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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 THIRD 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.

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 Third Quarter Financial Statements for the Financial Period Ended 30 September 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 third quarter and nine months ended 30 September 2015

	From 1 July to 30 September		Increase / (Decrease)	Z 9 months ended 30 September		Increase / (Decrease)
RMB'000	2015	2014	(%)	2015	2014	(%)
Group						
Continuing Operations						
Revenue	-	-	-	-	53,626	(100)
Cost of sales	21,600	-	-	36,100	(46,397)	(178)
Gross profit	21,600	-	-	36,100	7,229	399
Other income	38,775	17,881	117	95,355	41,131	132
Selling and distribution costs	-	-	-	-	(8,771)	(100)
Administrative expenses	(21,548)	(21,820)	(1)	(59,077)	(52,691)	12
Other expenses	(640)	(123)	420	(4,253)	(642)	562
Operating profit/(loss)	38,187	(4,062)	(1,040)	68,125	(13,744)	(596)
Finance costs	(22,791)	(16,528)	38	(42,370)	(69,480)	(39)
Profit/(loss) before tax from continuing operations	15,396	(20,590)	(175)	25,755	(83,224)	(131)
Income tax	(4,860)	(2,651)	83	(14,520)	(2,736)	431
Profit/(loss) after tax from continuing operations	10,536	(23,241)	(145)	11,235	(85,960)	(113)
Discontinued operations						
Loss after tax from discontinued operations	(10,846)	(43,670)	(75)	(85,441)	(115,264)	(26)
Gain after tax on partial disposal of assets and liabilities relating to discontinued operations	5,352	-	-	64,984	-	-
Profit/(loss) for the period	5,042	(66,911)	(108)	(9,222)	(201,224)	(95)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss)	5,042	(66,911)	(108)	(9,222)	(201,224)	(95)
Profit/(loss) attributable to:						
Owners of parent	4,117	(55,549)	(107)	(4,963)	(159,746)	(97)
Non-controlling interests	925	(11,362)	(108)	(4,259)	(41,478)	(90)
	5,042	(66,911)	(108)	(9,222)	(201,224)	(95)

RMB'000	From 1 July to 30 September		Increase / (Decrease)	Z 9 months ended 30 September		Increase / (Decrease)
	2015	2014	(%)	2015	2014	(%)
Group						
Total comprehensive income/(loss) attributable to:						
Owners of parent	4,117	(55,549)	(107)	(4,963)	(159,746)	(97)
Non-controlling interests	925	(11,362)	(108)	(4,259)	(41,478)	(90)
	<u>5,042</u>	<u>(66,911)</u>	<u>(108)</u>	<u>(9,222)</u>	<u>(201,224)</u>	<u>(95)</u>

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

a) Revenue, other income and other expenses

Revenue

RMB'000	From 1 July to 30 September		Increase / (Decrease)	9 months ended 30 September		Increase / (Decrease)
	2015	2014	(%)	2015	2014	(%)
Land development	-	-	-	-	56,807	(100)
Less: Business tax and surcharges	-	-	-	-	(3,181)	(100)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,626</u>	<u>(100)</u>

Other income

RMB'000	From 1 July to 30 September		Increase / (Decrease)	9 months ended 30 September		Increase / (Decrease)
	2015	2014	(%)	2015	2014	(%)
Foreign exchange gain	139	154	(10)	214	12,924	(98)
Interest income	12,232	14,813	(17)	28,614	21,986	30
Gain from investment classified as loans and receivables	25,432	-	-	64,469	-	-
Reversal of bad debt provision – other receivables	500	1,500	(67)	1,500	4,800	(69)
Others	472	1,414	(67)	558	1,421	(61)
	<u>38,775</u>	<u>17,881</u>	<u>117</u>	<u>95,355</u>	<u>41,131</u>	<u>132</u>

Other expenses

RMB'000	From 1 July to 30 September		Increase / (Decrease) (%)	9 months ended 30 September		Increase / (Decrease) (%)
	2015	2014		2015	2014	
Bank charges	635	122	480	1,060	559	103
Bad debt provision – trade receivables and other receivables	-	-	-	2,803	-	-
Loss on disposal of property, plant and equipment	-	-	-	-	10	(100)
Others	5	1	(6,900)	390	73	334
	<u>640</u>	<u>123</u>	<u>420</u>	<u>4,253</u>	<u>642</u>	<u>562</u>

b) Cost of sales by business units

RMB'000	From 1 July to 30 September		Increase / (Decrease) (%)	9 months ended 30 September		Increase / (Decrease) (%)
	2015	2014		2015	2014	
Land development	(21,600)	-	-	(36,100)	46,397	(178)
	<u>(21,600)</u>	<u>-</u>	<u>-</u>	<u>(36,100)</u>	<u>46,397</u>	<u>(178)</u>

c) Finance costs

RMB'000	From 1 July to 30 September		Increase / (Decrease) (%)	9 months ended 30 September		Increase / (Decrease) (%)
	2015	2014		2015	2014	
Interest on bank and borrowings	3,837	16,528	(77)	11,878	69,480	(83)
Interest on senior guaranteed notes	18,954	-	-	30,492	-	-
	<u>22,791</u>	<u>16,528</u>	<u>38</u>	<u>42,370</u>	<u>69,480</u>	<u>(39)</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 September 2015

RMB'000	Group		Company	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Non-current assets				
Investment in subsidiaries	-	-	2,991,259	2,991,259
Property, plant and equipment	40,379	41,350	133	93
Prepaid land lease payments	11,751	12,034	-	-
Deferred tax assets	41,149	41,149	-	-
Available-for-sale financial assets	19,500	-	-	-
Investment classified as loans and receivables	690,000	490,000	-	-
Other assets	9,420	-	-	-
Total non-current assets	812,199	584,533	2,991,392	2,991,352
Current assets				
Land development for sale	1,556,196	1,549,079	-	-
Amount due from subsidiaries	-	-	-	371,286
Prepayments	4,777	8,539	7	-
Other receivables	1,580,229	1,906,439	136,300	128,204
Trade receivables	60,847	63,853	1,628	1,635
Cash and bank balances	1,892,078	795,451	1,415,697	543,542
Financial assets designated as at fair value through profit or loss	18,699	-	-	-
Assets classified as held for sale	4,822,317	4,904,237	-	-
Total current assets	9,935,143	9,227,598	1,553,632	1,044,667
Total assets	10,747,342	9,812,131	4,545,024	4,036,019
Equity				
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	(1,169,258)	(1,164,295)	(1,967,797)	(2,007,038)
	3,520,853	3,525,816	4,055,727	4,016,486
Non-controlling interests	319,202	321,620	-	-
Total equity	3,840,055	3,847,436	4,055,727	4,016,486
Non-current liabilities				
Senior guaranteed notes	1,289,558	-	-	-
Interest-bearing bank and other borrowings	284,485	-	-	-
Deferred tax liabilities	21,151	21,151	-	-
Total non-current liabilities	1,595,194	21,151	-	-

RMB'000	Group		Company	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Current liabilities				
Interest-bearing bank and other borrowings	350,000	896,000	-	-
Trade payables	149,563	161,534	-	-
Other payables and accruals	239,093	116,883	9,949	19,533
Amount due to subsidiaries	-	-	479,348	-
Advances from the settlement of disposal assets	514,984	553,549	-	-
Deferred income arising from land development	383,716	383,716	-	-
Current income tax liabilities	349,133	359,841	-	-
Liabilities directly associated with the assets classified as held for sale	3,325,604	3,472,021	-	-
Total current liabilities	5,312,093	5,943,544	489,297	19,533
Total liabilities	6,907,287	5,964,695	489,297	19,533
Total equity and liabilities	10,747,342	9,812,131	4,545,024	4,036,019
Net current assets	4,623,050	3,284,054	1,064,335	1,025,134
Total assets less current liabilities	5,435,249	3,868,587	4,055,727	4,016,486

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

i) Borrowings

RMB'000	30 September 2015	31 December 2014
Bank and other borrowings - unsecured	150,000	650,000
Bank and other borrowings - guaranteed	284,485	-
Bank and other borrowings - secured	200,000	246,000
	634,485	896,000

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

RMB'000	30 September 2015	31 December 2014
Bank and other borrowings - unsecured	150,000	650,000
Bank and other borrowings - secured	200,000	246,000
	350,000	896,000

b) Amount repayable after one year

RMB'000	30 September 2015	31 December 2014
Bank and other borrowings - guaranteed	284,485	-
	<u>284,485</u>	<u>-</u>

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

See table above.

d) Details of any collateral/guarantee

As at 30 September 2015, there was an outstanding long-term loan of RMB284 million from Industrial and Commercial Bank of China Limited. It consists of two loans, the first loan of RMB260 million with term lasting from 20 May 2015 to 20 May 2020 and interest rate at 4.95%; and the second loan of RMB30 million with term lasting from 22 September 2015 to 20 October 2020 and interest rate at 4.5%. China Development Bank Capital Corporation Limited provided guarantee on the loans above.

As at 30 September 2015, there was an outstanding short-term loan of RMB200 million from the Beijing branch of Xiamen International Bank Company Limited with term lasting from 1 September 2015 to 1 September 2016. CDBC New Town (Beijing) Asset Management Company Limited provided guarantee by pledging its fixed deposits at Beijing branch of Xiamen International Bank Company Limited, as the pledgee, including respective interest income as collateral to the pledgee.

ii) Senior guaranteed notes

RMB'000	30 September 2015
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%)	30,492
Interest payment	-
Book value of senior guaranteed notes at the end of period	<u>1,318,549</u>
Categorized as current liabilities	28,991
Categorized as non-current liabilities	<u>1,289,558</u>

Senior guaranteed notes of RMB1.29 billion were Renminbi denominated senior guaranteed notes issued by the Company in 2015, with issuer being a wholly-owned subsidiary of the Company – China New Town Finance I Limited. The notes were guaranteed by the Company with credit enhancement measures such as the keepwell deed, liquidity support and deed of equity interest purchase undertaking from China Development Bank Capital Corporation Limited. The Company 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

RMB'000	3Q 2015 from 1 July 2015 to 30 September 2015	3Q 2014 from 1 July 2014 to 30 September 2014	9 months ended 30 September 2015	9 months ended 30 September 2014
Cash flow from operating activities				
Profit/(loss) before tax from continuing operations	15,396	(20,590)	25,755	(83,224)
Loss before tax from discontinued operations	(5,289)	(43,670)	(20,252)	(114,742)
Profit/(loss) before tax	10,107	(64,260)	5,503	(197,966)
Adjustments for:				
Bad debt provision of trade and other receivables	-	-	2,803	-
Depreciation of property, plant and equipment	728	(5,079)	2,456	18,526
Amortization of prepaid land lease payments	94	853	283	3,468
Gain from investment classified as loans and receivables	(25,432)	-	(64,469)	-
Share of loss from jointly-controlled entities	-	59	-	97
Fair value loss on completed investment properties	-	-	-	326
Gain from disposal of subsidiaries	(5,352)	-	(64,984)	-
Interest income	(12,254)	(15,224)	(28,776)	(22,526)
Interest expenses on bank and other borrowings	20,319	49,395	70,343	141,853
Interest expenses on senior guaranteed notes	18,954	-	30,492	-
Foreign exchange gain	(139)	(10,040)	(214)	(7,770)
	7,025	(44,296)	(46,563)	(63,992)
(Increase)/decrease in land development for sale	(356)	(3,681)	(7,117)	39,535
Increase in properties under construction for sale	(1,901)	(107,542)	(31,151)	(85,953)
Decrease in prepaid land lease payments	5,304	22,017	8,345	70,478
Decrease/(increase) in inventories	31	108	492	(443)
(Increase)/decrease in prepayments	(66,382)	(6,038)	(51,975)	22,454
Increase in other receivables and other current assets	(252,475)	(3,374)	(366,645)	(131,603)
Decrease in trade receivables	235	59,451	3,212	691,971
Increase in prepaid income tax	-	(304)	(52)	(1,994)
Decrease in deferred income from sale of golf club membership	(4,005)	(4,005)	(12,014)	(12,096)
Increase in deferred income arising from land development	-	-	-	2,136
Decrease/(increase) in advances from customers	(53,617)	(7,549)	12,186	(52,465)
Increase/(decrease) in trade and	162,807	61,159	473,730	(664,782)

RMB'000	3Q 2015 from 1 July 2015 to 30 September 2015	3Q 2014 from 1 July 2014 to 30 September 2014	9 months ended 30 September 2015	9 months ended 30 September 2014
other payables	(203,334)	(34,054)	(17,552)	(186,754)
Payment of income tax	-	-	(23,493)	-
Net cash outflow from operating activities	(203,334)	(34,054)	(41,045)	(186,754)
Cash flow from investing activities				
Purchase/construction of property, plant and equipment	(4)	(2,242)	(27,480)	(10,703)
Payments for investment properties	-	-	(4,562)	(4,587)
Investments classified as loans and receivables	(200,000)	-	(200,000)	-
Gain from investments classified as loans and receivables	-	-	7,770	-
Interest received	12,254	15,224	28,776	22,526
Investments in financial assets designated as at fair value through profit or loss	(18,699)	-	(18,699)	-
Disposal of subsidiaries	(34)	-	601,787	553,549
Investment in available-for-sale financial assets	(19,500)	-	(19,500)	-
Net cash (outflow)/inflow from investing activities	(225,983)	12,982	368,092	560,785
Cash flow from financing activities				
Cash proceeds from placing of new shares	-	-	-	1,138,979
Cash proceeds from issuance of senior guaranteed notes	-	-	1,288,057	-
Proceeds from bank borrowings	229,300	69,522	513,830	250,300
Repayment of bank borrowings	(31,912)	(18,230)	(520,360)	(1,095,871)
Repayment of borrowings from a related party	-	-	(500,000)	-
Interest paid	(19,912)	(62,364)	(77,823)	(157,163)
Cash released as restricted deposits in relation to bank borrowings	-	-	-	195,300
Proceeds from borrowing from a related party	-	-	-	500,000
Net cash inflow/(outflow) from financing activities	177,476	(11,072)	703,704	831,545
Net (decrease)/increase in cash and cash equivalents	(251,841)	(32,144)	1,030,751	1,205,576
Cash and cash equivalents at beginning of period	2,158,886	1,374,553	876,294	136,833
Cash and cash equivalents at end of period	1,907,045	1,342,409	1,907,045	1,342,409

- 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

9 months ended 30 September 2015

RMB'000	<u>Equity attributable to owners of parent</u>					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	-	-	(4,963)	(4,963)	(4,259)		(9,222)
Disposal of subsidiaries	-	-	-	-	1,841		1,841
Balance as at 30 September 2015	<u>4,110,841</u>	<u>579,270</u>	<u>(1,169,258)</u>	<u>3,520,853</u>	<u>319,202</u>		<u>3,840,055</u>

9 months ended 30 September 2014

RMB'000	<u>Equity attributable to owners of parent</u>					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	-	-	(159,746)	(159,746)	(41,478)		(201,224)
Placing of 5,347,921,071 new shares	1,130,032	-	-	1,130,032	-		1,130,032
Balance as at 30 September 2014	<u>4,110,841</u>	<u>579,270</u>	<u>(1,262,637)</u>	<u>3,427,474</u>	<u>480,618</u>		<u>3,908,092</u>

Company

9 months ended 30 September 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	-	-	39,241	39,241
Balance as at 30 September 2015	<u>4,110,841</u>	<u>1,912,683</u>	<u>(1,967,797)</u>	<u>4,055,727</u>

9 months ended 30 September 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	-	-	8,154	8,154
Placing of 5,347,921,071 new shares	1,130,032	-	-	1,130,032
Balance as at 30 September 2014	4,110,841	1,912,683	(1,994,735)	4,028,789

- 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 September 2015 and as at 30 September 2014 are set out below

	As at 30 September 2015	As at 30 September 2014
	No. of shares	No. of shares
Completion of subscription of shares by CDBIH	-	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	9,846,119,747

The Group has no outstanding convertible instruments as at 30 September 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.**

	9 months ended 30 September 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 September 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 nine months ended as at 30 September 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	3Q from 1 July 2015 to 30 September 2015	3Q from 1 July 2014 to 30 September 2014	9 months ended 30 September 2015	9 months ended 30 September 2014
(i)	Based on the weighted average number of ordinary shares on issue (RMB)	0.0004	(0.0056)	(0.0005)	(0.0196)
(ii)	On a fully diluted basis (RMB)	0.0004	(0.0056)	(0.0005)	(0.0196)

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 September 2015 and the period ended 30 September 2014.

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

	3Q from 1 July 2015 to 30 September 2015	3Q from 1 July 2014 to 30 September 2014	9 months ended 30 September 2015	9 months ended 30 September 2014
	RMB'000	RMB'000	RMB'000	RMB'000
Loss attributable to ordinary equity holders of the parent	4,117	(55,549)	(4,963)	(159,746)
Weighted average number of ordinary shares outstanding	9,846,119,747	9,846,119,747	9,846,119,747	8,141,837,208
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	8,141,837,208

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 September 2015	31 December 2014	30 September 2015	31 December 2014
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer as at the end of the period reported on (RMB)	0.3576	0.3908	0.4119	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 Activities

Our results of operations are primarily driven by the frequency and achieved selling prices of public auction for land use rights, which are affected by various factors and not within the complete control of the Group. No land parcel was sold in the third quarter of 2015, and revenue from land development was therefore zero.

In the third quarter of 2015, the land development cost of negative RMB21.60 million was due to the reversal in impairment provision of land development for sale at the Shanghai Luodian Project.

Other income

In the third quarter of 2015, other income increased by RMB20.89 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 to the Nanjing Yuhuatai Project during the period.

Non-operating Activities

Finance costs

In the third quarter of 2015, we incurred total net finance costs of RMB22.79 million, among which the interest expenses of bank and other borrowings amounted to RMB3.84 million, representing a reduction of RMB12.69 million compared with RMB16.53 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 first half of 2015 resulted in an interest expense of RMB18.95 million in the third quarter. The aggregate impact of the above was an increase in total net finance costs of RMB6.26 million as compared with the same period in 2014.

Taxation

In the third quarter of 2015, the Company recorded tax payable from continuing operations of RMB4.86 million, which was generated from the investment gain from the Nanjing Yuhuatai Project.

Statements of Financial Position

Other assets

The balance as at 30 September 2015 increased by RMB9.42 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 in Beijing and a total amount of RMB8.54 million was transferred from prepayments.

Available-for-sale financial assets

The balance as at 30 September 2015 increased by RMB19.50 million as compared with the balance as at the end of 2014. It was due to CDB Nanjing Investment Development Company Limited acquired equity stake in Jiangsu Hong-tu Software Venture Capital Investment Limited. On 30 September 2015, the Group participated in the development of A5 project in Nanjing, with 13.89% equity interest in the project. The cash contribution during the period amounted to RMB19.50 million and such amount was accounted for as available-for-sale financial assets.

Land development for sale

The balance as at 30 September 2015 increased by RMB7.12 million as compared with the balance as at the end of 2014. This was due to the capital expenditure on land development at Shanghai Luodian Project and Shenyang Lixiang Project respectively amounting RMB4.48 million and RMB2.64 million during the first half of this year.

Prepayments (current assets)

The balance as at 30 September 2015 decreased by RMB3.76 million as compared with the balance as at the end of 2014. The decrease was mainly due to the completion of renovation of the Beijing administrative center office and as a result the relevant renovation prepayments of RMB8.54 million was transferred to other assets. In addition, the Beijing administration center incurred prepayments in relation to software development expenses and office leasing expenses totaling RMB4.52 million.

Other receivables

The balance as at 30 September 2015 decreased by RMB326 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 Wuxi project of RMB608 million during the first half of 2015. In addition, during the period the investment in our projects, including Nanjing Yuhuatai Project and Danyang Project, generated fixed investment return receivables of RMB64.47 million (RMB7.77 million were received during the period) and the disposal of assets classified as held for sale resulted in the relevant consideration and other receivables of RMB22.48 million.

Trade receivables

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

Senior guaranteed notes

The balance as at 30 September 2015 increased by RMB1,290 million as compared with the balance as at the end of 2014. The increase was mainly due to the issuance of RMB-denominated senior guaranteed notes by the Company during the first half of 2015. The issuance amount of RMB1.3 billion with issuing costs of RMB11.94 million and the interest expense adjustment (non-current liabilities) on the senior guaranteed notes during the period of RMB1.5 million, resulting in an increase in the balance amounting to RMB1,290 million.

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

The balance as at 30 September 2015 increased by RMB284 million as compared with the balance as at the end of 2014. This was mainly due to a new long-term loan obtained from Industrial and Commercial Bank of China Limited by the Company in the second quarter of 2015, with term lasting from 20 May 2015 to 20 May 2020 and interest rate at 4.95%; and a new long-term loan obtained from Industrial and Commercial Bank of China Limited by the Company in the third quarter of 2015, with term lasting from 22 September 2015 to 20 October 2020 and interest rate at 4.5%.

Interest-bearing bank and other borrowings (current liabilities)

The balance as at 30 September 2015 decreased by RMB546 million as compared with the balance as at the end of 2014. Such reduction was mainly due to the repayment of interest-bearing loan to related parties amounting to RMB500 million and the repayment of loan to Agricultural Bank of China Limited amounting to RMB246 million during the first half of 2015. Whereas a new short-term loan of RMB200 million was obtained from the Beijing branch of Xiamen International Bank Company Limited with term lasting from 1 September 2015 to 1 September 2016. CDB New Town (Beijing) Asset Management Company Limited provided guarantee for the loan by pledging its fixed deposits at the Beijing branch of Xiamen International Bank Company Limited, as the pledgee, including respective interest income as collateral to the pledgee.

Trade payables

The balance as at 30 September 2015 was RMB11.97 million lower than the balance as at the end of 2014. Such reduction was mainly due to the payment made to the accrued trade payables at the end of 2014 during the first three quarters of 2015, mainly including the payment of relocation costs of RMB7 million at Luodian as well as other construction costs of RMB4.97 million.

Other payables and accruals

The balance as at 30 September 2015 was RMB122.21 million higher than the balance as at the end of 2014. This increase was mainly due to RMB99.9 million associated with the disposal of subsidiaries in the first three quarters of 2015 in accordance with the Disposal Master Agreement, as well as accrued taxes of RMB3.51 million associated with the investments classified as loans and receivables at Nanjing Yuhuatai Project and RMB29.56 million associated with the accrued issuing costs and interest expense (non-current liabilities) of the senior guaranteed notes.

Current tax liabilities

The balance as at 30 September 2015 was profit tax payables, and was RMB10.71 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 three quarters of 2015, offset by RMB14.52 million of profit tax payables recognized 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 has been completed on 28 March 2014 and the relevant shares have been issued.

As a schedule of the Subscription Agreement, the Company and SREI entered into the Disposal Master Agreement (“**Disposal Master Agreement**”) pursuant to the terms and conditions of which the Company agreed to dispose the Disposal Assets, and SREI agreed to purchase the Disposal Assets at total consideration of RMB 2,069,832,594, the relevant consideration of which shall be paid in several cash instalments (“**Assets Disposal**”). As at 30 September 2015, the Disposal Assets are classified as assets held for sale in financial statements and deemed discontinued operations of the Group. The cash proceeds attributable to the Company from the Disposal Assets have been locked and shall not be affected by the subsequent profit or loss.

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

RMB'000	Nine months ended 30 September	
	2015	2014
Revenue	102,577	289,893
Cost of sales	(60,051)	(202,675)
Gross profit	42,526	87,218
Other income	907	2,691
Selling and distribution costs	(18,971)	(60,717)
Administrative expenses	(48,544)	(68,174)
Other expenses	(2,689)	(2,964)
Fair value loss on completed investment properties	-	(326)
Operating loss from discontinued operations	(26,771)	(42,272)
Finance costs	(58,465)	(72,373)
Share of loss from jointly-controlled entities	-	(97)
Loss before tax from discontinued operations	(85,236)	(114,742)
Income tax	(205)	(522)
Loss for the year from discontinued operations	(85,441)	(115,264)
Gain after tax from disposing subsidiaries	64,984	-
Loss for the period from discontinued operations	(20,457)	(115,264)

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

RMB'000	30 September 2015	31 December 2014
Assets:		
Investments in an associate	200	200
Property, plant and equipment	1,604,392	1,623,721
Completed investment properties	698,000	698,000
Trade receivables – long-term	-	110
Prepaid land leases – long-term	146,851	146,851
Deferred tax assets	30,715	30,722
Other assets	41,137	43,442
Properties under development for sale	1,583,987	1,539,563
Prepaid land leases – short-term	454,603	469,059
Inventories	1,980	5,116
Prepayments	87,861	35,240
Other receivables	141,717	210,896
Trade receivables	2,247	6,866
Prepaid income taxes	13,660	13,608
Cash and bank balances	14,967	80,843
Assets classified as held for sale	4,822,317	4,904,237
Liabilities:		
Non-current interest-bearing bank and other borrowings	713,680	947,690
Deferred income from sale of golf club memberships	458,094	470,107
Deferred tax liabilities	4,665	4,665
Interest-bearing bank and other borrowings	478,180	573,480
Trade payables	440,017	463,182
Other payables and accruals	935,716	756,151
Advances from customers	295,252	249,864
Current income tax liabilities	-	6,882
Liabilities directly associated with assets classified as held for sale	3,325,604	3,472,021
Net assets directly associated with Disposal Assets	1,496,713	1,432,216

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

RMB'000	Nine months ended 30 September	
	2015	2014
Operating	281,152	176,546
Investing	(37,040)	(11,867)
Financing	(309,988)	(207,728)
Net cash outflow	(65,876)	(43,049)

Liquidity

The Group has obtained the following bank loan financing:

- Used for land development for sale at Shanghai Luodian Project:
- Principal: RMB290 million
- Drawn amount as at 30 September 2015: RMB290 million

Overall, cash and cash equivalents (excluding restricted cash) in the Reporting Period increased by RMB1.031 billion as compared with the end of 2014, with balance of RMB1.907 billion as at 30 September 2015. This was due to net investing cash inflow of RMB368 million and net financing cash inflow of RMB704 million, partly offset by net operating cash outflow of RMB41 million.

Gearing ratio (defined as net debt / the sum of shareholders equity and net debt) as at 30 September 2015 substantially lowered to 0.83% from the level as at 31 December 2014 of 2.55%, 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 third quarter results announced, the results for the current quarter is generally in line with the statements made in the Company's commentary in paragraph 9 of 2014 second quarter financial results. The Company considered that the market conditions remain similar to that were expected in the last period.

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

In the third quarter of 2015, in order to promote economic growth, stimulate domestic consumption and propel social investment, the Central Bank continued to adopt accommodative monetary policy including the lowering of benchmark lending rate and reserve ratio requirement. This sustained the support to improvement housing demand from citizens, extending the stabilization trend of China's property market. After lowering the down payment requirement for first property mortgage with housing provident funds on 31 March, the People's Bank of China, the Ministry of Finance and the Ministry of Housing and Urban Construction jointly announced that for citizens owning a fully paid-up property re-applying for mortgage from housing provident funds, the down payment requirement would reduce from 30% to 20%, in line with first mortgages. Near the end of September, the People's Bank of China and the Bank Monitoring

Commission announced the lowering of down payment requirement for first property purchasers in cities without purchase restrictions to 25%, further boosting the improvement housing demand from citizens using looser credit. Furthermore, six ministries led by the Ministry of Housing and Urban Construction and the Ministry of Commerce jointly published the *Notice regarding the Policy Adjustments on Allowing Entry of Foreign Capital to Real-Estate and Related Administration* (《關於調整房地產市場外資准入和管理有關政策的通知》), relaxing the restrictions on foreign individuals who are working or studying onshore or onshore branches established by foreign institutes to purchase properties for self-use, as well as regulations on foreign capital investing in property development. Coupled with other policies such as lowering the brokerage fee on property transactions, a relative benign policy environment was created for China's property market.

In the third quarter, nationwide commodity housing sales in terms of area sold and contracted sales continued to improve, with the respective growth in the first nine months accelerating to 7.5% and 15.3% from the first half levels of 3.9% and 10.0%. Capital flow to property developers turned around to positive territory in June and steadily climbed to 0.9% growth in the first three quarters as a whole, showing signs of relief to funding pressures. Among them, in July the year-on-year change in down payment and prepayments reversed the downward trend which started from March of 2014, recording an accumulative 4.4% year-on-year growth in the first three quarters; personal mortgage loans grew 16.3% on a year-on-year basis, showing the policies to support the inelastic housing demand are taking effect and cash is flowing back to property developers as a result. Property market turnover became active, with total level of all cities reaching the highest level in the same period of the past five years. In terms of performance by tiers, turnovers of the tier-one cities grew rapidly while those in tier-two and tier-three cities grew mildly. In August, the first-hand property price at top 70 large and medium cities in aggregate turned around to grow 1.7% from the negative 0.4% in the previous month, the first positive record since September 2014. In terms of individual cities, the pricing trend continued to show polarizing trend on a year-on-year basis, with first and second hand commodity housing price in tier-one cities rising across the board and relatively rapidly, while tier-two cities are showing somewhat mixed pricing trends and tier-three cities still falling across the board.

In the third quarter, the Group also achieved substantial progress in its business development. The Company invested in the shanty-town reformation projects in Sichuan Luzhou and Hunan Province etc. through the CDB (Beijing) – BOFCOMM New-Type Urbanization Fund as a junior-tranche limited partner, making excellent investment return contribution to the Company. In early September, the Group entered into a Strategic Cooperation Framework Agreement with Shenzhen Venture Capital Group which established a long-term strategic relationship to explore investment, development and operational opportunities in industrial parks in high-potential regions in the Yangtze River Delta, Pearl River Delta and Pan-Bohai region, to promote integrated industrial-urban growth. Concurrently, the Group participated in the first project under the agreement, the development of land parcel A5 at Nanjing Yuahatai District Software Engineering Park, a showcase for the innovative “industrial investment + industrial park development” business model. It is expected that leveraging the nationwide industrial investment network and expertise of Shenzhen Venture Capital Group, we will be able to replicate this model across the country and rapidly expand the business. In addition, the Group proactively sought other urbanization business opportunities with policy headwinds. In the first half of July, the Group completed a RMB200 million investment as a private equity investor in the Jiangsu Danyang Water Conservancy project which adopts the Public-Private-Partnership (PPP) model. They Group shall enjoy an investment return subsidy of 13% per annum from the government on its investment during the development period, upon the completion of which the government

commits to repurchase the Company's equity stake. This project benefits from a dedicated PPP project finance package from China Development Bank, and it sets a good precedent case and has excellent replicability. It is expected that in the future through close cooperation with the various branches of China Development Bank, the Company shall be able to launch a series of PPP model projects and participate in the nationwide investment and operation business opportunities of new town development. It also expects to substantially improve the return on its investment through the appropriate use of financial leverage.

In the future, the Company will continue to be fully committed to new town development business and strengthen its project sourcing capabilities, so as to make best use of the strategic resources of our controlling shareholder and create better and more sustainable return to shareholders.

11 Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

Not applicable.

(d) Date Payable

Not applicable

(e) Book Closure Date

Not applicable

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

No dividend has been declared or recommended for the third quarter ended 30 September 2015.

Interest Persons Transactions (“IPT”)

RMB'000	9 months ended 30 September 2015	
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)
China Development Bank Capital Corporation Limited (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	150,000	

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.

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 third quarter and the nine months ended 30 September 2015 presented in this announcement to be false or misleading in any material aspect.

15 **Subsequent event**

Not applicable.

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

Singapore and Hong Kong, 12 November 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), and Mr. Li Yao Min (Vice Chairman); and independent non-executive directors, namely Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap