the period</b>                                                                       | (13,867)                   | (51,287)        | (73)                     | (14,264)                  | (134,313)        | (89)                     |
| Other comprehensive income                                                                       | -                          | -               | -                        | -                         | -                | -                        |
| <b>Comprehensive loss</b>                                                                        | <u>(13,867)</u>            | <u>(51,287)</u> | <u>(73)</u>              | <u>(14,264)</u>           | <u>(134,313)</u> | <u>(89)</u>              |
| Loss attributable to:                                                                            |                            |                 |                          |                           |                  |                          |
| Owners of parent                                                                                 | (9,755)                    | (39,580)        | (75)                     | (9,080)                   | (104,197)        | (91)                     |
| Non-controlling interests                                                                        | (4,112)                    | (11,707)        | (65)                     | (5,184)                   | (30,116)         | (83)                     |
|                                                                                                  | <u>(13,867)</u>            | <u>(51,287)</u> | <u>(73)</u>              | <u>(14,264)</u>           | <u>(134,313)</u> | <u>(89)</u>              |
| Total comprehensive loss attributable to:                                                        |                            |                 |                          |                           |                  |                          |
| Owners of parent                                                                                 | (9,755)                    | (39,580)        | (75)                     | (9,080)                   | (104,197)        | (91)                     |
| Non-controlling interests                                                                        | (4,112)                    | (11,707)        | (65)                     | (5,184)                   | (30,116)         | (83)                     |
|                                                                                                  | <u>(13,867)</u>            | <u>(51,287)</u> | <u>(73)</u>              | <u>(14,264)</u>           | <u>(134,313)</u> | <u>(89)</u>              |

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

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

**Revenue**

| <b>RMB'000</b>                    | <b>From 1 April<br/>to 30 June</b> |               | <b>Increase /<br/>(Decrease)<br/>(%)</b> | <b>6 months<br/>ended 30 June</b> |               | <b>Increase /<br/>(Decrease)<br/>(%)</b> |
|-----------------------------------|------------------------------------|---------------|------------------------------------------|-----------------------------------|---------------|------------------------------------------|
|                                   | <b>2015</b>                        | <b>2014</b>   |                                          | <b>2015</b>                       | <b>2014</b>   |                                          |
| Land development                  | -                                  | 56,807        | (100)                                    | -                                 | 56,807        | (100)                                    |
| Less: Business tax and surcharges | -                                  | (3,181)       | (100)                                    | -                                 | (3,181)       | (100)                                    |
|                                   | <b>-</b>                           | <b>53,626</b> | <b>(100)</b>                             | <b>-</b>                          | <b>53,626</b> | <b>(100)</b>                             |

**Other income**

| <b>RMB'000</b>                                              | <b>From 1 April<br/>to 30 June</b> |               | <b>Increase /<br/>(Decrease)<br/>(%)</b> | <b>6 months<br/>ended 30 June</b> |               | <b>Increase /<br/>(Decrease)<br/>(%)</b> |
|-------------------------------------------------------------|------------------------------------|---------------|------------------------------------------|-----------------------------------|---------------|------------------------------------------|
|                                                             | <b>2015</b>                        | <b>2014</b>   |                                          | <b>2015</b>                       | <b>2014</b>   |                                          |
| Foreign exchange gain                                       | (136)                              | 8,357         | (102)                                    | 75                                | 12,770        | (99)                                     |
| Interest income                                             | 10,156                             | 5,911         | 72                                       | 16,382                            | 7,173         | 128                                      |
| Gain from investment classified<br>as loans and receivables | 19,736                             | -             | -                                        | 39,037                            | -             | -                                        |
| Reversal of bad debt provision -<br>other receivables       | -                                  | 300           | (100)                                    | 1,000                             | 3,300         | (70)                                     |
| Others                                                      | 81                                 | (272)         | (130)                                    | 86                                | 7             | 1,129                                    |
|                                                             | <b>29,837</b>                      | <b>14,296</b> | <b>109</b>                               | <b>56,580</b>                     | <b>23,250</b> | <b>143</b>                               |

**Other expenses**

| <b>RMB'000</b>                                       | <b>From 1 April<br/>to 30 June</b> |             | <b>Increase /<br/>(Decrease)<br/>(%)</b> | <b>6 months<br/>ended 30 June</b> |             | <b>Increase /<br/>(Decrease)<br/>(%)</b> |
|------------------------------------------------------|------------------------------------|-------------|------------------------------------------|-----------------------------------|-------------|------------------------------------------|
|                                                      | <b>2015</b>                        | <b>2014</b> |                                          | <b>2015</b>                       | <b>2014</b> |                                          |
| Bank charges                                         | 19                                 | 26          | (27)                                     | 425                               | 437         | (3)                                      |
| Bad debt provision                                   | -                                  | -           | -                                        | 2,803                             | -           | -                                        |
| Loss on disposal of property,<br>plant and equipment | -                                  | -           | -                                        | -                                 | 10          | (100)                                    |
| Others                                               | 65                                 | (4)         | (1,725)                                  | 385                               | 72          | 435                                      |
|                                                      | <b>84</b>                          | <b>22</b>   | <b>282</b>                               | <b>3,613</b>                      | <b>519</b>  | <b>596</b>                               |

**b) Cost of sales by business units**

|                  | From 1 April<br>to 30 June |               | Increase /<br>(Decrease) | 6 months<br>ended 30 June |               | Increase /<br>(Decrease) |
|------------------|----------------------------|---------------|--------------------------|---------------------------|---------------|--------------------------|
| RMB'000          | 2015                       | 2014          | (%)                      | 2015                      | 2014          | (%)                      |
| Land development | (14,500)                   | 46,397        | (131)                    | (14,500)                  | 46,397        | (131)                    |
|                  | <u>(14,500)</u>            | <u>46,397</u> | <u>(131)</u>             | <u>(14,500)</u>           | <u>46,397</u> | <u>(131)</u>             |

**c) Finance costs**

|                                       | From 1 April<br>to 30 June |               | Increase /<br>(Decrease) | 6 months<br>ended 30 June |               | Increase /<br>(Decrease) |
|---------------------------------------|----------------------------|---------------|--------------------------|---------------------------|---------------|--------------------------|
| RMB'000                               | 2015                       | 2014          | (%)                      | 2015                      | 2014          | (%)                      |
| Interest on bank and other borrowings | 1,778                      | 32,481        | (95)                     | 8,041                     | 52,952        | (85)                     |
| Interest on senior guaranteed notes   | 11,538                     | -             | -                        | 11,538                    | -             | -                        |
| Less: Interest capitalised            | -                          | -             | -                        | -                         | -             | -                        |
|                                       | <u>13,316</u>              | <u>32,481</u> | <u>(59)</u>              | <u>19,579</u>             | <u>52,952</u> | <u>(63)</u>              |

**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 30 June 2015**

| RMB'000                                        | Group             |                     | Company          |                     |
|------------------------------------------------|-------------------|---------------------|------------------|---------------------|
|                                                | 30 June<br>2015   | 12 December<br>2014 | 30 June<br>2015  | 12 December<br>2014 |
| <b>Non-current assets</b>                      |                   |                     |                  |                     |
| Investment in subsidiaries                     | -                 | -                   | 2,991,259        | 2,991,259           |
| Property, plant and equipment                  | 40,891            | 41,350              | 139              | 93                  |
| Prepaid land lease payments                    | 11,845            | 12,034              | -                | -                   |
| Deferred tax assets                            | 41,149            | 41,149              | -                | -                   |
| Investment classified as loans and receivables | 490,000           | 490,000             | -                | -                   |
| Other assets                                   | 9,924             | -                   | -                | -                   |
| <b>Total non-current assets</b>                | <b>593,809</b>    | <b>584,533</b>      | <b>2,991,398</b> | <b>2,991,352</b>    |
| <b>Current assets</b>                          |                   |                     |                  |                     |
| Land development for sale                      | 1,555,840         | 1,549,079           | -                | -                   |
| Amount due from subsidiaries                   | -                 | -                   | 391,591          | 371,286             |
| Prepayments                                    | 1,624             | 8,539               | -                | -                   |
| Other receivables                              | 1,363,430         | 1,906,439           | 132,988          | 128,204             |
| Trade receivables                              | 60,847            | 63,853              | 1,629            | 1,635               |
| Cash and bank balances                         | 2,138,022         | 795,451             | 1,809,383        | 543,542             |
| Assets classified as held for sale             | 4,802,102         | 4,904,237           | -                | -                   |
| <b>Total current assets</b>                    | <b>9,921,865</b>  | <b>9,227,598</b>    | <b>2,335,591</b> | <b>1,044,667</b>    |
| <b>Total assets</b>                            | <b>10,515,674</b> | <b>9,812,131</b>    | <b>5,326,989</b> | <b>4,036,019</b>    |
| <b>Equity</b>                                  |                   |                     |                  |                     |
| Owners of the parent:                          |                   |                     |                  |                     |
| Share capital                                  | 4,110,841         | 4,110,841           | 4,110,841        | 4,110,841           |
| Other reserves                                 | 579,270           | 579,270             | 1,912,683        | 1,912,683           |
| Accumulated losses                             | (1,173,375)       | (1,164,295)         | (1,999,556)      | (2,007,038)         |
|                                                | 3,516,736         | 3,525,816           | 4,023,968        | 4,016,486           |
| Non-controlling interests                      | 318,277           | 321,620             | -                | -                   |
| <b>Total equity</b>                            | <b>3,835,013</b>  | <b>3,847,436</b>    | <b>4,023,968</b> | <b>4,016,486</b>    |
| <b>Non-current liabilities</b>                 |                   |                     |                  |                     |
| Senior guaranteed notes                        | 1,288,625         | -                   | -                | -                   |
| Interest-bearing bank and other borrowings     | 254,780           | -                   | -                | -                   |
| Deferred tax liabilities                       | 21,151            | 21,151              | -                | -                   |
| <b>Total non-current liabilities</b>           | <b>1,564,556</b>  | <b>21,151</b>       | <b>-</b>         | <b>-</b>            |

| RMB'000                                                                 | Group             |                     | Company          |                     |
|-------------------------------------------------------------------------|-------------------|---------------------|------------------|---------------------|
|                                                                         | 30 June<br>2015   | 12 December<br>2014 | 30 June<br>2015  | 12 December<br>2014 |
| <b>Current liabilities</b>                                              |                   |                     |                  |                     |
| Interest-bearing bank and other borrowings                              | 150,000           | 896,000             | -                | -                   |
| Amount due to subsidiaries                                              | -                 | -                   | 1,293,101        | -                   |
| Trade payables                                                          | 149,128           | 161,534             | -                | -                   |
| Other payables and accruals                                             | 173,515           | 116,883             | 9,920            | 19,533              |
| Advances received for the settlement of Disposal Assets                 | 553,549           | 553,549             | -                | -                   |
| Deferred income arising from land development                           | 383,716           | 383,716             | -                | -                   |
| Current income tax liabilities                                          | 346,008           | 359,841             | -                | -                   |
| Liabilities directly associated with assets classified as held for sale | 3,360,189         | 3,472,021           | -                | -                   |
| <b>Total current liabilities</b>                                        | <b>5,116,105</b>  | <b>5,943,544</b>    | <b>1,303,021</b> | <b>19,533</b>       |
| <b>Total liabilities</b>                                                | <b>6,680,661</b>  | <b>5,964,695</b>    | <b>1,303,021</b> | <b>19,533</b>       |
| <b>Equity and total liabilities</b>                                     | <b>10,515,674</b> | <b>9,812,131</b>    | <b>5,326,989</b> | <b>4,036,019</b>    |
| <b>Net current assets</b>                                               | <b>4,805,760</b>  | <b>3,284,054</b>    | <b>1,032,570</b> | <b>1,025,134</b>    |
| <b>Total assets less current liabilities</b>                            | <b>5,399,569</b>  | <b>3,868,587</b>    | <b>4,023,968</b> | <b>4,016,486</b>    |

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

**i) Borrowings**

| <b>RMB'000</b>                         | <b>30 June 2015</b> | <b>31 December 2014</b> |
|----------------------------------------|---------------------|-------------------------|
| Bank and other borrowings - unsecured  | 150,000             | 650,000                 |
| Bank and other borrowings - guaranteed | 254,780             | -                       |
| Bank and other borrowings - secured    | -                   | 246,000                 |
|                                        | <u>404,780</u>      | <u>896,000</u>          |

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

| <b>RMB'000</b>                        | <b>30 June 2015</b> | <b>31 December 2014</b> |
|---------------------------------------|---------------------|-------------------------|
| Bank and other borrowings - unsecured | 150,000             | 650,000                 |
| Bank and other borrowings - secured   | -                   | 246,000                 |
|                                       | <u>150,000</u>      | <u>896,000</u>          |

**b) Amount repayable after one year**

| <b>RMB'000</b>                         | <b>30 June 2015</b> | <b>31 December 2014</b> |
|----------------------------------------|---------------------|-------------------------|
| Bank and other borrowings - guaranteed | 254,780             | -                       |
|                                        | <u>254,780</u>      | <u>-</u>                |

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

See table above.

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

As at 30 June 2015, there was an outstanding long-term loan of RMB260 million from the Industrial and Commercial Bank of China Corporation Limited, with term lasting from 20 May 2015 to 20 May 2020 and interest rate at 4.95%. China Development Bank Capital Corporation Limited provided guarantee on this loan.

**ii) Senior guaranteed notes**

| <b>RMB'000</b>                                                   | <b>30 June 2015</b> |
|------------------------------------------------------------------|---------------------|
| Book value of senior guaranteed notes at the beginning of period | -                   |
| Current book value of issued senior guaranteed notes             | 1,288,057           |
| Interest expenses (based on effective interest rate of 5.84%)    | 11,538              |
| Interest payment                                                 | -                   |
| Book value of senior guaranteed notes at the end of period       | <u>1,299,595</u>    |
| Categorized as current liabilities                               | 10,970              |
| Categorized as non-current liabilities                           | <u>1,288,625</u>    |

Senior guaranteed notes of RMB1.289 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 announced on 29 April 2015 the completion of notes issuance, with issuance amount of RMB1.3 billion, tenor of three years, 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**

| <b>RMB'000</b>                                               | <b>2Q 2015 from<br/>1 April 2015<br/>to 30 June<br/>2015</b> | <b>2Q 2014 from<br/>1 April 2014<br/>to 30 June<br/>2014</b> | <b>6 months<br/>ended 30<br/>June 2015</b> | <b>6 months<br/>ended 30<br/>June 2014</b> |
|--------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Cash flow from operating activities</b>                   |                                                              |                                                              |                                            |                                            |
| Profit/(loss) before tax from continuing operations          | 13,429                                                       | (32,094)                                                     | 10,359                                     | (62,634)                                   |
| Loss before tax from discontinued operations                 | (22,433)                                                     | (18,671)                                                     | (14,963)                                   | (71,072)                                   |
| Loss before tax                                              | (9,004)                                                      | (50,765)                                                     | (4,604)                                    | (133,706)                                  |
| Adjustments for:                                             |                                                              |                                                              |                                            |                                            |
| Bad debt provision of trade and other receivables            | -                                                            | -                                                            | 2,803                                      | -                                          |
| Depreciation of property, plant and equipment                | 926                                                          | 3,932                                                        | 1,728                                      | 23,605                                     |
| Amortization of prepaid land lease payments                  | 95                                                           | 897                                                          | 189                                        | 2,615                                      |
| Gain from investment classified as loans and receivables     | (19,736)                                                     | -                                                            | (39,037)                                   | -                                          |
| Share of loss from jointly-controlled entities               | -                                                            | 34                                                           | -                                          | 38                                         |
| Fair value loss on completed investment properties           | -                                                            | -                                                            | -                                          | 326                                        |
| Gain from disposal of subsidiaries                           | -                                                            | -                                                            | (59,632)                                   | -                                          |
| Interest income                                              | (10,058)                                                     | (5,795)                                                      | (16,522)                                   | (7,302)                                    |
| Interest expenses on bank and other borrowings               | 20,852                                                       | 47,609                                                       | 50,024                                     | 92,458                                     |
| Interest expenses on senior guaranteed notes                 | 11,538                                                       | -                                                            | 11,538                                     | -                                          |
| Foreign exchange loss/(gain)                                 | 136                                                          | 517                                                          | (75)                                       | 2,270                                      |
|                                                              | (5,251)                                                      | (3,571)                                                      | (53,588)                                   | (19,696)                                   |
| (Increase)/decrease in land development for sale             | (5,313)                                                      | 45,524                                                       | (6,761)                                    | 43,216                                     |
| (Increase)/decrease in properties under development for sale | (12,501)                                                     | 36,693                                                       | (29,250)                                   | 21,589                                     |
| (Increase)/decrease in prepaid land lease payments           | (1,329)                                                      | 37,017                                                       | 3,041                                      | 48,461                                     |
| Decrease/(increase) in inventories                           | 141                                                          | (70)                                                         | 461                                        | (551)                                      |

| <b>RMB'000</b>                                                                                   | <b>2Q 2015 from<br/>1 April 2015<br/>to 30 June<br/>2015</b> | <b>2Q 2014 from<br/>1 April 2014<br/>to 30 June<br/>2014</b> | <b>6 months<br/>ended 30<br/>June 2015</b> | <b>6 months<br/>ended 30<br/>June 2014</b> |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| (Increase)/decrease in prepayments                                                               | (1,815)                                                      | (5,443)                                                      | 14,407                                     | 28,492                                     |
| Decrease/(increase) in other<br>receivables and other current<br>assets                          | 2,469                                                        | (105,307)                                                    | (114,170)                                  | (128,229)                                  |
| Decrease in trade receivables                                                                    | 3,065                                                        | 611,255                                                      | 2,977                                      | 632,520                                    |
| Increase in prepaid income tax                                                                   | (52)                                                         | (463)                                                        | (52)                                       | (1,690)                                    |
| Decrease in deferred income from<br>sale of golf club membership                                 | (4,005)                                                      | (4,004)                                                      | (8,009)                                    | (8,091)                                    |
| Increase in deferred income arising<br>from land development                                     | -                                                            | 2,136                                                        | -                                          | 2,136                                      |
| Increase in advances from customers                                                              | 30,551                                                       | 493,459                                                      | 65,803                                     | 508,633                                    |
| Increase/(decrease) in trade and<br>other payables                                               | 16,430                                                       | (659,015)                                                    | 310,923                                    | (725,941)                                  |
|                                                                                                  | <u>22,390</u>                                                | <u>448,211</u>                                               | <u>185,782</u>                             | <u>400,849</u>                             |
| Payment of income tax                                                                            | (22,160)                                                     | -                                                            | (23,493)                                   | -                                          |
| <b>Net cash inflow from operating<br/>activities</b>                                             | <b><u>230</u></b>                                            | <b><u>448,211</u></b>                                        | <b><u>162,289</u></b>                      | <b><u>400,849</u></b>                      |
| <b>Cash flow from investing activities</b>                                                       |                                                              |                                                              |                                            |                                            |
| Purchase/construction of property,<br>plant and equipment                                        | (3,241)                                                      | (2,298)                                                      | (27,476)                                   | (8,461)                                    |
| Payments for investment properties                                                               | (3,509)                                                      | (724)                                                        | (4,562)                                    | (4,587)                                    |
| Interest received                                                                                | 10,058                                                       | 5,795                                                        | 16,522                                     | 7,302                                      |
| Gain from investment classified as<br>loans and receivables                                      | 7,770                                                        | -                                                            | 7,770                                      | -                                          |
| Disposal of subsidiaries                                                                         | -                                                            | -                                                            | 601,821                                    | -                                          |
|                                                                                                  | <u>-</u>                                                     | <u>-</u>                                                     | <u>601,821</u>                             | <u>-</u>                                   |
| <b>Net cash inflow/(outflow) from<br/>investing activities</b>                                   | <b><u>11,078</u></b>                                         | <b><u>2,773</u></b>                                          | <b><u>594,075</u></b>                      | <b><u>(5,746)</u></b>                      |
| <b>Cash flow from financing activities</b>                                                       |                                                              |                                                              |                                            |                                            |
| Cash proceeds from placing of new<br>shares                                                      | -                                                            | -                                                            | -                                          | 1,138,979                                  |
| Cash proceeds from issuance of senior<br>guaranteed notes                                        | 1,288,057                                                    | -                                                            | 1,288,057                                  | -                                          |
| Proceeds from bank borrowings                                                                    | 254,530                                                      | 134,773                                                      | 284,530                                    | 180,778                                    |
| Repayment of bank borrowings                                                                     | (466,178)                                                    | (1,060,371)                                                  | (488,448)                                  | (1,077,641)                                |
| Proceeds from/ (repayment of)<br>borrowing from a related party                                  | -                                                            | 500,000                                                      | (500,000)                                  | 500,000                                    |
| Interest paid                                                                                    | (25,347)                                                     | (48,523)                                                     | (57,911)                                   | (94,799)                                   |
| Cash released from restricted deposits<br>in relation to interest payment for<br>bank borrowings | -                                                            | 195,300                                                      | -                                          | 195,300                                    |
|                                                                                                  | <u>-</u>                                                     | <u>195,300</u>                                               | <u>-</u>                                   | <u>195,300</u>                             |
| <b>Net cash inflow/(outflow) from<br/>financing activities</b>                                   | <b><u>1,051,062</u></b>                                      | <b><u>(278,821)</u></b>                                      | <b><u>526,228</u></b>                      | <b><u>842,617</u></b>                      |
| <b>Net increase in cash and cash<br/>equivalents</b>                                             | <b>1,062,370</b>                                             | <b>172,163</b>                                               | <b>1,282,592</b>                           | <b>1,237,720</b>                           |
| <b>Cash and cash equivalents at<br/>beginning of period</b>                                      | <b><u>1,096,516</u></b>                                      | <b><u>1,202,390</u></b>                                      | <b><u>876,294</u></b>                      | <b><u>136,833</u></b>                      |
| <b>Cash and cash equivalents at end of<br/>period</b>                                            | <b><u>2,158,886</u></b>                                      | <b><u>1,374,553</u></b>                                      | <b><u>2,158,886</u></b>                    | <b><u>1,374,553</u></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 Change in Equity**

**Group**

**6 months ended 30 June 2015**

| RMB'000                      | Equity attributable to owners of 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 loss     | -                                       | -              | (9,080)            | (9,080)          | (5,184)                  | (14,264)         |
| Disposal of subsidiaries     | -                                       | -              | -                  | -                | 1,841                    | 1,841            |
| Balance as at 30 June 2015   | <u>4,110,841</u>                        | <u>579,270</u> | <u>(1,173,375)</u> | <u>3,516,736</u> | <u>318,277</u>           | <u>3,835,013</u> |

**6 months ended 30 June 2014**

| RMB'000                             | Equity attributable to owners of parent |                |                    |                  | Non-controlling interest | Total equity     |
|-------------------------------------|-----------------------------------------|----------------|--------------------|------------------|--------------------------|------------------|
|                                     | Share capital                           | Other reserves | Accumulated loss   | Total            |                          |                  |
| Balance as at 1 January 2014        | 2,980,809                               | 579,270        | (1,102,891)        | 2,457,188        | 522,096                  | 2,979,284        |
| Total comprehensive loss            | -                                       | -              | (104,197)          | (104,197)        | (30,116)                 | (134,313)        |
| Placing of 5,347,921,071 new shares | 1,130,032                               | -              | -                  | 1,130,032        | -                        | 1,130,032        |
| Balance as at 30 June 2014          | <u>4,110,841</u>                        | <u>579,270</u> | <u>(1,207,088)</u> | <u>3,483,023</u> | <u>491,980</u>           | <u>3,975,003</u> |

**Company**

**6 months ended 30 June 2015**

| RMB'000                      | Share capital    | Other reserves   | Accumulated loss   | Total            |
|------------------------------|------------------|------------------|--------------------|------------------|
| Balance as at 1 January 2015 | 4,110,841        | 1,912,683        | (2,007,038)        | 4,016,486        |
| Total comprehensive income   | -                | -                | 7,482              | 7,482            |
| Balance as at 30 June 2015   | <u>4,110,841</u> | <u>1,912,683</u> | <u>(1,999,556)</u> | <u>4,023,968</u> |

**6 months ended 30 June 2014**

**RMB'000**

|                                     | Share capital    | Other reserves   | Accumulated loss   | Total            |
|-------------------------------------|------------------|------------------|--------------------|------------------|
| Balance as at 1 January 2014        | 2,980,809        | 1,912,683        | (2,002,889)        | 2,890,603        |
| Total comprehensive income          | -                | -                | 5,669              | 5,669            |
| Placing of 5,347,921,071 new shares | 1,130,032        | -                | -                  | 1,130,032        |
| Balance as at 30 June 2014          | <u>4,110,841</u> | <u>1,912,683</u> | <u>(1,997,220)</u> | <u>4,026,304</u> |

- 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 30 June 2015 and as at 30 June 2014 are set out below:

|                                                                                         | As at 30 June 2015 | As at 30 June 2014 |
|-----------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                         | No. of shares      | No. of shares      |
| Shares issued and to be issued when exercised in full under the Management Grant Scheme | -                  | -                  |
| 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 30 June 2015.

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

|                                                                                           | 6 months ended 30 June 2015 | 12 months ended 31 December 2014 |
|-------------------------------------------------------------------------------------------|-----------------------------|----------------------------------|
|                                                                                           | No. of shares               | No. of shares                    |
| Total number of issued shares excluding treasury shares as at the beginning of the period | 9,846,119,747               | 4,498,198,676                    |
| Completion of subscription of shares by CDBIH                                             | -                           | 5,347,921,071                    |
| Add/(Less): Treasury shares                                                               | -                           | -                                |
| Total number of issued shares excluding treasury shares as at the end of the period       | 9,846,119,747               | 9,846,119,747                    |

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares**

**as at the end of the current financial period reported on.**

The Group had no treasury shares in issue as at 30 June 2015.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the most recently audited annual financial statements for the financial year ended 31 December 2014, except that the Group has adopted all the new and amended IFRS and IFRIC interpretations effective in the first half year ended as at 30 June 2015.

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

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

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

|      |                                                                                                                                                       | Group                                                   |                                               |                                            |                                   |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------------------|
|      | Earnings per ordinary share for the period based on profit/(loss) attributable to shareholders after deducting any provision for preference dividends | <b>2Q from<br/>1 April 2015<br/>to 30 June<br/>2015</b> | 2Q from<br>1 April 2014<br>to 30 June<br>2014 | <b>6 months<br/>ended 30<br/>June 2015</b> | 6 months<br>ended 30<br>June 2014 |
| (i)  | Based on the weighted average number of ordinary shares on issue (RMB)                                                                                | <b>(0.0010)</b>                                         | (0.0040)                                      | <b>(0.0009)</b>                            | (0.0143)                          |
| (ii) | On a fully diluted basis (RMB)                                                                                                                        | <b>(0.0010)</b>                                         | (0.0040)                                      | <b>(0.0009)</b>                            | (0.0143)                          |

The calculation of basic earnings/(loss) per share amounts is based on the loss attributable to ordinary equity holders of the parent for the period ended 30 June 2015 and the period ended 30 June 2014.

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

|                                                                                   | 2Q from<br>1 April 2015 to<br>30 June 2015 | 2Q from<br>1 April 2014 to<br>30 June 2014 | 6 months<br>ended 30 June<br>2015 | 6 months ended<br>30 June 2014 |
|-----------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------|
|                                                                                   | RMB'000                                    | RMB'000                                    | RMB'000                           | RMB'000                        |
| Loss attributable to ordinary equity holders of the parent                        | (9,755)                                    | (39,580)                                   | (9,080)                           | (104,197)                      |
| Weighted average number of ordinary shares outstanding                            | 9,846,119,747                              | 9,846,119,747                              | 9,846,119,747                     | 7,275,572,050                  |
| Add: Net effect of potential dilutive ordinary shares of employee share options   | -                                          | -                                          | -                                 | -                              |
| Number of ordinary shares used to calculate the diluted earnings/(loss) per share | 9,846,119,747                              | 9,846,119,747                              | 9,846,119,747                     | 7,275,572,050                  |

- 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         |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------|-----------------|---------------------|
|                                                                                                                                                                     | 30 June<br>2015 | 31 December<br>2015 | 30 June<br>2014 | 31 December<br>2014 |
| Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer as at the end of the period reported on (RMB) | 0.3572          | 0.3908              | 0.4087          | 0.4079              |

- 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

Our results of operations are primarily driven by the frequency and achieved selling prices of public auction of land use rights, which are affected by various factors and not within the complete control of the Group.

No land parcel was sold in second quarter of 2015, and revenue from land development was therefore zero, representing a reduction of RMB53.63 million as compared with the same period of 2014. In the second quarter of 2014, the land use right of land parcel C6-2 located in the Shanghai Luodian project was successfully sold, resulting in revenue from land development of RMB56.81 million with the corresponding business tax of RMB3.18 million.

In the second quarter of 2015, the land development cost of negative RMB14.50 million was due to the reversal in impairment provision of land development for sale at the Shanghai Luodian project.

## **Operating Expenses**

### *Selling and distribution costs*

In the second quarter of 2015, no selling and distribution cost was incurred. The selling and distribution costs of RMB8 million in the second quarter of 2014 were mainly due to the expenses of hosting the China Urbanization International Forum, the total cost of which was RMB8 million, while there was no such forum in the second quarter of 2015.

### *Administrative expenses*

In the second quarter of 2015, administrative expenses increased by RMB4.39 million as compared with the same period of 2014. It was due to office rental expenses and property management fees after the relocation of group administrative center to Beijing, as well as the additional staff costs and other administrative expenses in relation to CDBC New Town (Beijing) Management Consulting Company Limited and CDBC New Town (Beijing) Asset Management Company Limited, companies newly established during the Reporting Period.

### *Other income*

In the second quarter of 2015, other income increased by RMB15.54 million as compared with the same period of 2014. It was mainly due to the net income of RMB19.74 million from investment classified as loans and receivables relating at the Nanjing Yuhuatai Project during the Reporting Period.

## **Non-operating Activities**

### *Finance costs*

In the second quarter of 2015, we incurred total net finance costs of RMB13.32 million, which included interest expenses on bank and other borrowings amounting to RMB1.78 million, representing a reduction of RMB30.70 million compared with the RMB32.48 million of interest expenses on bank and other borrowings in the same period of 2014. The decrease was primarily due to the reduction in bank and other borrowings. In addition, the issuance of RMB-denominated senior guaranteed notes in the second quarter of 2015 resulted in an interest expense of RMB11.54 million in the second quarter. The aggregate impact of the above was a reduction in total net finance costs of RMB19.16 million.

### *Taxation*

In the second quarter of 2015, the Company recorded tax of RMB4.86 million, which was mainly generated from the investment gain from Nanjing Yuhuatai Project.

## Statements of Financial Position

### *Other assets*

The balance as at 30 June 2015 increased by RMB9.92 million as compared with the balance as at the end of 2014. Such asset was attributed to the renovation expenses of the Group's administrative center. A total amount of RMB8.54 million was transferred from prepayment and the remaining RMB1.38 million was newly incurred during the Reporting Period.

### *Land development for sale*

The balance as at 30 June 2015 increased by RMB6.76 million as compared with the balance as at the end of 2014. This was due to land development progress of the Shanghai Luodian Project and Shenyang Lixiang Project respectively contributing RMB4.42 million and RMB2.34 million during the Reporting Period.

### *Prepayments (current assets)*

The balance as at 30 June 2015 decreased by RMB6.92 million as compared with the balance as at the end of 2014. This decrease was mainly due to completion of renovation of the Group's administrative center and as a result the relevant renovation prepayment of RMB8.54 million was transferred to other assets. In addition, the Beijing administrative center incurred prepayments in relation to software development expense and property management expense totaling RMB1.22 million.

### *Other receivables*

The balance as at 30 June 2015 decreased by RMB543 million as compared with the balance as at the end of 2014. This reduction was mainly due to duly receiving the first consideration payment associated with the disposal of the Wuxi project amounting to RMB608 million during the first half of 2015. In addition, during the Reporting Period the investment in Nanjing Yuhuatai Project generated fixed investment return receivables of RMB41.81 million (RMB7.77 million was received during the Reporting Period) and the disposal of assets classified as held for sale resulted in the relevant consideration and other receivables of RMB30.63 million.

### *Trade receivables*

The balance as at 30 June 2015 decreased by RMB3 million as compared with the balance as at the end of 2014. This decrease was mainly due to duly receiving trade receivables associated with land sale amounting to RMB3 million in the first half of 2015.

### *Senior guaranteed notes*

The balance as at 30 June 2015 increased by RMB1.289 billion as compared with the balance as at the end of 2014. This increase was due to the issuance of RMB-denominated senior guaranteed notes during the first half of 2015. The issuance amount was RMB1.3 billion, with issuance costs of RMB11.94 million and the interest expense adjustment (non-current liabilities) on the senior guaranteed notes during the Reporting Period of RMB570 thousand, resulting in an increase in the balance of RMB1,289 million.

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

The balance as at 30 June 2015 increased by RMB255 million as compared with the balance as at the end of 2014. This was mainly due to the newly arranged loan from the Industrial and Commercial Bank of China Limited during the first half of 2015, with effective term of 20 May 2015 through 20 May 2020 and interest rate of 4.95%.

#### *Interest-bearing bank and other borrowings (current liabilities)*

The balance as at 30 June 2015 decreased by RMB746 million as compared with the balance as at the end of 2014. Such reduction was mainly due to the repayment of an interest-bearing loan from a related party amounting to RMB500 million and the repayment of a loan from the Agricultural Bank of China Limited amounting to RMB246 million during the first half of 2015.

#### *Trade payables*

The balance as at 30 June 2015 was RMB12.41 million lower than the balance as at the end of 2014. Such reduction was due to the payment made to the accrued trade payables at the end of 2014 during the first half of 2015, mainly including the payment of relocation costs of RMB7 million at Luodian as well as other construction costs of RMB5.41 million.

#### *Other payables and accruals*

The balance as at 30 June 2015 was RMB56.63 million higher than the balance as at the end of 2014. This increase was mainly due to RMB54.64 million associated with the disposal of subsidiaries to an independent third party in the Reporting Period in accordance with the Disposal Master Agreement, as well as accrued taxes of RMB2.34 million associated with the investment classified as loans and receivables at Nanjing Yuhuatai Project and RMB16.01 million associated with the accrued issuance costs and interest expense (non-current liabilities) of the senior guaranteed notes, offset by the payment of RMB8.26 million associated with accrued professional advisory fees and the payment of RMB4 million of year-end incentive bonus during the Reporting Period.

#### *Current tax liabilities*

The balance as at 30 June 2015 was profit tax payables, and was RMB13.83 million lower than the balance as at the end of 2014. Such decrease was mainly due to the payment of RMB23.49 million of profit tax payables at Shanghai Golden Luodian in the first half of 2015, offset by the RMB9.66 million of profit tax payables recognised at CDB Nanjing.

### **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 was 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 which the Company agreed to dispose the Disposal Assets at the terms and conditions under the Disposal Master Agreement, and SREI agreed to purchase the Disposal Assets at total consideration of RMB2,069,832,594, the relevant consideration of which shall be paid in several cash instalments (“**Assets Disposal**”). The Assets Disposal is expected to complete within 24 months from 28 March 2014. As at 30 June 2015, the Disposal Assets are classified as assets held for sale in the financial statements and deemed discontinued operations of the Group. The Company’s entitled cash consideration in relation to disposing such assets has been fixed and shall not be affected by the subsequent profits or losses associated with such assets.

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

| <b>RMB’000</b>                                          | <b>Six months ended 30 June</b> |                 |
|---------------------------------------------------------|---------------------------------|-----------------|
|                                                         | <b>2015</b>                     | <b>2014</b>     |
| Group                                                   |                                 |                 |
| <b>Revenue</b>                                          | 65,493                          | 191,640         |
| Cost of sales                                           | (44,948)                        | (139,468)       |
| <b>Gross profit</b>                                     | 20,545                          | 52,172          |
| Other income                                            | 664                             | 356             |
| Selling and distribution costs                          | (15,847)                        | (24,725)        |
| Administrative expenses                                 | (35,908)                        | (58,119)        |
| Other expenses                                          | (2,066)                         | (886)           |
| Fair value loss on completed investment properties      | -                               | (326)           |
| <b>Operating loss from discontinued operations</b>      | (32,612)                        | (31,528)        |
| Finance costs                                           | (41,983)                        | (39,506)        |
| Share of loss from jointly-controlled entities          | -                               | (38)            |
| <b>Loss before tax from discontinued operations</b>     | (74,595)                        | (71,072)        |
| Income tax                                              | -                               | (522)           |
| <b>Loss for the period from discontinued operations</b> | (74,595)                        | (71,594)        |
| Gain after tax from disposal of subsidiaries            | 59,632                          | -               |
| <b>Loss for the period from discontinued operations</b> | <b>(14,963)</b>                 | <b>(71,594)</b> |

The major classes of assets and liabilities classified as held for sale as at 30 June 2015 and 31 December 2014 are as follows:

| <b>RMB’000</b>                          | <b>30 June 2015</b> | <b>31 December 2014</b> |
|-----------------------------------------|---------------------|-------------------------|
| <b>Assets:</b>                          |                     |                         |
| Investments in an associate             | 200                 | 200                     |
| Property, plant and equipment           | 1,604,430           | 1,623,721               |
| Completed investment properties         | 698,000             | 698,000                 |
| Trade receivables – long-term           | -                   | 110                     |
| Prepaid land lease payments– long-term  | 146,851             | 146,851                 |
| Deferred tax assets                     | 30,715              | 30,722                  |
| Other assets                            | 41,505              | 43,442                  |
| Properties under development for sale   | 1,582,086           | 1,539,563               |
| Prepaid land lease payments– short-term | 459,907             | 469,059                 |

|                                                                         | 30 June 2015 | 31 December 2014 |
|-------------------------------------------------------------------------|--------------|------------------|
| Inventories                                                             | 2,011        | 5,116            |
| Prepayments                                                             | 24,632       | 35,240           |
| Other receivables                                                       | 174,759      | 210,896          |
| Trade receivables                                                       | 2,482        | 6,866            |
| Prepaid income taxes                                                    | 13,660       | 13,608           |
| Cash and bank balances                                                  | 20,864       | 80,843           |
| Assets classified as held for sale                                      | 4,802,102    | 4,904,237        |
| <b>Liabilities:</b>                                                     |              |                  |
| Non-current interest-bearing bank and other borrowings                  | 770,720      | 947,690          |
| Deferred income from sale of golf club memberships                      | 462,098      | 470,107          |
| Deferred tax liabilities                                                | 4,665        | 4,665            |
| Interest-bearing bank and other borrowings                              | 483,002      | 573,480          |
| Trade payables                                                          | 413,435      | 463,182          |
| Other payables and accruals                                             | 912,739      | 756,151          |
| Advances from customers                                                 | 310,304      | 249,864          |
| Current income tax liabilities                                          | 3,226        | 6,882            |
| Liabilities directly associated with assets classified as held for sale | 3,360,189    | 3,472,021        |
| Net assets directly associated with Disposal Assets                     | 1,441,913    | 1,432,216        |

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

|                  | Six months ended 30 June |           |
|------------------|--------------------------|-----------|
|                  | 2015                     | 2014      |
| Operating        | 238,643                  | (100,996) |
| Investing        | (37,028)                 | (6,573)   |
| Financing        | (261,594)                | 70,392    |
| Net cash outflow | (59,979)                 | (37,177)  |

### Liquidity

The Group has obtained the following bank loan financing:

Used for land development for sale at Shanghai Luodian Project:

- Principal: RMB260 million
- Drawn amount as at 30 June 2015: RMB260 million

Overall, cash and cash equivalents (excluding restricted cash) in the Reporting Period increased by RMB1.283 billion as compared with the end of 2014, with balance of RMB2.159 billion as at 30 June 2015. This was due to net operating cash inflow of RMB162 million, net investing inflow of RMB594 million, and net financing cash inflow of RMB526 million.

Gearing ratio (defined as net debt / the sum of shareholders equity and net debt) as at 30 June 2015 was -13.11%, which was substantially lower than the ratio of 2.55% as at 31 December 2014. This was mainly due to the repayment of CDB Siyuan loan of RMB500 million in the first half of 2015.

**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 second 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 2015 first quarter results. The Company considered that the market conditions remain similar to that were expected in the last period.

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

In the first half of 2015, with the regulatory policies continuing to support housing improvement demands from citizens, the mainland property market continued to stabilize. The People's Bank of China, the Housing and Urban Construction Ministry and the China Banking Regulatory Commission jointly announced the lowering of down payment requirement for mortgage of first property with housing provident fund to 20%, and the lowering of down payment requirement for households with an outstanding mortgage arrangement applying for additional mortgage of self-use nature to 40%. The Ministry of Finance and State Revenue Bureau announced the shortening of the minimum holding period of normal housing eligible for business tax exemption upon sale from 5 years to 2 years (inclusively). Meanwhile, the country entered monetary loosening period, with the central bank lowering benchmark rate three times in a row and twice lowering reserve requirement ratio, reinforcing support to the property market. In the first half of 2015, the nationwide commodity housing sales in terms of area sold and contracted value respectively rose 3.9% and 10% year-on-year, representing the first time since the end of 2013 that these indicators both rose. Cash flow to property developers grew 0.1% year-on-year, among which decline in cash flow from down payments and presales narrowed to 0.9%, the lowest level since 2014. Personal mortgage loans grew year-on-year by 10%, with aggregate growth in personal housing mortgage surpassing trillion for the first time in the first half of 2015 at RMB1.12 trillion. In terms of performance by tiers, there was a clear polarizing trend in property markets: turnover in tier-one cities clearly climbed while new commodity residential housing and second hand residential housing prices trended higher; property prices in tier-two cities were overall stable and accumulated considerable price growth too; and property prices in tier-three cities were still falling overall, although at a slower rate.

2015 represents the first year of rapid growth after CDB Capital completed the acquisition of the Company. With the tremendous support by our controlling shareholder, the Company proactively expanded its financing channels and project pipeline, achieving considerable results. In terms of financing, the Company entered into strategic cooperative agreement with ICBC Shanghai Branch and in principle obtained credit facilities amounting to RMB10 billion; CDB Capital provided unconditional guarantee on an RMB260 million bank loan to Shanghai Golden Luodian Development Company Limited, subsidiary of the Company, facilitating the Company to obtain better financing terms. More importantly, under CDB Capital's comprehensive credit enhancement measures such as the keepwell deed, liquidity support and deed of equity interest purchase undertaking, the Company successfully completed the 3-year RMB-denominated senior guaranteed notes in Hong Kong, with total issuance size at RMB1.3 billion and coupon rate at 5.5%. This is the first offshore debt issuance of the Company after the acquisition, attracting abundant attention from the offshore capital market and establishing a good profile. The transaction was crucial in optimizing the Company's financing structure and financing cost, and

would help the Company expand its business scale and improve return to shareholders.

In terms of project sourcing, the Company has extensively taken advantage of the strategic resources and business network of our controlling shareholder and achieved solid progress. In May 2015, the Company entered into the Strategic Framework Agreement with Sino IC Capital Management Company Limited, the manager of the National Integrated Circuit Industry Investment Fund, regarding the establishment of long-term strategic cooperation in the fields such as industrial park construction, industrial park transformation, strategic alliance and corporate sourcing. With funds under management designated to exceed RMB120 billion, the fund is jointly raised by partners led by CDB Capital, the Company's controlling shareholder, and is expected to generate enormous business opportunities in nationwide industrial investment. In June 2015, the Company entered into the agreement regarding the establishment of the RMB10 billion CDB(Beijing) New-Type Urbanization Development Fund as a junior-tranche limited partner. Leveraging CDB Capital's business network, the partnership rapidly completed funding the shanty town reformation project in Luzhou, Sichuan, expected to generate excellent investment return to the Company. It is expected that the Company is able to participate into the nationwide urbanization development business with a relatively small investment amount in the future.

On top of traditional primary land development and investment business, the Company is also actively exploring other business in the field of urbanization consistent with policy. In the first half of July, the Company agreed to participate in Jiangsu Province Danyang Municipal Water Conservancy project in accordance with the Public-Private-Partnership ("PPP") model. As the private sector investor, the Company shall contribute RMB200 million of capital, which enjoys investment return subsidy of 13% per annum provided by the government during the development period and guaranteed exit through government purchasing the Company's equity interest. The Danyang project benefits from a dedicated PPP loan from China Development Bank Corporation, evidently the systematic synergies between the Company's investment and CDB's lending business, representing an excellent example and a highly replicable strategy. It is expected that in the future, through fostering cooperation with various branches of the China Development Bank Corporation, the Company can rapidly launch a series of PPP model projects and participate into diversified investment and operational business opportunities in new town development, using appropriate financial gearing to substantially enhance its investment return.

The Company remains fully committed to new town development business. We will continue to leverage off the expertise and strategic resources of our controlling shareholder and pursue more breakthroughs in project sourcing and financing so as to create more sustainable returns for our shareholders.

## **11 Dividend**

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

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

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

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

### **(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of**

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

Not applicable.

**(d) Date Payable**

Not applicable

**(e) Book Closure Date**

Not applicable

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

No dividend has been declared or recommended for the second quarter ended 30 June 2015.

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

| <b>RMB'000</b>                                                                                                                                                                | <b>6 months ended 30 June 2015</b>                                                                                                                                                           |                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of interested person</b>                                                                                                                                              | Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
| China Development Bank Capital Corporation Limited (CDB Capital)                                                                                                              | 150,000                                                                                                                                                                                      |                                                                                                                                      |
| CDB Development Funds, which is under CDB Capital's management and CDB Capital's wholly-owned subsidiary CDB Investment-Development Fund Management (Beijing) Company Limited |                                                                                                                                                                                              |                                                                                                                                      |

As CDB Capital is the controlling shareholder of the Company, CDB Capital, CDB Development Funds, which is under CDB Capital's management and CDB Capital's wholly-owned subsidiary CDB Investment-Development Fund Management (Beijing) Company Limited are deemed the Company's interested persons under the Singapore Listing Manual. On 16 June 2015, CDB New Town, the Company's wholly-owned subsidiary, entered into a partnership agreement with CDB Capital, CDB Development Funds and CDB Investment-Development Fund regarding the establishment of the CDB (Beijing) – BOCOMM New-Type Urbanization Development Fund. The total amount under the partnership was agreed at RMB10 billion, among which CDB New Town as the junior-tranche limited partner committed to contribute RMB150 million. For further

information, please refer to the announcement by the Company dated 16 June 2015.

**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 interim unaudited financial statements of China New Town Development Company Limited for the second quarter and first half year ended 30 June 2015 presented in this announcement to be false or misleading in any material aspect.

**15      Subsequent event**

On 10 July 2015, the Company entered into the PPP Cooperative Investment Agreement with Danyang Investment and Danyang Municipal pursuant to which the parties have agreed to engage in the development and operation of the project in accordance with the PPP model. Pursuant to the agreement, the Company as the private sector investor shall through its designated entities contributes an aggregate capital of RMB200 million to the project company Danyang Tiansheng, while China Development Bank will provide a dedicated PPP financing package for the project. During the development period which lasts for 2 years, the Group is entitled to an annualized investment return of 13%, payable quarterly, and is guaranteed that Danyang Investment will purchase at par the equity interest in the project company held by the Company at the end of the development period. This is the first ever PPP project the Company participates in. It is expected that leveraging off the nationwide business network of China Development Bank, the Company is able to rapidly launch a series of PPP projects in Jiangsu province and ultimately across the country, and enhance the return to shareholders through the appropriate use of financial gearing.

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

Singapore and Hong Kong, 14 August 2015

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