China New Town Development Company Limited
中國新城鎮發展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)
Hong Kong Stock Code: 1278
Singapore Stock Code: D4N.si

2014 FINAL RESULTS ANNOUNCEMENT

The Board of directors (the "Board") of China New Town Development Company Limited (the "Company") is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2014
(Amount expressed in thousands of Renminbi unless otherwise stated)

	Notes	2014	2013
			Restated*
Continuing operations			
Revenue	5	56,813	608,256
Cost of sales	6	(651,195)	(353,552)
Gross (loss)/profit		(594,382)	254,704
Other income	5	56,401	32,799
Selling and distribution costs	6	(8,857)	(73,060)
Administrative expenses	6	(82,403)	(70,082)
Other expenses	5	(847)	(18,535)
Operating (loss)/profit		(630,088)	125,826
Finance costs	7	(85,923)	(114,730)
Gain on disposal of subsidiaries and joint venture	8	616,091	-
(Loss)/Profit before tax from continuing operations		(99,920)	11,096
Income tax	9	44,941	(33,282)
Loss after tax from continuing operations		(54,979)	(22,186)

	Notes	2014	2013
			Restated*
Discontinued operations	12		
Loss after tax from discontinued operations		(154,191)	(237,077)

	Notes	2014	2013
			Restated*
Gain after tax on partial disposal of assets and liabilities relating to discontinued operations		3,990	-
Loss for the year		(205,180)	(259,263)
Other comprehensive income, net of tax		-	-
Total comprehensive loss, net of tax		(205,180)	(259,263)
Loss/ total comprehensive loss attributable to:			
Owners of the parent	10	(61,404)	(212,992)
Non-controlling interests		(143,776)	(46,271)
		(205,180)	(259,263)
Loss per share (RMB per share):	11		
Basic loss per share for the year attributable to ordinary equity holders of the parent		(0.0072)	(0.0474)
Diluted loss per share for the year attributable to ordinary equity holders of the parent		(0.0072)	(0.0474)
Earnings/(loss) per share from continuing operations (RMB per share):	11		
Basic earnings/(loss) per share for the year attributable to ordinary equity holders of the parent		0.0063	(0.0086)
Diluted earnings/(loss) per share for the year attributable to ordinary equity holders of the parent		0.0063	(0.0086)

*2013 financial statements have been restated due to the accounting for discontinued operations as disclosed in Note 12.

STATEMENTS OF FINANCIAL POSITION

31 December 2014

(Amounts expressed in thousands of Renminbi unless otherwise stated)	Notes	Group		Company	
		2014	2013	2014	2013
Assets					
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	13	41,350	1,631,967	93	62
Completed investment properties	14	-	740,000		-
Investment properties under construction	14	-	106,000		-
Prepaid land lease payments	15	12,034	244,586		-

(Amounts expressed in thousands of Renminbi unless otherwise stated)	Notes	Group		Company	
		2014	2013	2014	2013
Non-current trade receivables	20	-	48,626		-
Deferred tax assets	9	41,149	132,625		-
Other assets		-	47,727	-	2,794
Investment classified as loans and receivables	21	490,000	-	-	-
Total non-current assets		584,533	3,007,387	2,991,352	2,594,115
Current assets					
Land development for sale	16	1,549,079	5,130,517	-	-
Properties under development for sale	17	-	1,568,991	-	-
Prepaid land lease payments	15	-	642,312	-	-
Inventories		-	5,878	-	-
Amounts due from subsidiaries		-	-	371,286	506,805
Prepayments	18	8,539	93,382	-	-
Other receivables	19	1,906,439	21,832	128,204	6
Trade receivables	20	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	12	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
Equity and liabilities					
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	22	-	1,797,870	-	-
Deferred income from sale of golf club membership	23	-	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	22	896,000	1,338,992	-	198,312

(Amounts expressed in thousands of Renminbi unless otherwise stated)	**Notes**	**Group**		**Company**	
Trade payables	24	161,534	2,557,878	-	-
Other payables and accruals	24	116,883	872,498	19,533	13,865
Amounts due to related parties		-	3,500	-	-
Advances from customers		-	336,482	-	-
Advances received for the settlement of Disposal Assets		553,549	-	-	-
Deferred income arising from land development	23	383,716	620,221	-	-
Current income tax liabilities		359,841	538,256	-	-
Liabilities directly associated with assets classified as held for sale	12	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

STATEMENT OF CHANGES IN EQUITY

31 December 2014
(Amounts expressed in thousands of Renminbi unless otherwise stated)

Group

	Equity attributable to equity holders of the parent					
	Share capital	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
As at 1 January 2013	2,980,809	579,270	(889,899)	2,670,180	570,367	3,240,547
Total comprehensive loss	-	-	(212,992)	(212,992)	(46,271)	(259,263)
Change in non-controlling interests due to dissolution of a subsidiary	-	-	-	-	(2,000)	(2,000)
Dividends	-	-	-	-	-	-
As at 31 December 2013 and 1 January 2014	2,980,809	579,270	(1,102,891)	2,457,188	522,096	2,979,284
Total comprehensive loss			(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)
Dividends	-	-	-	-	-	-
As at 31 December 2014	4,110,841	579,270	(1,164,295)	3,525,816	321,620	3,847,436

Company

	Share capital	Other reserves	Accumulated losses	Total
As at 1 January 2013	2,980,809	1,912,683	(1,972,078)	2,921,414
Total comprehensive loss	-	-	(30,811)	(30,811)
As at 31 December 2013 and 1 January 2014	2,980,809	1,912,683	(2,002,889)	2,890,603
Total comprehensive loss			(4,149)	(4,149)
Placing of 5,347,921,071 new shares	1,130,032			1,130,032
As at 31 December 2014	4,110,841	1,912,683	(2,007,038)	4,016,486

CONSOLIDATED STATEMENT OF CASH FLOWS

31 December 2014

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	2014	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 before tax		(239,494)	(265,424)
Adjustments for:			
Impairment provision of land development for sale		604,798	-
Reversal of impairment of other receivable		(5,800)	-
Depreciation of property, plant and equipment	13	22,524	66,073
Amortisation of prepaid land lease payments	15	3,826	6,663
(Gain)/loss on disposal of property, plant and equipment		(4,902)	78
Fair value (gain)/loss on completed investment properties	14	(8,674)	1,362
Fair value gain on investment properties under construction	14	-	(600)
Gain from disposal of subsidiaries and joint venture	8	(621,039)	-
Share of loss from associate and joint venture		158	47
Expenses incurred for the transaction cost of the Disposal		-	11,156
Gain from investment classified as loans and receivables		(7,770)	-
Interest income		(29,447)	(22,817)
Interest expense		190,993	219,425
Exchange gain		(12,424)	(5,910)
		(107,251)	10,053

	Notes	2014	2013
Decrease in land development for sale		41,461	46,651
(Increase)/decrease 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)
Decrease in prepayments		7,718	86,087
Increase in other receivables and assets		(127,113)	(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)
Increase in deferred income arising from land development		2,262	24,438
Decrease in advances from customers		(23,309)	(12,250)
Increase in trade and other payables		343,346	143,150
(Decrease)/increase in amounts due to related parties		(500)	2,131
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)
Disposal of subsidiaries and joint venture		(6,278)	-
Investments in joint venture		-	(6,000)
Investment classified as loans and receivables		(490,000)	-
Advances received for the settlement of Disposed Assets		553,549	-
Interest received		19,447	22,817
Refund of prepayments for property, plant and equipment		-	222,542
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 of new shares of the Company		1,138,979	-
Proceeds from bank and other borrowings		237,780	1,406,756
Repayment of bank and other borrowings		(1,284,059)	(1,449,070)
Proceeds from borrowing from a related party		500,000	-
Cash released from restricted deposits in relation to interest payments for bank borrowings		195,500	9,500
Interest paid		(191,126)	(240,330)
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

Notes to Financial Statements
(All amounts expressed in thousands of Renminbi unless otherwise stated)

1. Corporate information

Corporate information

China New Town Development Company Limited (the “Company”) was incorporated on 4 January 2006 in the British Virgin Islands (the “BVI”). After a series of reorganisations, on 14 November 2007, the Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). On 22 October 2010, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “HKEx”) by way of introduction. As a result, the Company is dual listed on the Main Boards of both the SGX-ST and the HKEx.

The Company with its subsidiaries (the “Group”) is a new town developer in Mainland China and is principally engaged in planning and developing large-scale new towns in China’s largest cities of which the activities include designing the master plan, relocating and resettling incumbent residents and businesses, clearing and preparing the land and installing infrastructure. Land use rights to the residential parcels in the new towns developed by the Group are then sold by the relevant land authorities to real estate property developers, the proceeds from which are apportioned to the Group on specified bases. From 2014, the Group also entered into arrangements with local governments to work on projects whereby it will be compensated based on a fixed return. The Group also develops or manages some residential and commercial properties in those new towns.

The Company used to be a subsidiary of SRE Group Limited (“SRE”), a company listed on the HKEx since September 2009. During 2012, SRE disposed its entire holding of shares in the Company to SRE’s own shareholders via a special dividend in the form of a distribution in species. Upon completion of that distribution, in October 2012, SRE no longer holds any shares in the Company and ceased to be the parent of the Company. As a result of that distribution, SRE Investment Holding Limited (“SREI”), the parent of SRE, became the largest shareholder of the Company.

On 10 October 2013, the Company, China Development Bank International Holdings Limited (“CDBIH”) and SREI entered into a share subscription agreement (“Subscription Agreement”) pursuant to which CDBIH has agreed to subscribe for 5,347,921,071 new shares of the Company subject to the terms and conditions contained therein (the “Subscription”). The Subscription was completed in the first quarter of 2014. As a result, CDBIH, a wholly-owned subsidiary of China Development Bank Capital Corporation Limited (“CDB Capital”), became the largest shareholder of the Company.

In the opinion of the directors of the Company (the “Directors”), as at 31 December 2014, the Company’s ultimate holding company is CDB Capital. It holds 54.32% of the issued share capital of the Company as at 31 December 2014.

As an appendix of the Subscription Agreement, there was a disposal master agreement (the “Disposal Master Agreement”) between the Company and SREI, pursuant to which the Company has conditionally agreed to sell and SREI has conditionally agreed to purchase, within 24 months upon completion of the Subscription, specified assets and liabilities not relating to the Group’s main principal business of planning and development of new town projects in the mainland China (the “Disposal Assets”), for a total consideration of RMB2,069,832,594 in the form of cash payment in installments subject to the terms and conditions contained therein (the “Disposal”). The parties to the Disposal Master Agreement may however, after discussion, agree to dispose of a Disposal Asset to a third party other than SREI and its subsidiaries. The Disposal was conditional on completion of the Subscription which was completed in the first quarter of 2014 as described above. According to the Disposal Master Agreement, the Company’s entitled cash consideration in relation to disposing such assets has been fixed and shall not be affected by the subsequent profit or loss associated with such assets. The Disposal Assets are classified as assets held for sale in the financial statements and deemed discontinued operations of the Group.

In December 2014, with the consent of SREI, China New Town Development (Wuxi) Company Limited, a wholly-owned subsidiary of the Group, entered into an agreement to dispose the Wuxi Project Group to the Wuxi Municipal New District Economic Development Group Limited ("Wuxi Xinfa Group") for a net consideration of RMB1,133,905,524, after immediately deducting a withholding tax of RMB64,893,131. The Wuxi Project Group's principal activities include the planning, developing and operating of the Wuxi Hongshan new town with a site area of approximately 8.6 square kilometres.

The Wuxi Project Group was established in 2007 pursuant to joint venture agreements between the Group and a subsidiary of the Wuxi Xinfa Group. It mainly comprised 90% equity interest in Wuxi Hongshan New Town Development Co., Ltd. ("Wuxi Hongshan Development") and 90% equity interest in Wuxi Hongshan New Town Virescence Environmental Protection Construction Co., Ltd. ("Hongshan Virescence"). A portion of the assets held by these entities are part of Disposal Assets and accordingly consent from SREI was obtained when negotiating this transaction.

For the disposal of the Wuxi Project Group, consideration attributable to SREI in relation to assets and liabilities belonging to the Disposal Assets was RMB600,246,164. The disposal consideration of RMB2,069,832,594 set out in the Disposal Master Agreement will therefore be reduced by RMB594,246,164, being the amount of the consideration attributable to the Disposal Assets (RMB 600,246,164), net of the capital increase of Wuxi Xinrui Hospital (RMB 6,000,000) which shall be borne by SREI.

2. Basis of preparation

The consolidated financial statements of the Group and the statements of financial position and statement of changes in equity of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board (the "IASB").

The financial statements have been prepared under the historical cost convention, except for investment properties and investment properties under construction which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in Note 14. The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ('000) unless otherwise indicated.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent of the Group and to the non-controlling interests, even if it results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(b) Operating cycle

The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of the Group's business, the Group's normal operating cycle is longer than twelve months. The Group's current assets include assets (such as land development for sale) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the end of the reporting period, in accordance with IFRSs.

3. Changes in accounting policy and disclosures

New and amended standards and interpretations

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements. Though in certain cases, giving rise to new or revised accounting policies, the adoption of these new and revised IFRSs currently has had no significant impact on these financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC-Int 21	Levies
Annual Improvements 2010-2012 Cycle	Amendments to a number of IFRSs issued in January 2014
Annual Improvements 2011-2013 Cycle	Amendments to a number of IFRSs issued in January 2014

The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

4. Operating segment information

For management purposes, the Group is organised into business units based on its products and services and has the following operating segments. The Group's operational assets and operations are located in Mainland China.

- Land development segment, which provides land infrastructure development and construction of ancillary public facilities;
- Others segment, which includes investment and provision of other services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit and loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to the operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

Land development revenue from the Group's share of proceeds from land sales (including related public utility fees, if any) by local authorities accounted for 100% in Shanghai (2013: 50% in Shanghai) of the revenue in the year ended 31 December 2014.

Year ended 31 December 2014

	Land development	Others	Adjustments and eliminations	Total
Segment results				
External sales	56,813	-	-	56,813
Inter-segment sales	-	-	-	-
Total segment sales	56,813	-	-	56,813

Results				
Depreciation	(4,609)	(87)	-	(4,696)
Amortisation	(2,810)	-	-	(2,810)
Segment (loss)/profit	(621,916)	607,919	(85,923)[1]	(99,920)
Segment assets	1,727,251	3,139,494	4,945,386 [2]	9,812,131
Segment liabilities	1,183,412	32,270	4,749,013 [3]	5,964,695
Other disclosures				
Capital expenditure[4]	703	324	117,588	118,615

An analysis by operating segment is as follows:

1 Profit for each operating segment of continuing operations does not include finance costs of RMB85,923 thousand.

2 Assets in segments do not include deferred tax assets of RMB41,149 thousand and assets related to held for sale assets of RMB4,904,237 thousand as these assets are managed on a group basis.

3 Liabilities in segments do not include current income tax payables of RMB359,841 thousand, interest-bearing bank loans and other borrowings of RMB896,000 thousand, and deferred tax liabilities of RMB 21,151 thousand and liabilities related to held for sale assets of RMB3,472,021 thousand as these liabilities are managed on a group basis.

4 Capital expenditure of continuing operations consists of additions of property, plant and equipment of RMB1,027 thousand. Capital expenditure of discontinued operations consists of additions of property, plant and equipment of RMB114,114 thousand and prepaid land lease payments of RMB3,474 thousand.

Year ended 31 December 2013

	Land development	Others	Adjustments and eliminations	Total
Segment results				
External sales	608,267	(11)	-	608,256
Inter-segment sales	-	-	-	-
Total segment sales	608,267	(11)	-	608,256
Results				
Depreciation	(7,555)	(79)	-	(7,634)
Amortisation	(447)	-	-	(447)
Fair value gain on investment properties under construction	600	-	-	600
Segment profit/(loss)	137,503	(11,677)	(114,730)[1]	11,096
Segment assets	6,112,098	181,264	5,270,022 [2]	11,563,384
Segment liabilities	3,352,398	42,751	5,188,951 [3]	8,584,100
Other disclosures				
Capital expenditure[4]	377	13	181,259	181,649

1 Profit for each operating segment of continuing operations does not include finance costs of RMB114,730 thousand.

[2] Assets in segments do not include deferred tax assets of RMB88,601 thousand and assets of discontinued operations of RMB5,181,421 thousand as these assets are managed on a group basis.

[3] Liabilities in segments do not include current income tax payables of RMB525,574 thousand, interest-bearing bank loans and other borrowings of RMB1,299,312 thousand, deferred tax liabilities of RMB21,151 thousand, amount due to related party of RMB3,000 thousand and liabilities of discontinued operations of RMB3,339,914 thousand as these liabilities are managed on a group basis.

[4] Capital expenditure of continuing operations consists of additions to prepaid land lease payments (non-current portion) of RMB3 thousand, property, plant and equipment of RMB387 thousand. Capital expenditure of discontinued operations consists of additions of property, plant and equipment of RMB179,797 thousand, and completed investment properties and investment properties under construction of RMB1,462 thousand.

5. Revenue, other income and other expenses

Revenue

	2014	2013
Land development	56,813	643,336
Less: Business tax and surcharges	-	(35,080)
	56,813	608,256

Other income

	2014	2013
Foreign exchange gain, net	12,424	6,470
Interest income	28,564	22,622
Government subsidies	-	314
Reversal of bad debt provision		
– other receivables (Note 19 b)	5,800	3,100
Gain from investment classified as loans and receivables	7,770	-
Others	1,843	293
	56,401	32,799

Other expenses

	2014	2013
Foreign exchange loss, net	-	5
Bank charges	734	2,049
Bad debt provision – trade receivables (Note 20)	-	16,247
Others	113	234
	847	18,535

6. Expenses by nature

	2014	2013
Cost of land development	46,397	353,552
Impairment of land development for sale	604,798	-
Depreciation of property, plant and equipment	4,696	7,634
Amortisation of prepaid land lease payments	2,810	447
Audit fees and non-audit fees	7,479	5,385
Audit fees		
- *Auditor of the Company*	4,050	3,650
- *Other auditors*	1,091	298
Non-audit fees		
- *Auditor of the Company*	-	1,060
- *Other auditors*	2,338	377
Employee benefits	34,513	25,147
Utility expenses	1,185	2,799
Property tax, stamp duty and land use tax	819	1,099
Advertising	8,745	11,698
Expenses incurred for the transaction cost of the Disposal	-	10,096
Expense incurred in application for National AAAA Tourist Attraction (Luodian New Town)	-	60,000
Property management service expenses	9,012	-
Others	22,001	18,837
Total cost of sales, selling and distribution costs and administrative expenses	742,455	496,694

7. Finance costs

	2014	2013
Interest on bank loans and other borrowings wholly repayable within five years	85,923	114,730
Interest on bank loans and other borrowings not wholly repayable within five years	-	-
Less: Interest capitalised	-	-
	85,923	114,730

8. Gain on disposal of subsidiaries and joint venture

In December 2014, with the consent of SREI, China New Town Development (Wuxi) Company Limited, a wholly owned subsidiary of the Group, entered into an agreement to dispose the Wuxi Project Group to Wuxi Xinfa Group for a net consideration of RMB1,133,905,524, after immediately deducting a withholding tax of RMB64,893,131. A portion of the assets under the Wuxi Project Group are part of Disposal Assets and accordingly consent from SREI was obtained when negotiating this transaction. It was agreed in principle that gains arising from the disposal of the Wuxi Project Group will largely accrue to continuing operation. In addition, instead of transferring the assets and liabilities relating to discontinued operations to SREI as originally planned, such assets and liabilities will be transferred to Wuxi Xinfa Group.

Year Ended 31 December 2014	Notes	Continued operations	Discontinued operations
Net (liabilities)/assets disposed of:			
Interest in a joint venture		-	55,498
Property, plant and equipment	13	38,623	23,110
Completed investment properties	14	-	51,000
Investment properties under construction	14	-	106,000
Prepaid land lease payments (current)		85,349	-
Deferred tax assets		16,460	-
Land development for sale		2,373,650	93,681
Inventories		-	107
Prepayments		-	199
Other receivables		2,407	330,651
Trade receivables		-	57
Cash and bank balances		1,579	4,699
Trade payables		(1,266,681)	(17,504)
Other payables and accruals		(949,044)	(798)
Amount due to related parties		(3,000)	-
Deferred tax liabilities		-	(2,682)
Deferred income arising from land development		(286,649)	-
Current income tax liability		(16,482)	(5,770)
		(3,788)	638,248
Minority Interest		(13,750)	(42,950)
Gain on disposal of subsidiaries and joint venture before tax		616,091	4,948
Consideration		598,553	600,246

After immediately deducting a withholding tax of RMB64,893,131, the net consideration of RMB1,133,905,524 will be settled in cash. RMB608 million was received in January 2015, 95% of the consideration will be settled by 31 March 2015 and the remaining 5% consideration will be settled by 31 December 2015.

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

Year Ended 31 December 2014	Continued operations	Discontinued operations
Cash received	-	-
Cash and bank balances disposed of	(1,579)	(4,699)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries and joint venture	(1,579)	(4,699)

9. Income tax

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

The Company is a tax-exempted company incorporated in the British Virgin Islands.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year.

The principal operating subsidiaries of the Company were subject to income tax at the rate of 25% on their taxable income according to the Income Tax Law of the PRC.

Mainland China Withholding Tax

Pursuant to the PRC Corporate Income Tax, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed and remitted out of PRC by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

The major components of income tax are:

	2014	**2013**
Income tax charge/(credit):		
Current income tax	(149,174)	-
Deferred tax charge	40,298	33,282
Withholding tax	63,935	-
Income tax charge/(credit) as reported in profit or loss	(44,941)	33,282

A reconciliation between tax charge/(credit) and the product of accounting profit/(loss) multiplied by the Group's applicable income tax rate is as follows:

Year ended 31 December 2014

	CNTD and BVI companies		Mainland China		Total	
Gain/(loss) before tax	599,060		(698,980)		(99,920)	
Tax at the statutory tax rate	-	-	(174,745)	25.0%	(174,745)	174.9%
Tax losses not recognised	-	-	27,980	-4.0%	27,980	-28.0%
Non-deductible expenses for tax purposes	-	-	160	0.0%	160	-0.2%
Previously recognised tax losses written off			37,729	-5.4%	37,729	-37.8%
Effect of withholding tax	63,935	10.7%	-	-	63,935	-64.0%
Income tax as reported in the statement of profit or loss and other	63,935	10.7%	(108,876)	15.6%	(44,941)	44.9%

comprehensive income

Year ended 31 December 2013

	CNTD and BVI companies		Mainland China		Total	
Gain/(loss) before tax	(30,706)		41,802		11,096	
Tax at the statutory tax rate	-	-	10,451	25.0%	10,451	94.2%
Tax losses not recognised	-	-	22,345	53.5%	22,345	201.4%
Non-deductible expenses for tax purposes	-	-	486	1.2%	486	4.4%
Income tax as reported in the statement of profit or loss and other comprehensive income	-	-	33,282	79.7%	33,282	300.0%

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities when the deferred tax assets and liabilities relate to income taxes, if any, levied by the same tax authority and the same taxable entity.

Deferred income tax relates to the following:

	Consolidated statements of financial position		**Consolidated statement of comprehensive income**	
	2014	**2013**	**2014**	**2013**
Deferred tax assets/(liabilities)				
Net difference between net carrying amount of prepaid land lease payments and land infrastructure under development and their tax base	(59,149)	(60,276)	1,127	(3,777)
Net difference between net carrying amount of property, plant and equipment and their tax base	29,922	30,038	(116)	(1,763)
Net difference between net carrying amount of investment properties and their tax base	(28,453)	(28,283)	(170)	(3,974)
Pre-operation expense	3,600	2,821	779	2,821
Losses available for offsetting against future taxable income	2,957	65,910	(62,953)	23,704
Difference in accounting and tax bases arising from the accounting for golf club revenue and the related costs	107,885	107,885	-	(3,546)
Provision for impairment of receivables	6,880	6,068	812	1,440

Effect of withholding tax at 10% on the distributable profits of the Group's subsidiaries in Mainland China	(21,151)	(21,151)	-	-
Effect of deferred LAT	(4,665)	(11,044)	6,379	(6,379)
Others	8,229	8,462	(233)	98
Net deferred tax assets	46,055	100,430		
Deferred income tax charge/(credit)			(54,375)	8,624

Deferred tax movement:

	2014	**2013**
As of 1 January	100,430	91,806
Tax income/(expense) recognised in profit or loss	(40,298)	(33,282)
Disposal of subsidiaries	(13,778)	-
Discontinued operation	(299)	41,906
Transfer to Held for Sale	(26,057)	-
As at 31 December	19,998	100,430
Deferred tax assets	41,149	132,625
Deferred tax liabilities	(21,151)	(32,195)

10. Loss attributable to owners of the Company

The consolidated loss attributable to owners of the parent for the years ended 31 December 2014 and 2013 includes losses of RMB4,149 thousand and RMB30,811 thousand, respectively, which have been dealt with in the financial statements of the Company.

11. Earnings/(loss) per share

The calculations of the basic Earnings/(loss) per share amounts are based on the earnings/(loss) attributable to ordinary equity holders of the parent for the years ended 31 December 2014 and 2013.

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

	2014	**2013**
Earnings/(loss) attributable to ordinary equity holders of the parent:		
Continuing operations	54,622	(38,668)
Discontinued operations	(116,026)	(174,324)
Earnings/(loss) attributable to ordinary equity holders of the parent for basic and diluted loss 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 diluted earnings/ (loss) per share	8,571,409,793	4,498,198,676
Basic loss per share (RMB)	(0.0072)	(0.0474)

Diluted loss per share (RMB)	(0.0072)	(0.0474)
Basic earnings/(loss) per share from continuing operations (RMB)	0.0063	(0.0086)
Diluted earnings/(loss) per share from continuing operations (RMB)	0.0063	(0.0086)
Basic loss per share from discontinuing operations (RMB)	(0.0135)	(0.0388)
Diluted loss per share from discontinuing operations (RMB)	(0.0135)	(0.0388)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of approval and authorisation of these financial statements.

12. Discontinued operations

As discussed in Note 1, on 10 October 2013, the Company, CDBIH and SREI entered into the 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 has been completed in the first quarter of 2014 and the relevant shares have been issued.

As an integral part of the transaction, the Company and SREI entered into the 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 RMB2,069,832,594, the relevant consideration of which shall be paid in several cash instalments. In December 2014, with the consent of SREI, China New Town Development (Wuxi) Company Limited, a wholly-owned subsidiary of the Group, entered into an agreement to dispose the Wuxi Project Group to the Wuxi Xinfa Group. For the disposal of the Wuxi Project Group, consideration attributable to SREI in relation to assets and liabilities belonging to the Disposal Assets was RMB600,246,164. The disposal consideration of RMB2,069,832,594 set out in the Disposal Master Agreement will therefore be reduced by RMB594,246,164, being the amount of the consideration attributable to the Disposal Assets (RMB 600,246,164), net of the capital increase of Wuxi Xinrui Hospital (RMB 6,000,000) which shall be borne by SREI. The first instalment of RMB553,549,000 was received in 2014. As at 31 December 2014, the Disposal Assets were classified as assets held for sale in the financial statements and deemed discontinued operations of the Group.

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

	Notes	2014	2013
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)

	Notes	2014	2013
Income tax		(9,669)	39,443
Loss for the year from discontinued operations		(154,191)	(237,077)
Gain after tax on disposal of subsidiaries and joint venture		3,990	-
Total loss for the period from the discontinued operations		(150,201)	(237,077)

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

	Notes	2014
Assets		
Investments in an associate		200
Property, plant and equipment		1,623,721
Completed investment properties	14	698,000
Prepaid land leases – long-term		146,851
Non-current trade receivables		110
Deferred tax assets		30,722
Other assets		43,442
Properties under construction for sale	17	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		4,904,237
Liabilities		
Non-current interest-bearing bank and other borrowings		947,690
Deferred income from sale of golf club memberships		470,107
Deferred tax liabilities		4,665
Interest-bearing bank and other borrowings		573,480
Trade payables		463,182
Other payables and accruals		756,151
Advances from customers		249,864
Current income liabilities		6,882
Liabilities directly associated with assets classified as held for sale		3,472,021
Net assets directly associated with Disposal Assets		1,432,216

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

	2014	2013
Operating	360,508	263,930

	2014	2013
Investing	60,699	91,459
Financing	(424,919)	(367,433)
At the end of the year	(3,712)	(12,044)

Loss per share:	**2014**	**2013**
Basic loss for the year from discontinued operations	(0.0135)	(0.0388)
Diluted loss for the year from discontinued operations	(0.0135)	(0.0388)

13. Property, plant and equipment

Group	**Hotel properties**	**Golf operational assets**	**Other buildings**	**Furniture, fixtures and equipment**	**Motor vehicles**	**Construction in progress**	**Total**
At 1 January 2013	753,690	737,132	75,566	70,118	50,752	429,106	2,116,364
Transfers from CIP	-	19,448	465,158	-	-	(484,606)	-
Additions	-	-	-	26,760	929	152,495	180,184
Disposals	-	-	-	(370)	(3,992)	-	(4,362)
At 31 December 2013	753,690	756,580	540,724	96,508	47,689	96,995	2,292,186
Additions	-	3,132	101,596	7,989	2,326	98	115,141
Transfers to held for sale	(729,690)	(759,712)	(566,714)	(88,328)	(27,993)	(71,345)	(2,243,782)
Disposals of subsidiaries	(24,000)	-	(18,413)	(413)	(2,807)	(25,517)	(71,150)
Disposals	-	-	(2,571)	(7,566)	(4,634)	-	(14,771)
At 31 December 2014	-	-	54,622	8,190	14,581	231	77,624
Accumulated depreciation							
At 1 January 2013	209,088	125,749	20,614	44,811	36,440	-	436,702
Provided during the year	25,223	21,691	6,331	7,675	5,153	-	66,073
Disposals	-	-	-	(347)	(3,782)	-	(4,129)
At 31 December 2013	234,311	147,440	26,945	52,139	37,811	-	498,646
Provided during the year	6,053	5,380	6,520	2,512	2,059		22,524
Transfers to held for sale	(239,344)	(152,820)	(6,157)	(39,621)	(20,546)	-	(458,488)
Disposals of subsidiaries	(1,020)	-	(5,514)	(384)	(2,499)	-	(9,417)
Disposals	-	-	(5,857)	(7,025)	(4,109)	-	(16,991)
At 31 December 2014	-	-	15,937	7,621	12,716	-	36,274
Impairment							
At 1 January 2013	145,583	-	-	-	-	15,990	161,573
Recognised during the	-	-	-	-	-	-	-

year							
Reversals	-	-	-	-	-	-	-
At 31 December 2013	145,583	-	-	-	-	15,990	161,573
Recognised during the year	-	-	-	-	-	-	-
Reversals	-	-	-	-	-	-	-
Transfers to held for sale	(145,583)	-	-	-	-	(15,990)	(161,573)
At 31 December 2014	-	-	-	-	-	-	-
Net carrying amount							
At 1 January 2013	399,019	611,383	54,952	25,307	14,312	413,116	1,518,089
At 31 December 2013	373,796	609,140	513,779	44,369	9,878	81,005	1,631,967
At 31 December 2014	-	-	38,685	569	1,865	231	41,350

Certain of the properties of held for sale assets had been pledged for interest-bearing bank and other borrowings granted to the Group (see Note 22).

14. Completed investment properties and investment properties under construction

Group

Completed investment properties	**2014**	**2013**
At the beginning of the year	740,000	739,900
Add: Transfer from investment properties under construction	326	1,462
Add: Gain/(loss) from increase/(decrease) in fair value	8,674	(1,362)
Less: Disposal of a subsidiary	(51,000)	-
Less: Transfer to held for sale	(698,000)	-
At the end of the year	-	740,000

Investment properties under construction	**2014**	**2013**
At the beginning of the year	106,000	105,400
Add: Construction costs	326	1,462
Less: Transfer to completed investment properties	(326)	(1,462)
Add: Gain from fair value	-	600
Less: Disposal of a subsidiary	(106,000)	-
At the end of the year	-	106,000

The investment properties owned by the Group consist of few commercial properties, and comprise both completed investment properties and investment properties under construction. The fair values were valued by DTZ Debenham Tie Leung Limited ("DTZ"), an independent professionally qualified valuer.

The following amounts relating to the completed investment properties and investment properties under construction have been recognised in profit or loss of discontinued operations:

	2014	**2013**
Completed investment properties:		

	2014	2013
Rental income	15,337	15,116
Gain/(loss) from increase/(decrease) in fair value	8,674	(1,362)
Other direct operating expenses	-	-
Investment properties under construction:		
Gain from increase in fair value	-	600

As at 31 December 2014, of completed investment properties that was transferred and classified as held for sale, RMB606 million of the completed investment properties was pledged for interest-bearing bank and other borrowings (2013: RMB606 million).

Changes in fair values of investment properties are recognised in profit or loss. The Group's interests in completed investment properties at their net book values are analysed as follows:

Description and location	**Existing use**	**Tenure**	**Unexpired lease term**	**2014**	**2013**
Scandinavia Street Shanghai, PRC	Retail street	Leasehold	40.8 years	488,000	479,000
Shopping mall Shanghai, PRC	Supermarket	Leasehold	35.0 years	210,000	210,000
Retail Street in Wuxi Project Wuxi, PRC	Retail street	Leasehold	32.9 years	-	51,000
				698,000	740,000

The Group's investment properties of Scandinavia Street in Shanghai is held under a long-term (not less than 50 years) lease, investment properties of shopping mall in Shanghai are held under medium-term (less than 50 years but not less than 10 years) leases, which had been reclassified as assets held for sale. Retail Street in Wuxi are held under medium-term (less than 50 years but not less than 10 years) leases, which had been disposed. These investment properties are all situated in Mainland China.

Description of valuation techniques used and key inputs to valuation on investment properties:

For completed investment properties, as there is no active market and absence of similar properties in the same location and condition, the valuations were performed based on the income approach. The following main inputs have been used.

Completed investment properties	**2014**	**2013**
Yield		
Scandinavia Street, Shanghai	5.5 – 6%	5.5 – 6%
Shopping mall, Shanghai	4 – 5%	4 – 5%
Retail Street in Wuxi Project	4 – 5%	4 – 5%

A significant increase / (decrease) in the yield rate would result in a significant decrease /(increase) in the fair value of the investment properties.

For investment properties under construction, in arriving at fair value, reference is made to the comparable sales evidence available in the relevant market, after taking into account the construction costs and the costs that will be expended to complete the development.

15. Prepaid land lease payments

The Group's prepaid land lease payments represent prepaid operating lease payments and their movements are analysed below:

Group	2014	2013
In Mainland China, held on:		
- Leases of between 10 and 50 years	12,034	424,783
- Leases of over 50 years	-	462,115
	12,034	886,898

Group	2014	2013
At beginning of year	886,898	1,034,469
Additions	3,474	3
Disposals with the sale of completed properties	(76,488)	(128,567)
Disposal of subsidiaries	(172,734)	-
Amortisation charged to profit or loss	(3,826)	(6,663)
Amortisation capitalised as properties under development for sale	(9,380)	(12,344)
Transfer to Held for Sale	(615,910)	-
At the end of the year	12,034	886,898

As at 31 December 2013, RMB642,312 thousand of the above prepaid land lease payments had been classified as current assets.

As at 31 December 2014, of prepaid land lease payments that was transferred and classified as held for sale, RMB526,653 thousand of the prepaid lease payments was pledged for interest-bearing bank and other borrowings (2013:RMB537,377 thousand).

16. Land development for sale

Group	2014	2013
At lower of cost and net realisable value:		
Mainland China	1,549,079	5,130,517

Land development for sale represents the cost of land development within the districts of the new town development projects. Though the Group does not have ownership title or land use rights to such land, the Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities in those new town development projects. When the land plots are sold by the local governments, the Group is entitled to receive from the local authorities a proportion of the proceeds from land sales (including related public utility fees, if any).

Land development for sale is expected to be realised in the normal operating cycle, which is longer than twelve months.

Revenue is recognised depending on the timing of sales of related parcel of land by authorities, which is uncertain and out of the control of the Group. Upon the sales of related land plots by authorities, the amounts of land development for sale were recognised and recorded as cost of sales (see Note 6).

<u>Impairment charge to state land development for sale at net realisable value</u>

At Luodian New Town, the total area of 6.8 sq km of prepared land can be divided into a Western and Eastern portion of 3.4 sq km and 3.4 sq km respectively. To date, all land parcels in the Western portion had been sold. The Directors performed an assessment of the land development for sale at Luodian and determined that additional costs need to be incurred beyond what had been originally committed, to improve the infrastructure for the area to promote the overall attractiveness of the Eastern land parcel. Although, further costs incurred to improve the overall attractiveness of the location may result in higher selling prices for the prepared land, this has not been taken into consideration on grounds of prudence when assessing impairment. As a result, RMB605 million of impairment charge was recognised for land development for sale at SGLD to state it at net realisable value.

17. Properties under development for sale

Group	2014	2013
At cost:		
In Shanghai City, PRC	-	1,270,713
In Wuxi City, PRC	-	44,808
In Chengdu City, PRC	-	268,177
	-	1,583,698
Provision for the excess of cost over net realisable value:	-	(14,707)
	-	1,568,991

	2014	2013
Properties under development expected to be recovered:		
Within one year	-	1,144,267
After one year	-	424,724
	-	1,568,991

As at 31 December 2014, properties under development for sale with an amount of RMB1,539,563 thousand had been classified as held for sale (see Note 12). RMB1,167 million of the properties under development for sale was pledged for interest-bearing bank and other borrowings (2013: RMB1,294 million).

18. Prepayments

Group	2014	2013
Prepayments	8,539	93,382

The prepayments as at 31 December 2014 mainly included a prepayment of RMB8,536 thousand (31 December 2013: Nil) for renovation and rental prepayments for the headquarter premises (31 December 2013: RMB37 million for the construction of Wuxi Ecological Park).

19. Other receivables

Group	Notes	2014	2013
Other receivables			
Net disposal consideration	8	1,133,906	-
Due from Wuxi Project Group	(a)	760,237	-
Other income receivable from CDB Yuhua	21	7,770	-

Due from Changchun committee	(b)	182,569	188,369
Due from constructor	(c)	-	21,000
Others		22,722	40,028
		2,107,204	249,397
Less: Impairment	(b)/(c)	(200,765)	(227,565)
Other receivables, net		1,906,439	21,832

An aged analysis of the other receivables is as follows:

	2014		
	Other receivables	**Less: allowance for impairment**	**Other receivables, net**
Within 6 months	1,904,097	-	1,904,097
6 months to 1 year	2	-	2
1 year to 2 years	90	-	90
2 years to 3 years	-	-	-
Over 3 years	203,015	(200,765)	2,250
	2,107,204	(200,765)	1,906,439

	2013		
	Other receivables	**Less: allowance for impairment**	**Other receivables, net**
Within 6 months	5,605	-	5,605
6 months to 1 year	8,706	-	8,706
1 year to 2 years	1,815	-	1,815
2 years to 3 years	5,257	-	5,257
Over 3 years	228,014	(227,565)	449
	249,397	(227,565)	21,832

The Group does not hold any collateral or other credit enhancements over these balances.

Except for the above impaired receivables, none of the balances is either past due or impaired.

(a) RMB760 million due from Wuxi Project Group. The Group had been providing financing to the Wuxi Project Group prior to its disposal. Such amounts need to be settled and will be fully recoverable from the Wuxi Project Group in addition to consideration for the disposal.

(b) In December 2009, the Group entered into an agreement ("the 2009 Agreement") with the Changchun Auto Industry Development Zone Administrative Committee ("the Changchun Committee") to cease the land development by the Group in Changchun. Pursuant to the 2009 Agreement, although no detailed repayment schedule had been set out in the 2009 Agreement, the Changchun Committee agreed to fully repay the Group within a year from the date of the 2009 Agreement (i) the cost of construction, which shall be determined by independent qualified professional parties after conducting construction audits, and, (ii) the cost of relocation that has been incurred by the Group in accordance with the relevant relocation agreement, and compensate the Group for finance costs (including certain related miscellaneous expenditure) at an interest rate of 10% per annum based on the time elapsed since the actual date when such finance costs were incurred by the Group. In December 2010, due to the delay in construction audits and other necessary procedures, the Changchun Committee issued a letter requesting to extend the repayment of the remaining balances from the end of 2010 to no later than the end of 2011. However, up to 31 December 2011, the total repayment from the Changchun Committee were only approximately RMB61 million. In year 2011, the Group agreed with the Changchun Committee to offset part of the receivable with its payable of relocation cost to the Committee of RMB74 million. The remaining balance of approximately RMB199 million was still outstanding as at 31 December 2011. Since the balance was already aged for more than two years as at 31 December 2011 and the Changchun Committee had failed to honour the extended repayment term and ceased to co-operate with the Group in spite of all the efforts of the Group to collect the receivable, though the Group would continue to pursue repayments, the Group has made a full provision of RMB199 million against the outstanding balance after considering the situation. In the year 2014, the Group received RMB6 million (2013: RMB3 million, 2012: RMB8 million) from the Changchun Committee and the provision was reduced by the same amount (2013: RMB3 million, 2012: RMB8 million). Considering the amounts received in 2014, 2013 and 2012 were only small portions of the receivable, and there was no evidence that the Changchun Committee would continue to repay, full provision continued to be made against the RMB183 million outstanding balance as at 31 December 2014.

(c) There is no balance due from a third-party constructor at 31 December 2014(2013: RMB21 million), as such assets had been classified as held for sale. In December 2008, due to illegal occupation of agricultural land for the purpose of constructing a golf course, the Liaoning Department of Land and Resources established that as a case for investigation, and issued the Administrative Penalty Decision Notice regarding the case in 2010. Although the Group had instructed the third-party constructor to terminate the construction of the golf course on the agricultural land, the constructor still continued such construction and therefore the constructor agreed to compensate the Group by RMB24 million in 2010. However, only RMB3 million of compensation was received and RMB21 million remained outstanding. Considering the fact that it is overdue for more than two year and no amount was further collected from the constructor, though the Group would continue to pursue repayment, a full provision of RMB21 million was made in 2011.

20. Trade receivables

Group	2014	2013
Receivables from land development for sale	62,218	800,761
Receivables from the sale of properties	-	1,530
Receivables from the sale of golf club membership	-	2,178
Others	1,635	3,676
Trade receivables, gross	63,853	808,145
Less: Impairment for receivables from land development for sale	-	(16,247)
Trade receivables, net	63,853	791,898

An aged analysis of the trade receivables is as follows:

	2014		
	Trade receivables	Less: allowance for impairment	Trade receivables, net
Within 6 months	31,635	-	31,635
6 months to 1 year	-	-	-

1 year to 2 years	-	-	-
2 years to 3 years	-	-	-
Over 3 years	32,218	-	32,218
	63,853	-	63,853

	2013		
	Trade receivables	Less: allowance for impairment	Trade receivables, net
Within 6 months	1,959	-	1,959
6 months to 1 year	670,584	-	670,584
1 year to 2 years	24,969	-	24,969
2 years to 3 years	6,233	-	6,233
Over 3 years	104,400	(16,247)	88,153
	808,145	(16,247)	791,898

The above balances are unsecured and interest-free.

The movements in provision for impairment of trade receivables are as follows:

Group	**2014**	**2013**
At beginning of the year	16,247	-
Impairment losses recognised	-	16,247
Disposal of subsidiaries	(16,247)	
At the end of the year	-	16,247

The provision for impairment of trade receivables, which was recognised in 2013, was a full provision for an individually impaired trade receivable. As at 31 December 2014, there was no such impairment after the disposal of subsidiaries.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	2014	**2013**
Neither past due nor impaired	63,853	789,720
Past due but not impaired:		
Within 120 days	-	-
Over 120 days	-	2,178
	63,853	791,898

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

21. Investment classified as loans and receivables

On 3 November 2014, the Group entered into the Cooperation Framework Agreement with the People's Government of Nanjing Yuhuatai District ("Yuhuatai District Government") and China Development Bank Capital Corporation ("CDB Capital"), controlling shareholder of the Group. Then after, the Group contributed capital of RMB490 million to Nanjing CDB Yuhua Urban Re-development Company Limited ("CDB Yuhua"). The Yuhuatai District Government has agreed that Yuhuatai District Stated-Owned Assets Operations ("Yuhuatai SOAO") shall guarantee 12.8% after-tax fixed return on the Company's capital contribution to CDB Yuhua. The Group will not share the operating profits, nor bear the operating loss of CBD Yuhua, therefore the investment is classified as loans and receivables. As a result, an investment income of RMB7.77 million was recognised and recorded as other receivables as of 31 December 2014.

22. Interest-bearing bank and other borrowings

Details of interest-bearing bank and other borrowings which were all denominated in RMB are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
Bank and other borrowings – secured	246,000	2,398,862	-	198,312
Bank and other borrowings – unsecured	650,000	738,000	-	-
	896,000	3,136,862	-	198,312

The interest-bearing bank and other borrowings are repayable as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
Within 6 months	679,000	510,452	-	198,312
6 months to 9 months	100,000	32,270	-	-
9 months to 12 months	117,000	796,270	-	-
1 year to 2 years	-	1,003,580	-	-
2 years to 5 years	-	507,360	-	-
Over 5 years	-	286,930	-	-
	896,000	3,136,862	-	198,312

The Group's interest-bearing bank borrowings in RMB bore interest at floating rates at 5.9% per annum (2013: ranging from 5.9% to 7.86% per annum).

In 2014, the Group's other borrowing from a related party of RMB500,000 thousand bore interest at a fixed rate of 10% per annum. In 2013, the Group's other borrowing from a third party trust of RMB450,000 thousand bore interest at a fixed rate of 14.6% per annum.

Long-term and short-term bank borrowings - secured

As at 31 December 2014, bank borrowings of RMB246,000 thousand (2013: RMB1,948,862 thousand) were pledged by the Group's certain properties, which were classified as assets held for sale, including property plant and equipment, investment properties under construction, properties under development for sale, prepaid land lease payments as well as bank deposits, whose net carrying amounts at 31 December 2014 were RMB313,876 thousand (2013: RMB429,424 thousand), nil (2013: RMB606,096 thousand), nil (2013: RMB1,248,998 thousand), RMB191,666 thousand (2013: RMB449,503 thousand) and nil (2013: RMB195,300 thousand), respectively.

As at 31 December 2013, RMB450,000 thousand is a loan from a third party trust fund which is secured by pledge of the Group's 90% equity interest in Wuxi Hongqing, and entitlement to certain economic benefits (e.g. right to dividends, if any) in the equity interest of Wuxi Hongqing, use rights of two pieces of land and the title to the properties thereon (whose total net carrying amount at 31 December 2013 was

RMB326,557 thousand). The loan is also guaranteed by SREI and Mr. Shi Jian. The loan was repaid during the year.

Other borrowing - unsecured

As at 31 December 2014, the other borrowing of RMB500,000 thousand is a short-term loan from CDB Siyuan (Beijing) Investment Fund Limited, which is a fund managed by a subsidiary of CDB Capital. The other borrowing of RMB150,000 thousand is an interest free loan from Shanghai Luodian Old Town Real Estate Limited.

As at 31 December 2014, the Group had no undrawn credit facilities (2013: RMB116.7 million).

23. Deferred income

Group	Notes	2014	2013
Deferred revenue arising from:			
Sale of golf club membership	(i)	-	486,208
Land development for sale	(ii)	383,716	620,221
		383,716	1,106,429

Notes:

(i) The revenue arising from the sale of golf club membership is deferred and recognised on the straight-line basis over the expected period when the related benefits would be provided. As at 31 December 2014, golf club has been classified as Assets held for sale.

(ii) The deferred revenue arising from land development for sale represents the portion of amounts received/receivable from the land authorities as a result of the sales of parcels of land developed by the Group that are not yet recognised as revenue, because the developments of the ancillary public facilities of land sold are still in progress. The amounts received/receivable are non-refundable unless the Group fails to complete the development work. The deferred income is classified as a current liability as the remaining development work is expected to be provided within the normal operating cycle.

24. Trade payables, other payables and accruals

Group	2014	2013
Trade payables	161,534	2,557,878
Accruals for commission of golf club membership	-	25,059
Payroll and welfare	5,356	2,234
Other taxes payable:		
Business tax payable	12,715	334,581
Property tax payable	-	46,464
Land use tax payable	-	14,901
Other miscellaneous tax	61	28,445
Estimated payables to constructors for the Changchun project	8,618	9,818
Receipts in excess of the Group's estimated share of land sales proceeds	26,477	28,405
Obligation to construct a food market in Chengdu	-	13,723
Payables in relation to international golf tournament	-	21,578
Advance of public facility fee from local government	-	160,200

Other advance from local government	-	14,000
Construction deposit	-	24,500
Sponsorship of National Ballet	-	10,000
Payable for transaction cost of the Disposal	12,106	12,306
Payable for expense incurred in application for National AAAA Tourist Attraction (Luodian New Town)	3,200	40,730
Others	48,350	85,554
	278,417	3,430,376

Terms and conditions of the above liabilities:

- Trade payables are non-interest-bearing and are normally settled within one year, among which trade payables of approximately RMB61 million (2013: approximately RMB1,969 million) are contracted with no specified due date.
- Payroll and welfare are normally settled within the next month.
- Other payables and other tax payables are non-interest-bearing and are normally settled when they are due or within one year.

An aged analysis of the Group's trade payables as at the reporting dates is as follows:

	2014	**2013**
Within 1 year	20,089	601,623
1 to 2 years	26,784	435,602
Over 2 years	114,661	1,520,653
	161,534	2,557,878

25. Subsequent Event

Not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Fair review of development of business of the Company and its subsidiaries during the financial year and of their financial position at the end of the year:

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 as compared with 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 gloss 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 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, please refer to announcement made on 22 December 2014).

Operating Expenses

Selling and distribution costs

During the year of 2014, selling and distribution costs of RMB8.86 million decreased 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 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; and ii) onshore administrative center moving from Shanghai to Beijing resulting in a corresponding increase in office rental of RMB6.53million.

Other income

During the 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 RMB7.77 million 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 decreased 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 offshore 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 Xinfa 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, which was 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; and 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) receivables in relation to land sold previously amounting to RMB780 million was settled.

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; and iii) provision for impairment of land development for sale and adjustments to accruals for the Shanghai Luodian project totaling RMB1.09 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 the end of 2013, 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 the end of 2013, 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 the end of 2013, 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; and 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 the end of 2013, mainly because of i) the trade payables recorded at the end of 2013 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 the end of 2013, 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 RMB480 million; and 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 the end of 2013. 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; and 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 the end of 2013, 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 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. (For details please refer to Note 12 above)

b) Details of important events affecting the Company and its subsidiaries which have occurred since the end of the previous financial year:

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 wholly-owned subsidiary of CDB Capital, was completed. The Group became a core listed platform of China Development Bank Corporation ("CDB") 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 2014, the Group entered into the Cooperative Investment 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 performed 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 gross consideration of RMB1.199 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 Xinfa 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 Xinfa 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.

c) <u>An indication of likely future developments in the business of the Company and its subsidiaries:</u>

Looking ahead into 2015, we expect national policy will continue to support the new model of urbanization. The Housing Finance Division of CDB 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.

APPRECIATION

It is the Board's privilege to express our gratitude to our strategic investors and shareholders for their unstinting trust and support and to offer my heartfelt thanks to all directors, executives and staff members in the Group for their team spirit and loyalty throughout the challenging year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2014.

CORPORATE GOVERNANCE

The Board has reviewed its corporate governance practices and ensures that the Company is in compliance with all principles and guidelines of the Code of Corporate Governance 2012 (the "Singapore Code") and the code provisions of the Corporate Governance Code and Corporate Governance Report (the "HK Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the HKEx (the "Listing Rules") (the HK Code, and together with the Singapore Code collectively referred to as the "Codes") throughout the year except for guideline 10.3 of the Singapore Code and the code provision C.1.2 of the HK Code regarding monthly performance updates to Directors for the reasons that, after careful consideration, the management considered that quarterly updates by way of detailed financial results announcement is sufficient for Directors to understand and well note the business performance. Furthermore, the Company has a unique business model with major revenue arise from land sales. Such sales are expected to be executed in relatively long spans of time given the application of land auctions is required to be in line with the government's land grant quota and schedule. Details of each land sale together with its implication on the Company's performance would be timely communicated to the Directors at early stage and announcements in relation to land auctions would be published immediately after listing and completion of sale of land use rights.

In addition, the Company failed to comply with code provision A.1.7 of the HK Code which stipulates that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting.

Considering the urgency of the issues and certain Directors travelling on business trip at the time, it was impractical to hold physical board meetings regarding the financing arrangement from CDB Capital and the disposal of the Wuxi Project Group in June and December 2014 respectively. Written resolutions after written discussions were passed by the Directors, including the Independent Non-executive Directors, but excluding certain Directors, being materially interested, who have abstained from voting. For the financing arrangement from CDB Capital, the written board resolution was passed only after the Audit Committee approved it at a meeting held.

The details of above connected transactions were fully disclosed in the announcements dated 27 June 2014, 3 December 2014, 7 December 2014 and 31 December 2014 respectively.

DIRECTORS' COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct for dealings in securities of the Company by Directors. Specific enquiry has been made to all Directors, who have confirmed that they complied with required standard set out in the Model Code throughout the year.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2014, there were 1,084 (2013: 1,030) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

FINAL DIVIDENDS AND DATE OF BOOK CLOSURE

The Board of Directors has resolved not to recommend the payment of final dividend in respect of the year ended 31 December 2014 (2013: Nil).

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The audited annual results for the year ended 31 December 2014 have been reviewed by the Audit Committee.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement of the Company is published on the websites of the Company (www.china-newtown.com), HKEx (www.hkexnews.hk) and SGX-ST (www.sgx.com). The annual report of the Company for 2014 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

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

Hong Kong and Singapore, 11 March 2015

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