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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 FULL YEAR 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.

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 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 Full Year Financial Statements for the Financial Period Ended 31 December 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 financial year (“FY”) ended 31 December 2014

RMB'000	Year ended 31 December 2014	Year ended 31 December 2013	Increase/ (Decrease) (%)
Group			
CONTINUING OPERATIONS			
Revenue	56,813	608,256	(91)
Cost of Sales	(651,195)	(353,552)	84
Gross profit	(594,382)	254,704	(333)
Other income	56,401	32,799	72
Selling and distribution costs	(8,857)	(73,060)	(88)
Administrative expenses	(82,403)	(70,082)	18
Other expenses	(847)	(18,535)	(95)
Operating (loss)/profit	(630,088)	125,826	(601)
Finance costs	(85,923)	(114,730)	(25)
Gain on disposal of subsidiaries and joint venture	616,091	-	100
(Loss)/profit before tax from continuing operations	(99,920)	11,096	(1,001)
Income tax	44,941	21,285	111
(Loss)/profit before tax from continuing operations	(54,979)	32,381	(270)
DISCONTINUED OPERATIONS			
Loss after tax from discontinued operations	(154,191)	(291,644)	(47)
Gain after tax on disposal of subsidiaries and joint venture	3,990	-	100
Loss for the year	(205,180)	(259,263)	(21)
Other comprehensive income	-	-	-
Total comprehensive loss	(205,180)	(259,263)	(21)
Loss attributable to:			
Owners of the parent	(61,404)	(212,992)	(71)
Non-controlling interests	(143,776)	(46,271)	211
	(205,180)	(259,263)	(21)
Total comprehensive loss attributable to:			
Owners of the parent	(61,404)	(212,992)	(71)
Non-controlling interests	(143,776)	(46,271)	211
	(205,180)	(259,263)	(21)

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

a) Revenue, other income and other expenses

Revenue			
RMB'000	Year ended 31 December 2014	Year ended 31 December 2013	Increase/ (Decrease) (%)
Land Development	56,813	643,336	(91)
Less: Business tax and surcharges	-	(35,080)	(100)
	56,813	608,256	(91)

Other Income			
RMB'000	Year ended 31 December 2014	Year ended 31 December 2013	Increase/ (Decrease) (%)
Foreign exchange gain, net	12,424	6,470	92
Interest income	28,564	22,622	26
Government subsidies	-	314	(100)
Reversal of bad debt provision - other receivables	5,800	3,100	87
Others	9,613	293	3,181
	56,401	32,799	72

Other Expenses			
RMB'000	Year ended 31 December 2014	Year ended 31 December 2013	Increase/ (Decrease) (%)
Foreign exchange loss, net	-	5	(100)
Bank charges	734	2,049	(64)
Bad debt provision - trade receivables	-	16,247	(100)
Others	113	234	(52)
	847	18,535	(95)

b) Cost of sales by business units

RMB'000	Year ended 31 December 2014	Year ended 31 December 2013	Increase/ (Decrease) (%)
Land development	46,397	353,552	(87)
Impairment provision for land development for sale	604,798	-	100
	651,195	353,552	84

c) Finance costs

RMB'000	Year ended 31 December 2014	Year ended 31 December 2013	Increase/ (Decrease) (%)
Interest on bank and other borrowings	85,923	114,730	(25)
Less: Interest capitalised	-	-	-
	85,923	114,730	(25)

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 December 2014

RMB'000 Group	Group		Company	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Non-current assets				
Investments in subsidiaries	-	-	2,991,259	2,591,259
Investment in an associate	-	200	-	-
Investment in a joint venture	-	55,656	-	-
Property, plant and equipment	41,350	1,631,967	93	62
Completed investment properties	-	740,000	-	-
Investment properties under construction	-	106,000	-	-
Prepaid land lease payments	12,034	244,586	-	-
Non-current trade receivables	-	48,626	-	-
Deferred tax assets	41,149	132,625	-	-
Other assets	-	47,727	-	2,794
Investments classified as loans and receivables	490,000	-	-	-
Total non-current assets	584,533	3,007,387	2,991,352	2,594,115
Current assets				
Land development for sale	1,549,079	5,130,517	-	-
Properties under development for sale	-	1,568,991	-	-
Prepaid land lease payments	-	642,312	-	-
Inventories	-	5,878	-	-
Amounts due from subsidiaries	-	-	371,286	506,805
Prepayments	8,539	93,382	-	-
Other receivables	1,906,439	21,832	128,204	6
Trade receivables	63,853	743,272	1,635	1
Prepaid income tax	-	17,480	-	-
Cash and bank balances	795,451	332,333	543,542	1,853
Assets classified as held for sale	4,904,237	-	-	-
Total current assets	9,227,598	8,555,997	1,044,667	508,665
Total assets	9,812,131	11,563,384	4,036,019	3,102,780

RMB'000 Group	Group		Company	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Equity				
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	(1,164,295)	(1,102,891)	(2,007,038)	(2,002,889)
	3,525,816	2,457,188	4,016,486	2,890,603
Non-controlling interests	321,620	522,096	-	-
Total equity	3,847,436	2,979,284	4,016,486	2,890,603
Non-current liabilities				
Interest bearing bank and other borrowings	-	1,797,870	-	-
Deferred income from sale of golf club membership	-	486,208	-	-
Deferred tax liabilities	21,151	32,195	-	-
Total non-current liabilities	21,151	2,316,273	-	-
Current liabilities				
Interest-bearing bank and other borrowings	896,000	1,338,992	-	198,312
Trade payables	161,534	2,557,878	-	-
Other payables and accruals	116,883	872,498	19,533	13,865
Amounts due to related parties	-	3,500	-	-
Advances from customers	-	336,482	-	-
Advances from the settlement of disposal assets	553,549	-	-	-
Deferred income arising from land development	383,716	620,221	-	-
Current income tax liabilities	359,841	538,256	-	-
Liabilities directly associated with assets classified as held for sale	3,472,021	-	-	-
Total current liabilities	5,943,544	6,267,827	19,533	212,177
Total liabilities	5,964,695	8,584,100	19,533	212,177
Total equity and liabilities	9,812,131	11,563,384	4,036,019	3,102,780
Net current assets	3,284,054	2,288,170	1,025,134	296,488
Total assets less current liabilities	3,868,587	5,295,557	4,016,486	2,890,603

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

i) Borrowings

	31 December 2014	31 December 2013
RMB'000		
Bank loans and other borrowings - unsecured	650,000	738,000
Bank loans and other borrowings - secured	246,000	2,398,862
Total	<u>896,000</u>	<u>3,136,862</u>

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

	31 December 2014	31 December 2013
RMB'000		
Bank loans and other borrowings - unsecured	650,000	588,000
Bank loans and other borrowings - secured	246,000	750,992
Total	<u>896,000</u>	<u>1,338,992</u>

b) Amount repayable after one year

	31 December 2014	31 December 2013
RMB'000		
Bank loans and other borrowings - unsecured	-	150,000
Bank loans and other borrowings - secured	-	1,647,870
Total	<u>-</u>	<u>1,797,870</u>

c) Whether the amounts are secured or unsecured

See table above.

d) Details of any collateral

Long-term and short-term bank loans – secured

As at 31 December 2014, bank borrowings of RMB246 million (2013: RMB1,950 million) were pledged by certain of the Group's properties: property, plant and equipment as well as prepaid land lease payments, the carrying amount of which as at 31 December 2014 were RMB314 million and RMB192 million respectively. As these properties are classified as Assets Held for Sale, the collateral is not separately presented in the Statement of Financial Position as of 31 December 2014.

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

Consolidated Statement of Cash Flow

RMB'000	Year ended 31 December 2014	Year ended 31 December 2013
Cash flows from operating activities		
(Loss)/ profit before tax from continuing operations	(99,920)	11,096
Loss before tax from discontinued operations	(139,574)	(276,520)
Loss profit before tax	(239,494)	(265,424)
Adjustments for:		
Impairment provision of land development for sale	604,798	-
Reversal of impairment of other receivables	(5,800)	-
Depreciation of property, plant and equipment	22,524	66,073
Amortization of prepaid land lease payments	3,826	6,663
Fair value (gain)/loss on completed investment properties	(8,674)	1,362
Fair value loss/(gain) on investment properties under construction	-	(600)
Share of loss from an associate and a joint venture	158	47
Gain from disposal of property, plant and equipment	(4,902)	78
Gain from disposal of subsidiaries and a joint venture	(621,039)	-
Gain from investments classified as loans and receivables	(7,770)	-
Expenses incurred for the transaction cost of subscription of the Disposal	-	11,156
Interest income	(29,447)	(22,817)
Interest expense	190,993	219,425
Exchange gain	(12,424)	(5,910)
	(107,251)	10,053
Decrease in land development for sale	41,461	46,651
(Decrease)/increase in properties under development for sale	(168,987)	45,609
Decrease in prepaid land lease payments	67,953	140,678
Decrease/(increase) in inventories	655	(268)
(Increase)/Decrease in prepayments	(7,718)	86,087
Increase in other receivables and assets	(134,564)	(3,776)
Decrease/(increase) in trade receivables	80,393	(290,668)
Decrease/(increase) in prepaid income tax	3,872	(10,330)
Decrease in deferred income from sale of golf club membership	(16,101)	(17,180)
Decrease in advances from customers	(23,309)	(12,250)
Increase in deferred income arising from land development	2,262	24,438
Increase in trade and other payables	350,797	143,150
(Decrease)/increase in amounts due to related parties	(500)	2,131

RMB'000

	Year ended 31 December 2014	Year ended 31 December 2013
Net cash inflow from operating activities	104,399	164,325
Cash flows from investing activities		
Purchases/construction of property, plant and equipment	(29,783)	(216,486)
Proceeds from disposal of property, plant and equipment	1,766	155
Payments for investment properties	(4,261)	(4,999)
Interest received	19,447	22,817
Investments in an associate and a joint venture	-	(6,000)
Disposal of subsidiaries	(6,278)	-
Refund of prepayments for property, plant and equipment	-	222,542
Investments classified as loans and receivables	(490,000)	-
Advances from the settlement of disposal assets	553,549	-
Payments of expenses incurred for the transaction cost of the Disposal	(6,452)	(1,644)
Net cash inflow from investing activities	37,988	16,385
Cash flows from financing activities		
Cash proceeds from placing new shares of the Company	1,138,979	-
Repayment of bank borrowings	(1,284,059)	(1,449,070)
Proceeds from bank and other borrowings	237,780	1,406,756
Interest paid	(191,126)	(240,330)
Cash released from restricted deposits in relation to interest payments for bank borrowings	195,500	9,500
Proceeds of loans from related parties	500,000	-
Net cash inflow/ (outflow) from financing activities	597,074	(273,144)
Net increase/ (decrease) in cash and cash equivalents	739,461	(92,434)
Cash and cash equivalents at beginning of year	136,833	229,267
Cash and cash equivalents at end of year	876,294	136,833

- 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.**

Statement of change in equity

Group

Year ended 31 December 2014

RMB'000	<u>Equity attributable to Owners of the parent</u>				Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Other reserves	Accumulated loss			
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	-	-	-	(61,404)	(61,404)	(143,776)	(205,180)
Placing of 5,347,921,071 new shares	1,130,032	-	-	-	1,130,032	-	1,130,032
Disposal of subsidiaries	-	-	-	-	-	(56,700)	(56,700)
Balance as at 31 December 2014	4,110,841	-	579,270	(1,164,295)	3,525,816	321,620	3,847,436

Year ended 31 December 2013

RMB'000	<u>Equity attributable to Owners of the parent</u>				Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Other reserves	Accumulated loss			
Balance as at 1 January 2013	2,980,809	-	579,270	(889,899)	2,670,180	570,367	3,240,547
Total comprehensive income	-	-	-	(212,992)	(212,992)	(46,271)	(259,263)
Change in non-controlling interests due to dissolution of a subsidiary	-	-	-	-	-	(2,000)	(2,000)
Balance as at 31 December 2013	2,980,809	-	579,270	(1,102,891)	2,457,188	522,096	2,979,284

Company

Year ended 31 December 2014

RMB'000	Share capital	Treasury shares	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	-	-	-	(4,149)	(4,149)
Placing of 5,347,921,071 new shares	1,130,032				1,130,032
Balance as at 31 December 2014	4,110,841	-	1,912,683	(2,007,038)	4,016,486

Year ended 31 December 2013

RMB'000	Share capital	Treasury shares	Other reserves	Accumulated loss	Total
Balance as at 1 January 2013	2,980,809	-	1,912,683	(1,972,078)	2,921,414
Total comprehensive income	-	-	-	(30,811)	(30,811)
Balance as at 31 December 2013	2,980,809	-	1,912,683	(2,002,889)	2,890,603

- 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 December 2014 and 2013 are set out below:

	As at 31 December 2014	As at 31 December 2013
	No. of shares	No. of shares
Completion of the subscription of shares by China Development Bank International Holdings Limited ("CDHIH")	5,347,921,071	-
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 Company has no other outstanding convertible instruments as at 31 December 2014.

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

	As at 31 December 2014	As at 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
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	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 Company had no treasury shares in issue as at the end of 31 December 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 financial year 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 for the year ended 31 December 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/loss 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	
	Loss per ordinary share for the period based on loss attributable to shareholders after deducting any provision for preference dividends	Year ended 31 December 2014	Year ended 31 December 2013
(a)	Based on the weighted average number of ordinary shares in issue (RMB)	(0.0072)	(0.0474)
(b)	On a fully diluted basis (RMB)	(0.0072)	(0.0474)

The calculation of basic loss per share amounts is based on the loss attributable to ordinary equity holders of the parent for the years ended 31 December 2013 and 2014.

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

RMB'000	Year ended 31 December 2014	Year ended 31 December 2013
Profit/(loss) attributable to ordinary equity holders of the parent used to calculate the basic and dilutive (loss)/earnings per share	(61,404)	(212,992)
Weighted average number of ordinary shares outstanding	8,571,409,793	4,498,198,676
Number of ordinary shares used to calculate the basic/diluted earnings per share	8,571,409,793	4,498,198,676

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

	Group		Company	
	31 December 2014	31 December 2013	31 December 2014	31 December 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)	0.3908	0.6623	0.4079	0.6426

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. During the year of 2014, revenue of the Group have substantially decreased by 91% as compared with the same period of 2013, which was mainly due to a substantial reduction in both land sale amount and size of land sold and frequencies during the period from the same period of last year. We successfully auctioned and sold the land parcel C6-2 in the Shanghai Luodian project on 5 June 2014.

The land parcel was auctioned at RMB124.5 million to an independent third party property developer in China. Revenue net proceeds of RMB56.81 million and cost of sales of RMB46.40 million were recorded in first half of 2014 accordingly. The details of the contracted price of land sale are summarised as follows:

Project	Site area (sq.m.)	Plot ratio	Month	Gross floor area(sq.m.)	Contracted price (RMB'mil)	Average price by gross floor area (RMB per sq.m.)
Luodian, Shanghai	14,045.5	2	June	28,091	124.5	4,430

In terms of costs of sale, the unit land development cost for the Shanghai Luodian project of was RMB3,303 per sq.m. in 2014 (on the basis of budgeted service costs divided by relevant area) was similar to the level of RMB3,216 per sq.m. in 2013.

In 2014, revenue of the Group decreased by 91% as compared with the same period of 2013, meanwhile cost of sales increased by 90% as compared with the same period of 2013, which was due to the provision for impairment of land development for sale of RMB605 million at Shanghai Luodian project made in December 2014. The impairment has been made pursuant to re-assessment of the net realizable value of the land development making reference to the valuation performed by DTZ and the revised estimated costs necessary to complete the land development. The impairment has been previously announced.(For details refer to announcement made on 22 December 2014)

Operating expenses

Selling and distribution costs

During the full year of 2014, selling and distribution costs of RMB8.86 million is a decrease of by RMB64.20 million as compared with the same period of 2013. The decrease was mainly due to the expenditure of RMB60 million incurred in the application for grant of the National 4A Tourist Attraction District for Shanghai Luodian project pursuant to an agreement entered between the Group and the government of Luodian Town in 2013, whereas there was no such expenditure in 2014.

Administrative expenses

During the full year of 2014, administrative expenses of RMB82.40 million increased by RMB12.32 million as compared with the same period of 2013. It was because of i) increase in administrative staff force and related salary, pension and bonus amounting to RMB7.82 million as compared with the same period of 2013, due to strategic changes of the Group and the change of controlling shareholder; ii) onshore administrative center moving from Shanghai to Beijing resulting in a corresponding increase in office rental of RMB6.53million.

Other income

During the full year of 2014, other income of RMB56.40 million increased by RMB23.60 million (or 72%) as compared with the same period of 2013. The increase was mainly due to: i) increase in net foreign exchange gain by RMB5.95 million, and the increase in interest income by RMB5.94 million; ii) due to a reversal of bad debt provision of RMB5.80 million in connection with other receivables, the reversal of bad debt provision increased by RMB2.70 million as compared with 2013; and iii) an investment income of RMB7.77million generated from the investment in new project of Nanjing Twin Bridges during the year.

Other expenses

During the year of 2014, other expenses of RMB850,000 is a decrease of by RMB17.69 million as compared with the same period of last year. The decrease in other expenses resulted from i) the decrease of the bank administrative charge by RMB1.32 million caused by our repayment of off-shore loan under domestic guarantee in early April; and ii) the provision for bad debt of RMB16.25 million made in 2013 which was not provided in the year of 2014.

Non-operating activities

Finance costs

During the year of 2014, Group has recorded total net finance costs of RMB85.92 million, which comprised of RMB85.92 million interest expenses without any amount being capitalized interests. The decrease of RMB28.81 million comparing with the net finance costs of RMB110 million for 2013 was primarily attributable to the finance cost saving from our repayment of loan under domestic guarantee and trust loan.

Gain from disposal of subsidiaries and joint venture

In the fourth quarter of 2014, the Group has disposed Wuxi Project to Wuxi Xinfu Group in stages and recorded a gain from the disposal of subsidiaries and associates of RMB620 million.

Income Tax

The Company recorded an income tax credit of RMB44.94 million during the financial year. Tax credit does not approximate loss before tax of RMB100 million extended by PRC tax rate of 25% mainly due to different tax rates of subsidiaries..

Balance Sheet

Investments in an associate and investments in a joint venture

The balance as at 31 December 2014 decreased by RMB55.86 million as compared with the balance as at the end of 2013 mainly due to the disposal of such investments together with the disposal of the Wuxi project.

Investments classified as loans and receivables

There was a new investment classified as loans and receivables of RMB490 million in 2014, which was due to the Group's Nanjing Twin Bridges investment project.

Property, plant and equipment

The balance as at 31 December 2014 decreased by RMB1.59 billion as compared with the balance as at the end of 2013, which was mainly because of i) disposal of relevant Property, plant and equipment of RMB61.73 million due to the disposal of the Wuxi project; ii) the reclassifications to "assets classified as held for sale". For further details, please refer to the note on discontinued operations below. The balance in relation to Disposal Assets includes Property, plant and equipment such as the Lake Malaren Hospital, Lake Malaren Golf Courses, Lake Malaren Hotel, Shenyang Sports Park and Lake Malaren Convention Centre etc., the costs of which were RMB590 million, RMB480 million, RMB240 million, RMB140 million and RMB110 million respectively.

Trade receivables (non-current and current assets)

The balance as at 31 December 2014 decreased by RMB730 million as compared with the balance at the end of 2013, which was mainly due to i) the effects of reclassifications to "assets classified as held for sale" amounting to RMB6.98 million. For further details, please refer to the note on discontinued operations below; ii) RMB59.07 million arising from the land sold in the second quarter of 2014; and iii) collecting receivables in relation to land sold previously amounting to RMB780 million.

Land development for sale

The balance as at 31 December 2014 decreased by RMB3.58 billion as compared with the balance as at the end of 2013, which was mainly due to i) disposal of land development for sale of RMB2.47 billion due to the disposal of the Wuxi Hongshan project; ii) cost of sales in relation to the land parcel sold in the second quarter of 2014, with an impact of RMB46.40 million; iii) Provision for impairment of land development for sale and adjustments to accruals for the Shanghai Luodian project totaling RMB1.08 billion.

Property under development for sale

The balance as at 31 December 2014 decreased by RMB1.57 billion as compared with the balance as at the end of 2013, which was mainly resulted from the reclassifications to “assets classified as held for sale” amounting to RMB1.57 billion. In addition, there was also a movement of around RMB29.43 million in such reclassified assets. For further details, please refer to the note on discontinued operations below.

Prepaid land lease payments (non-current and current assets)

The balance as at 31 December 2014 was RMB870 million lower than the balance as at 2013 year end, mainly due to reclassifications to “assets classified as held for sale” in the amount of RMB870 million. In addition, there was also a movement of around RMB180 million in such reclassified assets. For further details, please refer to the note on discontinued operations below. The impact of disposal of Wuxi project was RMB180 million.

Prepayments (current assets)

The balance as at 31 December 2014 decreased by RMB84.84 million as compared with the balance as at the end of 2013, which was mainly resulted from the classification to “assets classified as held for sale” amounting to RMB93.14 million. In addition, there was also a movement of around RMB57.90 million in such reclassified assets, within which RMB75.80 million was due to the disposal of Wuxi project. For details, please refer to the note on discontinued operations below.

Other receivables

The balance as at 31 December 2014 was RMB1.88 billion higher than the balance as at 2013 year end, mainly due to i) as part of the Wuxi project disposal, a receivable of RMB1.89 billion; and ii) reclassifications to “assets classified as held for sale” in the amount of RMB21.52 million. In addition, there was also a movement of around RMB190 million in such reclassified assets. For further details, please refer to the note on discontinued operations below.

Interest-bearing bank and other borrowings

Comparing with 2013 year end, the balance of current interest-bearing bank and other borrowings decreased by RMB440 million and the balance of non-current interest-bearing bank and other borrowings decreased by RMB1.8 billion. The reasons of the decrease were mainly due to i) reclassifications to “Liabilities directly associated with assets classified as held for sale” in the amount of RMB570 million and RMB950 million respectively. In addition, there was also a movement of around RMB 320 million in such reclassified liabilities; ii) repayment of foreign loans under domestic guarantee by the Group amounting to RMB900 million; iii) increase in new borrowings of RMB500 million by the Group.

Trade payables

The balance as at 31 December 2014 was RMB2.4 billion lower than the balance as at 2013 year end, mainly because that i) the trade payables recorded in 2013 year end in the amount of RMB650 million were settled during the first half of 2014; ii) reduction in payables of RMB1.26 billion along with the disposal of the Wuxi project; and iii) that RMB400 million of trade payables has been reclassified to “liabilities directly associated with assets classified as held for sale”. In addition, there was also a movement of around RMB67.75 million in such reclassified liabilities.

Other payables and accruals

The balance as at 31 December 2014 was RMB760 million lower than the balance as at 2013 year end, mainly due to i) reclassification to “liabilities directly associated with assets classified as held for sale” in the amount of RMB260 million. In addition, there was also a movement of around RMB320 million in such reclassified liabilities. ii) Shanghai Luodian project adjusted accrued cost of RMB460 million. iii) reduction in the relevant liabilities of RMB65.38 million along with the disposal of the Wuxi project.

Advances from customers

The balance as at 31 December 2014 was reduced to zero, mainly because of reclassification to “liabilities directly associated with assets classified as held for sale” in the amount of RMB340 million. In addition, there was also a movement of around RMB86.62 million in such reclassified liabilities. For further details, please refer to the note on discontinued operations below.

Advances from the settlement of disposal assets

The balance as at 31 December 2014 increased by RMB550 million, mainly because of consideration payment received from SREI pursuant to the Disposal Master Agreement. However, affected by the progress of approval by the authorities, the corresponding disposal was not completed by the end of the period, therefore the consideration payment has been recorded as an advance.

Deferred income arising from land development

The balance as at 31 December 2014 was RMB240 million lower than the balance as at 2013 year end. This was because of i) disposal of deferred income arising from land development of RMB250 million along with the disposal of the Wuxi project; ii) the uncompleted portion of the land parcel sold in the second quarter of this year, RMB2.26 million based on a 96.17% completion ratio, has been recorded as deferred income in the period. iii) the deferred income at the Luodian project in relation to the reversal of business tax in the amount of RMB12.88 million.

Cash and Bank Balances

Overall, cash and cash equivalents (excluding restricted cash) in the period increased by RMB739 million as compared with 2013 year end, with balance of RMB876 million as at 31 December 2014. This was due to net operating cash inflow of RMB104 million, net financing cash inflow of RMB597 million and net investing cash inflow of RMB38 million in the full year of 2014.

Gearing ratio (defined as net debt / sum of shareholder equity and net debt) as at 31 December 2014 has substantially decreased in comparison with 31 December 2013, mainly due to the fact that cash balance at the end of the period includes cash proceeds from placing of newly issued shares of RMB1,139 million.

Discontinued operations

On 10 October 2013, the company, CDBIH and SRE Investment Holding Limited (“SREI”) entered into share subscription agreement (“**Subscription Agreement**”), pursuant to the terms and conditions of which CDBIH agreed to subscribe for 5,347,921,071 shares of the Company (the “**Subscription**”). The Subscription has been completed on 28 March 2014 and the relevant shares have been issued.

As a schedule of the Subscription Agreement, the Company and SREI entered into the Disposal Master Agreement 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 (“**Disposal Assets**”) at total consideration of RMB2,069,832,594, the relevant consideration of which shall be paid in several cash instalments (“**Disposal**”). As at 31 December 2014, the Disposal Assets are classified as assets held for sale in financial statements and deemed discontinued operations of the Group.

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

RMB'000	Financial year ended 31 December	
	2014	2013
Group		
Revenue	386,598	608,047
Cost of sales	(261,205)	(587,188)
Gross profit	125,393	20,859
Other income	1,662	2,051
Selling and distribution costs	(82,385)	(99,272)
Administrative expenses	(90,584)	(92,634)
Other expenses	(2,054)	(2,020)
Fair value gain /(loss) on completed investment properties	8,674	(1,362)
Fair value gain on investment properties under construction	-	600
Operating loss from discontinued operations	(39,294)	(171,778)
Finance costs	(105,070)	(104,695)
Share of loss from a joint venture	(158)	(47)
Loss before tax from discontinued operations	(144,522)	(276,520)
Income tax	(9,669)	(15,124)
Loss for the year from discontinued operations	(154,191)	(291,644)
Gain after tax on disposal of subsidiaries and joint venture	3,990	-
Loss for the year from discontinued operations	<u>(150,201)</u>	<u>(291,644)</u>

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

RMB'000	31 December 2014
Assets	
Investments in associates	200
Property, plant and equipment	1,623,721
Completed investment properties	698,000
Prepaid land leases – long-term	146,851
Trade receivables – long-term	110
Deferred tax assets	30,722
Other assets	43,442
Properties under construction for sale	1,539,563
Prepaid land leases–short-term	469,059
Inventories	5,116
Prepayments	35,240
Other receivables	210,896
Trade receivables	6,866
Prepaid income taxes	13,608
Cash and bank balances	80,843
Assets classified as held for sale	<u>4,904,237</u>
Liabilities:	
Interest-bearing bank and other borrowings	947,690
Non-current interest-bearing bank and other borrowings	573,480
Deferred income from sale of golf club memberships	470,107
Trade payables	463,182
Other payables and accruals	756,151
Advances from customers	249,864
Deferred tax liabilities	4,665
Current income liabilities	6,882
Liabilities directly associated with assets classified as held for sale	<u>3,472,021</u>
Net assets directly associated with Disposal Assets	<u><u>1,432,216</u></u>

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

	Financial year ended 31 December	
	2014	2013
Operating	360,508	263,930
Investing	60,699	91,459
Financing	(424,919)	(367,433)
Net cash outflow	<u>(3,712)</u>	<u>(12,044)</u>

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

The Company confirms that, based on the full year financial results of 2014 as announced, the results for the financial year is generally in line with the statements made in the Company's commentary in paragraph 10 of 2014 third quarter results. The Company considers that the market conditions remain similar to those expected in the last period.

10 **A commentary at the date of this announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In 2014, China's economic growth notably slowed down. Preliminary 2014 year-on-year (y-o-y) GDP growth slowed down to 7.4%, the slowest growth rate since 1990. On the backdrop of economic headwind and prevailing curbing policies, real estate market in China experienced substantial downward adjustment in 2014. With the growth in real estate investment steadily slowing and commodity housing sales stalling, property developers face tight funding pressure. As a result, the willingness to purchase land weakened. Nominal growth in property development investment was 10.5% through 2014, 9.3 percentage points below the rate in 2013. Annual commodity housing area sold and contracted sales slid 7.6% and 6.3% respectively, compared with y-o-y growth rates of 17.3% and 26.3% respectively in 2013. Due to slowing growth in cash inflow from sales and sliding personal mortgage, annual funds to property developers tightened by 0.1% while funds to property developers grew by 26.5% y-o-y in 2013. Facing such adverse market conditions and uncertainties, property developers cut back on land bank building, with land area purchased falling 14% y-o-y.

As the property market adjusted downward, while continuing to suppress speculative demand, policy focus increasingly shifted to supporting the self-use demand from citizens and households with the objective of promoting a healthier development for the entire property market. Apart from lifting purchase restrictions in most cities, from the second half of 2014, credit policy on real estate sector tilted towards supporting normal commodity housing purchases, with minimum down payment for first self-use house clearly set at 30%, floor rate of benchmark mortgage loan lowered to 0.7x of wider benchmark rate and first house mortgage qualifying standards relaxed. In addition, further credit support policies were launched through the year, such as relaxing payment requirement of provident fund loans and promoting cross region loans, as well as reasonably raising first mortgage quotas etc. It is expected the adjustments in credit policies can provide support to stabilize the self-use driven demand in the property market.

On 28 March 2014, the share subscription by CDBIH, a fully-owned subsidiary of CDB Capital, was completed. The Group became a core listed platform of China Development Bank in the field of urbanization. After the completion of the acquisition, while the Group accelerated the development and land sales at its existing projects, it also proactively procured new projects through visiting and studying the feasibilities of a series of potential projects. Solid progress was achieved in this regard. In June 2014, the Group successfully auctioned land parcel C6-2 at Luodian project at RMB124.5 million. In November, the Group entered into the *Cooperative Agreement regarding Development of Nanjing Yuhuatai District Twin Bridges Project and Software Valley South Park*. Pursuant to this agreement, the Group injected into the project company CDB Yuhua the capital of RMB490 million (effectively owning 49% interest) on which

the Group shall enjoy a fixed pre-tax investment return of 17.1% (or equivalently, 12.8% after-tax). In addition, the Group is entitled to participate in secondary land development in the region.

On the other hand, the Group perform a review of the valuation of land development for sale of Shanghai Luodian project and made an impairment of RMB605 million. The Group also accelerated the disposal of non-core assets for cash to improve its operating efficiency. In December 2014, the Group announced the disposal of its stake in Wuxi project company, through which it will get a total consideration of RMB1.134 billion in cash and realize over RMB600 million of gain. As the Wuxi property market is experiencing over-supply and weakening land and property prices, this disposal allows the Group to focus its capital in regions with more attractive potential and new projects consistent with the Group's core business and revenue model. Meanwhile, through disposing the entire Wuxi project to Wuxi Xinfu Group, the Group sold a series of Disposal Assets including the Wuxi Hongshan Virescence, Wuxi Xinrui Hospital, Wuxi Hongshan Commercial and Wu Cultural Street etc., the total consideration of which as agreed in the Disposal Master Agreement with SREI was approximately RMB600 million. Pursuant to the Disposal Master Agreement, as a third party takes on the obligation to purchase the assets in place of SREI, the Disposal Consideration payable by SREI to the Group under the Disposal Master Agreement will be reduced accordingly. To-date the Group has received RMB608 million of consideration from Wuxi Xinfu Group, with the majority of the remaining consideration receivable in the first quarter of 2015 pursuant to the agreement. The Wuxi transaction has greatly accelerated the disposal of Disposal Assets and the restructuring of the Group. The Group shall continue to push for the disposal of remaining Disposal Assets and ensure SREI punctually pay the remaining Disposal Consideration in accordance with the timetable specified in the Disposal Master Agreement.

Looking ahead into 2015, we expect national policy will continue to support the new model of urbanization. The Housing Finance Division of China Development Bank obtained RMB1 trillion of refinancing from the People's Bank of China to dedicate to nationwide shanty-town reformation. The Group will continue to adhere to national policy and leverage off the strategic resources of its controlling shareholder to accelerate new project launching as well as to form a unique and competitive business model, so as to create sustainable return for 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 financial year ended 31 December 2014.

13 Interest Persons Transactions (“IPT”)

RMB'000	Financial year ended 31 December 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)
CDB Siyuan (Beijing)	500,000	-

CDB Siyuan (Beijing) Investment Fund Limited is managed by a fully-owned subsidiary of CDB Capital and is therefore deemed the Company's interested person under the Listing Manual of SGX-ST. As at 31 December 2014, a RMB500 million half-year term loan with unrestricted use has been provided to the Company for the purposes of repaying a trust loan and improving the overall finance costs of the Group. For further details, please refer to the Company's announcement dated 27 June 2014.

14 Subsequent events

On 31 December 2014, the Company announced that it has entered into supplemental agreement with Wuxi Xinfu Group, pursuant to which Xinfu Group should pay the consideration of RMB608,030,678 after entering into the agreement. The Group received this consideration payment in January 2015 and used it to repay the RMB500 million half-year term loan from CDB Siyuan (Beijing) Investment Fund Limited.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

15 Segmental revenue and results for business or geographical segments (of group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

RMB 000's	Continuing Operations For the year ended 31 December 2014			
	Land Development	Others	Adjustments and eliminations	Total
Segment results				
External sales	56,813	-	-	56,813
Inter-segment sales ¹	-	-	-	-
Total segment sales	56,813	-	-	56,813
Other segment items included in the income statements				
Depreciation	(4,609)	(87)	-	(4,696)
Amortization	(2,810)	-	-	(2,810)
Segment profit/(loss)	(621,916)	607,919	(85,923) ²	(99,920)
Segment assets	1,727,251	3,139,494	4,945,386 ³	9,812,131
Segment liabilities	1,183,412	32,270	4,749,013 ⁴	5,964,695
Other disclosures				
Capital expenditure ⁵	703	324	117,588	118,615

1. Inter-segment sales are eliminated on consolidation.
2. Profit for each operating segment does not include finance costs (RMB85,923,000).
3. Assets in segments do not include deferred tax assets (RMB41,149,000) and assets held for sale (RMB4,904,237,000) as such assets are managed on a group basis.
4. Liabilities in segments do not include current income tax payables (RMB359,841,000), interest-bearing bank loans and other borrowings (RMB896,000,000), deferred tax liabilities (RMB21,151,000) and liabilities related to assets held for sale (RMB3,472,021,000) as these liabilities are managed on a group basis.
5. Capital expenditure consists of additions in property, plant and equipment of continuing operations (RMB1,027,000), additions in property, plant and equipment (RMB114,118,000) and addition in prepaid land lease payments (RMB3,470,000) of discontinued operations..

RMB 000's	Continuing Operations For the year ended 31 December 2013			
	Land Development	Others	Adjustments and eliminations	Total
Segment results				
External sales	608,267	(11)	-	608,256
Inter-segment sales ¹	-	-	-	-
Total segment sales	608,267	(11)	-	608,256
Other segment items included in the income statements				
Depreciation	(7,555)	(79)	-	(7,634)
Amortization	(447)	-	-	(447)
Fair value gain on investment	600	-	-	600

properties under
construction

Segment profit/(loss)	137,503	(11,677)	(114,730) ²	11,096
Segment assets	6,112,098	181,264	5,270,022 ³	11,563,384
Segment liabilities	3,352,398	42,751	5,188,951 ⁴	8,584,100
Other disclosures				
Capital expenditure ⁵	377	13	181,259	181,649

1. Inter-segment sales are eliminated on consolidation.
2. Profit for each operating segment does not include finance costs (RMB114,730,000).
3. Assets in segments do not include deferred tax assets (RMB132,625,000) and assets held for sale (RMB5,137,397,000) as such assets are managed on a group basis.
4. Liabilities in segments do not include current income tax payables (RMB538,256,000), interest-bearing bank loans and other borrowings (RMB3,136,862,000), deferred tax liabilities (RMB32,195,000), and amount due to a related party (RMB3,500,000) and liabilities in relation to assets held for sale (RMB1,478,138,000) as these liabilities are managed on a group basis.
5. Capital expenditure consists of additions in prepaid land lease payment(RMB3,000) and additions in property, plant and equipment of continuing operations (RMB387,000), additions in property, plant and equipment (RMB179,797,000) and additions in completed investment properties and properties under construction (RMB1,462,000) of discontinued operations. .

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

As we have discussed in the section on operating environment, on the backdrop of economic headwind and current curbing policy environment, China's real estate market experienced substantial adjustment in 2014. The investment growth in property development steadily trended down. Commodity housing sales stalled, causing a tightening of funding in property development companies and a weakening willingness to purchase land. Nominal growth in property development investment was 10.5% through 2014, which was 9.3 percentage points below the rate in 2013. Annual commodity housing area sold and contracted sales slid 7.6% and 6.3% respectively, compared with y-o-y growth rates of 17.3% and 26.3% respectively in 2013. Facing adverse market conditions and uncertainties, property developers cut back on land bank building, with land area purchased falling 14% y-o-y. Our operating results are mainly driven by land use right auction frequencies and the resulting sales price. In 2014, the Group's revenue reduced by 91% compared with the same period of 2013 mainly due to a smaller amount of land use rights and area sold compared with the same period of last year.

In land development, the Group recorded RMB56.81 million of net sales on selling the land parcel C6-2 at the Shanghai Luodian project. In addition, in December 2014, based on market value assessment and prudence concept, the Company management decided to make an impairment provision of RMB605 million for land development for sale at the Shanghai Luodian project, with the relevant amount booked into the profit and loss accounts of 2014.

Meanwhile, in 2014 the Group disposed the relevant assets under the Wuxi project and achieved an investment gain of RMB621 million which was booked into 2014 accounts. Compared with end of 2013, the impact of this disposal to the Group's statement of financial position was a reduction of RMB2.86billion in total assets and RMB2.35 billion in total liabilities.

For further details, please refer to note 8 – review on operating results.

17 A breakdown of sales

RMB'000	Year ended 31 December 2014 Group	Year ended 31 December 2013 Group	Increase / (Decrease) %
Net sales (after business tax) reported for first half year	53,626	608,267	(91)
Profit/(loss) after tax before deducting non-controlling interests reported for first half year	(134,313)	57,672	(333)
Net sales (after business tax) reported for second half year	3,187	(11)	29,073
loss after tax before deducting non-controlling interests reported for second half year	(70,867)	(316,935)	(78)

18 A breakdown of the total annual dividend (in Singapore dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr. Shi Janson Bing	32	Son of Mr. Shi Jian, an Executive Director and Vice-Chairman of the Company.	<u>Current position</u> Chairman of Shanghai Lake Malaren Operation Management Company Limited and Shanghai Lake Malaren Sports and Cultural Development Company Limited. <u>Duties</u> Responsible for human resources management and overseeing commercial operations of subsidiaries.	Mr. Shi Janson Bing has resigned from the position of executive director of the Company on 28 March 2014.

Ms. Zuo Xin	31	Daughter-in-law of Mr. Shi Jian, an Executive Director and Vice-Chairman of the Company.	<u>Current position</u> General Manager of New Town (China) Trading Company Limited (BVI). <u>Duties</u> Responsible for the management of a subsidiary.	Ms. Zuo Xin resigned from the position of Assistant to President of the Company on 28 March 2014.
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By order of the Board
China New Town Development Company Limited
Liu Heqiang
Chief Executive Officer

Singapore and Hong Kong, 26 February 2015

As at the date of this announcement, the executive directors of the Company, 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.