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)

2015 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 2015 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2015

(Amount expressed in thousands of Renminbi unless otherwise stated)

	Notes	2015	2014
Continuing Operations			
Revenue	5	67,022	56,813
Cost of Sales	6	(12,445)	(651,195)
Gross profit/ (loss)		54,577	(594,382)
Other income	5	143,815	56,401
Selling and distribution costs	6	-	(8,857)
Administrative expenses	6	(97,745)	(82,403)
Other expenses	5	(3,521)	(847)
Operating profit/ (loss)		97,126	(630,088)
Finance costs	7	(69,230)	(85,923)
Gain on disposal of subsidiaries	8	60,378	616,091
Share of loss of a joint venture		(51)	-

	Notes	2015	2014
Profit/(loss) before tax from continuing operations		88,223	(99,920)
Income tax	9	5,254	44,941
Profit/(loss) after tax from continuing operations		93,477	(54,979)
Discontinued operations			
Loss after tax from discontinued operations	12	(125,359)	(154,191)
Gain after tax on partial disposal of assets and liabilities relating to discontinued operations	12	67,683	3,990
Profit/(loss) for the year		35,801	(205,180)
Other comprehensive income		-	-
Total comprehensive profit/ (loss), net of tax		35,801	(205,180)
Profit/(loss) attributable to:			
Equity holders of the parent	10	65,141	(61,404)
Non-controlling interests		(29,340)	(143,776)
		35,801	(205,180)
Earnings/(loss) per share (RMB per share):			
Basic and diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent	11	0.0066	(0.0072)
Earnings per share from continuing operations (RMB per share):			
Basic and diluted, profit from continuing operations attributable to ordinary equity holders of the parent	11	0.0108	0.0063

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	2015	2014
Assets			
Non-current assets			
Investment in a joint venture		10,595	-
Loans and receivables	19	690,000	490,000
Available-for-sale financial assets	20	32,000	-
Financial assets designated at fair value through profit or loss	21	68,874	-
Property, plant and equipment	13	39,792	41,350
Prepaid land lease payments	14	11,657	12,034
Deferred tax assets	9	56,191	41,149
Other assets		10,744	-
Total non-current assets		919,853	584,533
Current assets			
Land development for sale	15	1,546,483	1,549,079
Prepayments	16	1,675	8,539
Other receivables	17	1,415,727	1,906,439
Trade receivables	18	59,218	63,853
Loans and receivables	19	570,488	-
Cash and bank balances		1,568,656	795,451
Assets classified as held for sale	12	4,803,516	4,904,237
Total current assets		9,965,763	9,227,598
Total assets		10,885,616	9,812,131
Equity and liabilities			
Equity			
Equity holders of the parent:			
Share capital		4,110,841	4,110,841
Other reserves		579,270	579,270
Accumulated losses		(1,099,154)	(1,164,295)
		3,590,957	3,525,816
Non-controlling interests		293,465	321,620
Total equity		3,884,422	3,847,436
Non-current liabilities			
Senior guaranteed notes	23	1,290,490	-
Interest-bearing bank and other borrowings	22	309,030	-
Deferred tax liabilities	9	21,151	21,151
Total non-current liabilities		1,620,671	21,151

	Notes	2015	2014
Current liabilities			
Interest-bearing bank and other borrowings	22	365,000	896,000
Trade payables	25	149,942	161,534
Other payables and accruals	25	270,964	116,883
Advances received for the settlement of Disposal Assets	12	538,975	553,549
Deferred revenue arising from land development	24	352,794	383,716
Current income tax liabilities		336,628	359,841
Liabilities directly associated with assets classified as held for sale	12	3,366,220	3,472,021
Total current liabilities		5,380,523	5,943,544
Total liabilities		7,001,194	5,964,695
Total equity and liabilities		10,885,616	9,812,131
Net current assets		4,585,240	3,284,054
Total assets less current liabilities		5,505,093	3,868,587

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2015

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Attributable to equity holders of the parent					
	Share capital	Other reserves	Accumulated loss	Total	Non-controlling interest	Total equity
As at 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)
As at 31 December 2014 and 1 January 2015	4,110,841	579,270	(1,164,295)	3,525,816	321,620	3,847,436
Total comprehensive income/(loss)	-	-	65,141	65,141	(29,340)	35,801
Disposal of subsidiaries	-	-	-	-	1,185	1,185
As at 31 December 2015	4,110,841	579,270	(1,099,154)	3,590,957	293,465	3,884,422

CONSOLIDATED STATEMENT OF CASH FLOWS

31 December 2015

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	2015	2014
Cash flow from operating activities			
Profit/(loss) before tax from continuing operations		88,223	(99,920)
Loss before tax from discontinued operations		(53,954)	(139,574)
Profit/(loss) before tax		34,269	(239,494)
Adjustments for:			
Impairment provision of land development for sale		-	604,798
Bad debt provision /(reversal) of impairment of other receivables		1,303	(5,800)
Depreciation of property, plant and equipment	13	2,260	22,524
Amortization of prepaid land lease payments	14	377	3,826
Amortization of intangible assets		126	-
Gain on disposal of property, plant and equipment		(2,507)	(4,902)
Fair value gain on completed investment properties		-	(8,674)
Gain on financial assets designated at fair value through profit or loss		(2,925)	-
Gain on disposal of subsidiaries and a joint venture	8	(128,061)	(621,039)
Share of loss from associates and a joint venture		51	158
Interest from loans and receivables		(96,940)	(7,770)
Interest from bank deposits		(38,106)	(29,447)
Interest expense on bank and other borrowings		95,671	190,993
Interest expense on senior guaranteed notes		49,447	-
Foreign exchange gain		(1,483)	(12,424)
		(86,518)	(107,251)
Decrease in land development for sale		2,596	41,461
Increase in properties under development for sale		(30,580)	(168,987)
Decrease in prepaid land lease payments		13,703	67,953
Decrease in inventories		473	655
Decrease in prepayments		29,621	7,718
Increase in other receivables and other current assets		(344,421)	(127,113)
(Increase)/decrease in trade receivables		(81,007)	80,393
(Increase)/decrease in prepaid income tax		(11,550)	3,872
Decrease in deferred revenue arising from sale of golf club memberships		(16,811)	(16,101)
Increase/(decrease) in advances from customers		36,722	(23,309)
(Decrease)/increase in deferred revenue arising from land development		(30,922)	2,262
Increase in trade and other payables		737,252	342,846

	2015	2014
	218,558	104,399
Income tax paid	(25,592)	-
Net cash inflow from operating activities	192,966	104,399
Cash flows from investing activities		
Purchases/construction of property, plant and equipment	(33,965)	(29,783)
Proceeds from disposal of property, plant and equipment	53	1,766
Payments for investment properties	(4,723)	(4,261)
Payments for intangible assets	(1,814)	-
Disposal of subsidiaries and joint venture	667,716	(6,278)
Investment in loans and receivables	(770,488)	(490,000)
Interest received from loans and receivables	20,158	-
Investment in financial assets designated at fair value through profit or loss	(65,949)	-
Investment in available-for-sale financial assets	(32,000)	-
Advances received for the settlement of Disposal Assets	-	553,549
Interest received from bank deposits	38,106	19,447
Payments of expenses incurred for the transaction cost of the Disposal	(4,987)	(6,452)
Net cash (outflow)/inflow from investing activities	(187,893)	37,988
Cash flow from financing activities		
Proceeds from placing of new shares of the Company	-	1,138,979
Proceeds from bank and other borrowings	572,500	237,780
Proceeds from issuance of senior guaranteed notes	1,288,057	-
Proceeds from borrowing from a related party	-	500,000
Repayment of bank and other borrowings	(547,629)	(1,284,059)
Repayment of borrowing from a related party	(500,000)	-
Interest paid	(114,950)	(191,126)
Cash released from restricted deposits in relation to bank borrowings	-	195,500
Cash placed as restricted deposits in relation to bank borrowings	(206,186)	-
Net cash inflow from financing activities	491,792	597,074
Net increase in cash and cash equivalents	496,865	739,461
Cash and cash equivalents at the beginning of year	876,294	136,833
Cash and cash equivalents at the end of year	1,373,159	876,294

Notes to Financial Statements

(All amounts expressed in thousands of Renminbi unless otherwise stated)

1. 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, the activities of which 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 of 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.

As an appendix to the Subscription Agreement, there was a disposal master agreement (the “Disposal Master Agreement”) between the Company and SREI to dispose of the specified assets and liabilities not relating to the Group’s main principal business of planning and development of new town projects in Mainland China (the “Disposal Assets”). Execution of the Disposal Assets are included in Notes 12.

In the opinion of the directors of the Company (the “Directors”), since the completion of the share subscription of CDBIH, the Company’s ultimate holding company is CDB Capital, which holds 54.32% of the issued share capital of the Company.

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 available-for-sale assets, financial assets designated at fair value through profit or loss and 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 12. 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 2015. 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 noncontrolling 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

Amended standards and interpretations

The Group has adopted the following 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.

IAS 19 Defined Benefit Plans (Revised): Employee Contributions

The Group has adopted IAS 19 Defined Benefit Plans (Revised): Employee Contributions in 2015. The amendments require an entity to consider contributions from employees or third parties when accounting for defined benefit plans and require such contributions that are linked to service to be attributed to periods of service as a negative benefit. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The amendments did not have a significant impact on the Group's financial statements.

Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles

In 2015, the Group has adopted the Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles.

IFRS 2 – Share-based Payment

The amendment clarifies on “vesting conditions” and adds definition of performance condition and service condition. The amendment must be applied prospectively. The amendment did not have a significant impact on the Group's financial statements.

IFRS 3 – Business Combinations

All contingent consideration arrangements classified as liabilities (or assets) arising from a business combination must be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 or IAS 39. IFRS 3 is not applicable to the accounting treatment of joint ventures. The amendment must be applied prospectively. The amendment did not have a significant impact on the Group's financial statements.

IFRS 8 – Operating Segments

The amendments require 1) an entity must disclose the judgments made by management in applying the aggregation criteria of operating segments, including a brief description of operating segments that have been aggregated and the economic criteria used to assess whether the segments possess "similar economic characteristics"; 2) the reconciliation of segment assets to total assets is required to be disclosed only if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendment must be applied prospectively. The amendments didl not have a significant impact on the Group's financial statements.

IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets

The amendments are applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The amendments did not have a significant impact on the Group's financial statements

IAS 24 – Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment must be applied retrospectively. The amendment did not have a significant impact on the Group's financial statements.

IFRS 13 – Fair Value Measurement

The amendment clarifies that the scope of the portfolio exception for measuring the fair value of financial assets and financial liabilities on a net basis is applicable to all contracts that are within the scope of IFRS 9 or IAS 39. The amendment did not have a significant impact on the Group's financial statements.

<u>IAS 40 – Investment Property</u>

The amendment clarifies that ancillary services in IAS 40 differentiates between an investment property and an owner-occupied property. IFRS 3 should be referred to determine if the investment property is the purchase of an asset or business combination. The amendment must be applied prospectively. The amendment did not have a significant impact on the Group's financial statements.

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 (2014: 100% in Shanghai) of the revenue in the year ended 31 December 2015.

An analysis by operating segment is as follows:

RMB'000	For the year ended 31 December 2015			
	Land development	Others	Adjustments and eliminations	Total
Segment results				
External sales	67,022	-	-	67,022
Inter-segment sales	-	-	-	-
Total segment sales	67,022	-	-	67,022
Results				
Depreciation	(1,704)	(280)	-	(1,984)
Amortization	(377)	(126)	-	(503)
Share of loss of a joint venture		(51)	-	(51)
Gain on financial assets designated at fair value through profit or loss	-	2,925	-	2,925
Segment profit/(loss)	30,621	126,832	(69,230) [1]	88,223
Segment assets	1,742,087	4,283,822	4,859,707 [2]	10,885,616
Segment liabilities	1,211,011	101,664	5,688,519 [3]	7,001,194
Other disclosures				
Capital expenditure[4]	371	834	7,838	9,043

1 Profit for each operating segment of continuing operations does not include finance costs of RMB69,230 thousand.

2 Assets in segments do not include deferred tax assets of RMB56,191 thousand, and assets related to held for sale assets of RMB4,803,516 thousand as these assets are managed on a group basis.

3 Liabilities in segments do not include current income tax liabilities of RMB336,628 thousand, senior guaranteed notes of RMB1,290,490 thousand, interest-bearing bank and other borrowings of RMB674,030 thousand, and deferred tax liabilities of RMB21,151 thousand and liabilities related to held for sale assets of RMB3,366,220 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 RMB1,205 thousand. Capital expenditure of discontinued operations consists of additions of property, plant and equipment of RMB7,838 thousand, which are not allocated as such capital expenditure are managed on a group basis.

An analysis by operating segment is as follows: (continued)

RMB'000	For the year ended 31 December 2014			
	Land development	Others	Adjustments and eliminations	Total
Segment results				
External sales	56,813	-	-	56,813
Inter-segment sales	-	-	-	-
Total segment sales	56,813	-	-	56,813
Results				
Depreciation	(4,609)	(87)	-	(4,696)
Amortization	(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

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 liabilities of RMB359,841 thousand, interest-bearing bank and other borrowings of RMB896,000 thousand, and deferred tax liabilities of RMB21,151 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, which are not allocated as such capital expenditure are managed on a group basis.

5. Revenue, other income and other expenses

Revenue

RMB'000	**2015**	**2014**
Land Development	67,022	56,813
Less: Business tax and surcharges	-	-
	67,022	56,813

Other Income

RMB'000	2015	2014
Interest income from loans and receivables	96,940	7,770
Interest income from bank deposits	37,941	28,564
Gain on financial assets designated at fair value through profit or loss	2,925	-
Reversal of bad debt provision	1,500	5,800
Foreign exchange gain, net	1,483	12,424
Others	3,026	1,843
	143,815	56,401

Other Expenses

RMB'000	2015	2014
Bank charges	505	734
Provision for doubtful debts	2,803	-
Others	213	113
	3,521	847

6. Expenses by nature

RMB'000	2015	2014
Cost of land development	12,445	46,397
Impairment of land development for sale	-	604,798
Depreciation of property, plant and equipment	1,984	4,696
Amortisation of prepaid land lease payments	377	2,810
Audit fees and non-audit fees	6,679	7,479
Audit fees		
- *Auditor of the Company*	3,600	4,050
- *Other auditors*	355	1,091
Non-audit fees		
- *Auditor of the Company*	-	-
- *Other auditors*	2,724	2,338
Employee benefits	47,388	34,513
Utility expenses	884	1,185
Property tax, stamp duty and land use tax	441	819
Advertising	-	8,745
Rental expense	5,743	4,916
Property management services expenses	8,688	9,012
Other expenses	25,561	17,085
Total cost of sales, selling and distribution costs and administrative expenses	110,190	742,455

7. Finance costs

RMB'000	2015	2014
Interest on bank and other borrowings	19,783	85,923
Interest on senior guaranteed notes	49,447	-
Less: Interest capitalised	-	-
	69,230	85,923

8. Gain on disposal of subsidiaries

In November 2015, the Group disposed 30% of equity interest in its subsidiary, Changchun New Town Automobile Industry Construct Co., Ltd. (Changchun New Town), resulting in a gain of RMB60.38 million. In the fourth quarter of 2014, the Group disposed the Wuxi Project Group to Wuxi Xinfa Group in stages, resulting in a gain of RMB616 million on disposal of subsidiaries and a joint venture, which were not relating to the Disposal Assets.

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.

<u>Mainland China Withholding Tax</u>

Pursuant to the laws governing 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. 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.

Pursuant to the laws governing PRC Corporate Income Tax, members of the Group are not tax residents under the PRC jurisdiction, a 10% withholding tax is applicable on the income from Mainland China, such as interest income and gain from disposal of equity investment. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group has decided that the withholding tax is classified as income tax under IAS 12, and therefore has recognized such withholding tax as a tax expense in the statement of profit or loss and other comprehensive income.

The major components of income tax are:

	2015	**2014**
Income tax charge/(credit):		
Current income tax	2,015	(149,174)
Deferred tax	(15,042)	40,298
Withholding tax	7,773	63,935
Income tax credit as reported in profit or loss	(5,254)	(44,941)

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 2015

	CNTD and BVI companies		Mainland China		Total	
Profit/(loss) before tax	97,764		(9,541)		88,223	
Tax at the statutory tax rate	-	-	(2,385)	25.0%	(2,385)	-2.7%
Non-deductible expenses for tax purposes	-	-	253	-2.7%	253	0.3%
Income not subject to tax	-	-	(10,895)	114.2%	(10,895)	-12.3%
Effect of withholding tax	7,773	8.0%	-	-	7,773	8.8%
Income tax as reported in the statement of profit or loss and other comprehensive income	7,773	8.0%	(13,027)	136.5%	(5,254)	-5.9%

Year ended 31 December 2014

	CNTD and BVI companies		Mainland China		Total	
Profit/(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 comprehensive income	63,935	10.7%	(108,876)	15.6%	(44,941)	44.9%

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 statement of financial position		**Consolidated statement of profit or loss and other comprehensive income**	
	2015	**2014**	**2015**	**2014**
Deferred tax assets/(liabilities)				
Net difference between net carrying amount of land development for sale and their tax base	32,608	33,000	(392)	1,127
Accrued expense	4,426	3,600	826	779
Losses available for offsetting against future taxable income	14,608	-	14,608	(37,731)
Provision for impairment of receivables	4,549	4,549	-	404
Effect of withholding tax at 10% on	(21,151)	(21,151)	-	-

	Consolidated statement of financial position		Consolidated statement of profit or loss and other comprehensive income	
	2015	**2014**	**2015**	**2014**
the distributable profits of the Group's subsidiaries in Mainland China				
Others	-	-	-	(4,877)
Net deferred tax assets	35,040	19,998		
Deferred income tax credit /(charge)			15,042	(40,298)

Deferred tax movements:

	2015	**2014**
As at 1 January	19,998	100,430
Tax income/(expenses) recognized in profit or loss	15,042	(40,298)
Disposal of subsidiaries	-	(13,778)
Discontinued operations	-	(299)
Transferred to held for sale	-	(26,057)
As at 31 December	35,040	19,998
Deferred tax assets	56,191	41,149
Deferred tax liabilities	(21,151)	(21,151)

10. Profit/(loss) attributable to equity holders of the Company

The consolidated profit/(loss) attributable to equity holders of the parent for the years ended 31 December 2015 and 2014 includes a profit of RMB100,227 thousand and a loss of RMB4,149 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 profit/(loss) attributable to ordinary equity holders of the parent for the years ended 31 December 2015 and 2014.

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

RMB'000	**2015**	**2014**
Profit/(loss) attributable to ordinary equity holders of the parent		
Continuing operations	106,501	54,622
Discontinued operations	(41,360)	(116,026)
Profit/(loss) attributable to ordinary equity holders of the parent used to calculate the basic and diluted earnings/(loss) per share	65,141	(61,404)
Weighted average number of ordinary shares used to calculate to basic and diluted earnings/(loss) per share	9,846,119,747	8,571,409,793
Basic and diluted earnings/(loss) per share (RMB)	0.0066	(0.0072)
Basic and diluted earnings per share from continuing operations (RMB)	0.0108	0.0063
Basic and diluted loss per share from discontinued operations (RMB)	(0.0042)	(0.0135)

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 an appendix to the Subscription Agreement (Note 1), there was a 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 Mainland China, the Disposal Assets, for a total consideration of RMB2,069,832,594 in the form of cash payment in instalments 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. According to the Disposal Master Agreement, the Company's entitled cash consideration in relation to disposing of such assets has been fixed and shall not be affected by the subsequent profit or loss associated with such assets.

To date, transfers of the following assets and liabilities relating to the Disposal Assets had been completed:

	Consideration
Wuxi Project Group to Wuxi Xinfa Group	594,246
Five subsidiaries to Black Eagle (Shanghai) Investment Management Co., Ltd. (the "Black Eagle (Shanghai)")	14,574
Procurement and its two subsidiaries to Black Eagle Investment Advisors Limited (the "Black Eagle Advisors")	23,991

As at 31 December 2015, the Disposal Assets are classified as assets held for sale in the financial statements and deemed discontinued operations of the Group and the unsettled disposal consideration of the Disposal Master Agreement amounted to RMB1,437 million (2014: RMB1,475 million).

On 9 June 2015, SRE announced that the Changzhou City People's Procuratorate of the People's Republic of China has required Mr. Shi Jian to stay under custody at a designated residence (the "Measures"). As Mr. Shi Jian is also the controlling shareholder and Chairman of the board of directors of SREI, who is responsible for the acquisition of the Disposal Assets, the process of the Disposal Master Agreement was delayed and the overall progress for the transfer of the Disposal Assets to SREI is affected.
In addition, due to the delay in transition and settlement procedures of the disposal of Wuxi Project Group by various external factors, completion of the disposal has to be postponed and the relevant payment date is therefore temporarily delayed, after a payment of RMB608 million was made in January 2015. Management of the Group is of the view that consideration and receivables will be settled in due course, based on ongoing communications with Wuxi Xinfa Group and an assessment of the situation.

Although the overall progress for the disposal of discontinued operations to SREI or parties designated by it has taken longer than originally expected, progresses were made during the year. The management of the Group is actively negotiating with SREI and looking for new buyers, and various arrangements are under negotiation, with the consent of SREI. Management assessed and estimated that the transfer of the Disposal Assets will be completed within the next 12 months. To date, an advance of RMB553,549 thousand had been received from Black Eagle (Shanghai) in advance. In addition, 14.91% of the equity shares in the Company held by SREI had been pledged to CDBIH to enforce the performance of the contract for the purchase of the Disposal Assets if necessary.

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

RMB'000	**2015**	**2014**
Revenue	151,483	386,598
Cost of sales	(85,547)	(261,205)
Gross profit	65,936	125,393
Other income	1,100	1,662
Selling and distribution costs	(17,740)	(82,385)
Administrative expenses	(69,791)	(90,584)
Other expenses	(25,254)	(2,054)
Fair value gain on completed investment properties	-	8,674
Operating loss from discontinued operations	(45,749)	(39,294)
Finance costs	(75,888)	(105,070)
Share of loss from a joint venture	-	(158)
Loss before tax from discontinued operations	(121,637)	(144,522)
Income tax	(3,722)	(9,669)
Loss for the year from discontinued operations	(125,359)	(154,191)
Gain after tax on partial disposal of assets and liabilities relating to discontinued operations	67,683	3,990
Total loss for the year from discontinued operations	(57,676)	(150,201)

RMB'000	**2015**	**2014**
Assets:		
Investments in an associate	200	200
Property, plant and equipment	1,609,322	1,623,721
Completed investment properties	698,000	698,000
Prepaid land lease payments – long-term	146,851	146,851
Non-current trade receivables	-	110
Deferred tax assets	27,358	30,722
Other assets	40,714	43,442
Properties under development for sale	1,589,023	1,539,563
Prepaid land lease payments – short-term	443,638	469,059
Inventories	1,998	5,116
Prepayments	9,322	35,240
Other receivables	199,184	210,896
Trade receivables	2,059	6,866
Prepaid income taxes	25,158	13,608
Cash and bank balances	10,689	80,843
Assets classified as held for sale	4,803,516	4,904,237
Liabilities:		
Non-current interest-bearing bank and other borrowings	688,619	947,690
Deferred revenue arising from sale of golf club memberships	453,296	470,107
Deferred tax liabilities	4,665	4,665
Interest-bearing bank and other borrowings	488,471	573,480
Trade payables	412,734	463,182
Other payables and accruals	1,037,212	756,151
Advances from customers	281,223	249,864
Current income tax liabilities	-	6,882
Liabilities directly associated with assets classified as held for sale	3,366,220	3,472,021
Net assets directly associated with Assets Disposal	1,437,296	1,432,216

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

RMB'000	2015	2014
Operating	307,985	360,508
Investing	(44,335)	60,699
Financing	(333,804)	(424,919)
Net cash outflow	(70,154)	(3,712)

	2015	2014
Loss per share:		
Basic and diluted loss for the year from discontinued operations	(0.0042)	(0.0135)

13. Property, plant and equipment

	Hotel properties	Golf operational assets	Other buildings	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
Original cost							
At 1 January 2014	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
Additions	-	-	68	935	202	-	1,205
Disposals of subsidiaries	-	-	-	(142)	(1,583)	(231)	(1,956)
Disposals	-	-	-	(1,012)	(68)	-	(1,080)
At 31 December 2015	-	-	54,690	7,971	13,132	-	75,793
Accumulated depreciation							
At 1 January 2014	234,311	147,440	26,945	52,139	37,811	-	498,646
Additions	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
Additions	-	-	988	376	620	-	1,984
Disposals of subsidiaries	-	-	-	(123)	(1,160)	-	(1,283)

Disposals	-	-	-	(913)	(61)	-	(974)
At 31 December 2015	-	-	16,925	6,961	12,115	-	36,001
Impairment							
At 1 January 2014	145,583	-	-	-	-	15,990	161,573
Transfers to Held for sale	(145,583)	-	-	-	-	(15,990)	(161,573)
At 31 December 2014	-	-	-	-	-	-	-
Recognized during the year	-	-	-	-	-	-	-
At 31 December 2015	-	-	-	-	-	-	-
Net carrying amount							
At 1 January 2014	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
At 31 December 2015	-	-	37,765	1,010	1,017	-	39,792

14. Prepaid land lease payments

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

	2015	2014
In Mainland China, held on:		
- Leases of between 10 years and 50 years	11,657	12,034
- Leases of over 50 years	-	-
	11,657	12,034

	2015	2014
At beginning of year	12,034	886,898
Additions	-	3,474
Disposals with the sale of completed properties	-	(76,488)
Disposal of subsidiaries	-	(172,734)
Amortisation charged to profit or loss	(377)	(3,826)
Amortisation capitalised as properties under development for sale	-	(9,380)
Transfer to held for sale	-	(615,910)
At the end of the year	11,657	12,034

As at 31 December 2015 and 2014, none of the above prepaid land lease payments were held for development into properties for sale, which should be classified as current assets.

15. Land development for sale

	2015	2014
At lower of cost and net realisable value:		
Mainland China	1,546,483	1,549,079

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.

Impairment charge to state land development for sale at net realisable value

At Luodian New Town, the total area of 6.8 sq. km of prepared land can be divided into Western and Eastern portions of 3.4 sq. km and 3.4 sq. km respectively. To date, all land parcels in the Western portion had been sold while none of the land in the Eastern portion is sold. In 2014, 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 for the year ended 31 December 2014. As at 31 December 2015, the Directors reassessed the recoverable amount of the land in the Eastern portion and found it was close to the carrying amount. As a result, the Group neither further provided nor reversed the impairment.

16. Prepayments

	2015	2014
Prepayments	1,675	8,539

The prepayments as at 31 December 2015 mainly included a prepayment of RMB1,126 thousand for rental and property management expenses for the headquarters. The prepayments as at 31 December 2014 mainly included a prepayment of RMB8,536 thousand for renovation and rental prepayments for the headquarters.

17. Other receivables

	Notes	2015	2014
Other receivables			
Net disposal consideration		547,467	1,133,906
Due from Wuxi Project Group		738,027	738,027
Interests receivable from loans and receivables		75,293	7,770
Due from Changchun Committee	(a)	-	182,569
Others		73,136	44,932
		1,433,923	2,107,204
Less: Impairment	(a)	(18,196)	(200,765)
Other receivables, net		1,415,727	1,906,439

An aged analysis of the other receivables is as follows:

	2015		
	Other receivables	Less: allowance for impairment	Other receivables, net
Within 6 months	87,695	-	87,695
6 months to 1 year	21,600	-	21,600
1 year to 2 years	1,306,432	-	1,306,432
2 years to 3 years	-	-	-
Over 3 years	18,196	(18,196)	-
	1,433,923	(18,196)	1,415,727

	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

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

(a) As at 31 December 2014, the balance represents the development cost and related compensation which should be repaid by the Administrative Committee of Changchun Automotive Economic-Technology Development Zone (the "Changchun Committee"). The Group has made a full provision against the outstanding balance due to the delay in payments by the Changchun Committee. In 2015, with the disposal of Changchun New Town, the outstanding balance together with the provision was derecognised in the Group's statement of financial position.

18. Trade receivables

	2015	2014
Receivables from land development for sale	59,218	62,218
Others	-	1,635
	59,218	63,853
Less: Impairment	-	-
Trade receivables, net	59,218	63,853

An aged analysis of the trade receivables is as follows:

	2015		
	Trade receivables	Less: allowance for impairment	Trade receivables, net
Within 6 months	-	-	-
6 months to 1 year	-	-	-
1 year to 2 years	27,000	-	27,000
2 years to 3 years	-	-	-
Over 3 years	32,218	-	32,218
	59,218	-	59,218

	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

The above balances are unsecured and interest-free.

19. Loans and receivables

In 2014, the Group invested in Nanjing Yuhua District Two Bridges Project with an investing amount of RMB490 million at a fixed return rate after tax of 12.8%. In 2015, the Group invested in Danyang Flood Discharge and Canal Regulation Project in accordance with the PPP model with an investing amount of RMB200 million at a fixed return rate of 13%; and the Group invested in Danyang Xinmeng River Project with an investing amount of RMB200 million at a fixed return rate of 12%. The Group has also offered other loans amounting to RMB370 million.

20. Available-for-sale financial assets

In July 2015, CDBC Nanjing Investment Development Co., Ltd. (the “CDBC Nanjing”), a subsidiary of the Group, entered into an agreement to purchase a 13.89% equity interest in Jiangsu Hong-tu software Venture Capital Investment Ltd., at RMB37.5 million. The company will participate in the development of land parcel A5 of Yuhuatai District Software Valley in Nanjing. As of 31 December 2015, RMB32 million was paid up by CDBC Nanjing.

21. Financial assets designated at fair value through profit or loss

In June 2015, CDBC New Town (Beijing) Asset Management Co., Ltd. (the “CDBC New Town”), a wholly-owned subsidiary of the Group, entered into a limited partnership agreement in relation to an investment partnership, CDB (Beijing) - BOCOMM New-Type Urbanization Development Fund (the “Urbanization Fund”) with a fund size of RMB10 billion.

As a junior-tranche limited partner, CDBC New Town is committed to contributing 1.5% capital ratio to the partnership, which amounted to RMB150 million, and will share residual value. As at 31 December 2015, CDBC New Town had invested RMB65.949 million to the partnership which had in turn invested in various debt and equity investments. The management of the Group has designated such investments at fair value through profit or loss.

22. Interest-bearing bank and other borrowings

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

	2015	**2014**
Bank and other borrowings – secured	200,000	246,000
Bank and other borrowings – guaranteed	324,030	-
Other borrowings – unsecured and unguaranteed	150,000	650,000
	674,030	896,000

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

	2015	**2014**
Within 6 months	150,000	679,000
6 months to 9 months	200,000	100,000
9 months to 12 months	15,000	117,000
1 year to 2 years	50,000	-
2 years to 5 years	259,030	-
Over 5 years	-	-
	674,030	896,000

The Group's interest-bearing bank borrowings in RMB bore interest at floating rates ranging from 2.42% to 5.09% per annum for the year ended 31 December 2015 (2014: 5.9% per annum).

As at 31 December 2015, the Group had fully repaid a borrowing from a related party of RMB500 million which bore interest at a fixed rate of 10% per annum.

<u>Bank borrowings - secured</u>

As at 31 December 2015, bank borrowings of RMB200 million (2014: nil) were secured by pledge of the Group's bank deposits, whose net carrying amounts at 31 December 2015 were RMB206,186 thousand. Bank borrowings of RMB246 million had been fully repaid in 2015, which were pledged by the Group's certain properties which were classified as assets held for sale, including property, plant and equipment and prepaid land lease payments, whose net carrying amounts at 31 December 2014 were RMB313,876 thousand and RMB64,444 thousand, respectively.

Bank and other borrowings - guaranteed

As at 31 December 2015, bank borrowings of RMB324,030 thousand were guaranteed by a related party, CDB Capital (2014: nil).

Other borrowings - unsecured and unguaranteed

As at 31 December 2015, the Group’s unsecured other borrowing of RMB150 million is an interest-free loan from Shanghai Luodian Old Town Real Estate Limited (2014: RMB150 million).

As at 31 December 2015, the Group had undrawn credit facilities of RMB110 million (2014: nil).

23. Senior guaranteed notes

In May 2015, Finance I, a wholly-owned subsidiary of the Company completed senior guaranteed notes issuance of RMB1.3 billion with a maturity date of 6 May 2018. The net proceeds (after deducting underwriting commissions and certain other expenses) amounted to RMB1.29 billion, intended for general corporate purposes. The senior guaranteed notes bore interest at 5.5% per annum. The senior guaranteed 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 CDB Capital.

The movements of the carrying amounts of senior guaranteed notes during the year ended 31 December 2015 were as follows:

	2015
At the beginning of year	-
Net proceeds of senior guaranteed notes issued	1,288,057
Accrued interest expenses	49,447
Interest payment	(36,044)
At the end of year	1,301,460
Categorised as current liabilities	10,970
Categorised as non-current liabilities	1,290,490

24. Deferred income

	Note	2015	2014
Deferred revenue arising from Land development for sale	(i)	352,794	383,716
		352,794	383,716

Note:

(i) The deferred revenue arising from land development for sale represents the portion of amounts received or 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 of received or 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.

25. Trade payables, other payables and accruals

	2015	2014
Trade payables	149,942	161,534
Payroll and welfare	13,478	5,356
Accrued interest of senior guaranteed notes	10,970	-
Other taxes payable:		
Business tax payable	13,685	12,715
Property tax payable	32	-
Other miscellaneous tax	1,215	61
Estimated payables to constructors for the Changchun project	-	8,618
Receipts in excess of the Group's estimated share of land sales proceeds	26,477	26,477
Payable for transaction cost of the Disposal	7,119	12,106
Payable for expense incurred in application for National AAAA Tourist Attraction (Luodian New Town)	3,200	3,200
Amounts due to related parties	36,908	-
Balances due to subsidiaries disposed of	101,410	-
Others	56,470	48,350
	420,906	278,417

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 RMB57 million (2014: approximately RMB61 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:

	2015	**2014**
Within 1 year	577	20,089
1 to 2 years	12,554	26,784
Over 2 years	136,811	114,661
	149,942	161,534

26. Subsequent Event

On 2 March 2016, CDBC New Town and Sheng Qi Investment Fund Management Company Limited ("Sheng Qi IFM") entered into a limited partnership agreement in relation to (i) the establishment of an investment partnership, CDB New Town New-type Urbanization Development Fund (tentative name), comprising a total capital amount of RMB 5 billion (the "Investment Partnership"), and (ii) the governance of the relationship between the investors of the Investment Partnership.

The general partner ("General Partner") of the Investment Partnership is Sheng Qi IFM, a newly established wholly-owned subsidiary of the Group with a registered capital of RMB 1,000,000, and is engaged in the principal activity of operating and managing funds focusing on urbanization-related investments. The other three limited partners are differentiated in accordance with the priority of their rights to distributions from the Investment Partnership, which includes CIB Wealth Management Co., Ltd. (the senior-tranche limited partner), CDB Jingcheng (Beijing) Investment Fund Company Limited. (the intermediate-tranche limited partner) and CDBC New Town (the junior-tranche limited partner).

The investment focus will be primarily on projects located in national economic zones, namely, the "Beijing-Tianjin-Hebei Zone", the Yangtze River Delta, the Pearl River Delta, leading economic zones centred around provincial capital cities, and cities and counties with top rankings of GDP and fiscal position by the National Statistics Bureau and/or similar authorities.

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, which are affected by various factors and not within the complete control of the Group. In 2015, the Group's revenue increased by 18% as compared with the same period of 2014, primarily because the development progress of Shanghai Luodian Project increased from 96.17% to 96.62% during the year, resulting in a corresponding revenue recognition of RMB30.92 million. In addition, Shanghai Luodian Project recognized ancillary facilities revenue of RMB36.10 million in the year.

In the full year of 2015, while the Group's revenue increased by 18%, cost of sales dropped 98% as compared with the same period of 2014, which is mainly because the Shanghai Luodian Project recorded RMB605 million of impairment provision on land development for sale in 2014 whilst there is no such impairment provision in this financial year.

Operating Expenses

Selling and distribution costs

In the full year of 2015, no selling and distribution cost was incurred. The selling and distribution costs of RMB8.86 million in 2014 were mainly due to the total expenses of hosting the China Urbanization International Forum amounted to RMB8 million, while there was no such forum held during 2015.

Administrative expenses

In the full year of 2015, administrative expenses incurred amounted to RMB97.74 million, representing an increase of RMB15.34 million as compared with the same period of 2014. It was due to office rental expenses and property management fees after the relocation of the Group's administrative center to Beijing, as well as the additional staff costs and other administrative expenses in relation to CDBC New Town (Beijing) Management Consulting Company Limited and CDBC New Town (Beijing) Asset Management Company Limited, companies newly established during the year.

Other income

In the full year of 2015, other income amounted to RMB143.82 million, an increase of RMB87.42 million as compared with the same period of 2014. It was mainly due to: i) an increase in net income of RMB70.74 million from loans and receivables for the Nanjing Two Bridges Project during the year; and ii) the net income of RMB10.36 million from loans and receivables for the newly launched Danyang Flood Discharge and Canal Regulation Project in accordance with the PPP (Public-Private-Partnership) model.

Other expenses

In the full year of 2015, other expenses of RMB3.52 million increased by RMB2.67 million from the same period of 2014. Such increase in expenses was mainly due to the bad debt provision on other receivables amounting to RMB2.80 million.

Non-operating Activities

Finance costs

In the full year of 2015, the Group recorded net finance costs of RMB69.23 million, including interest expenses on bank and other borrowings of RMB19.78 million which was a reduction of RMB66.14 million as compared with 2014. Such reduction was mainly due to a reduction in the average balance on bank and other borrowings as well as a lower bank loan rate during the year. In addition, the issuance of RMB senior guaranteed notes in 2015 resulted in interest expenses of RMB49.45 million during the year. The aggregate net finance costs impact of the above was reduced by RMB16.69 million.

Gain on disposal of subsidiaries

In November 2015, the Group disposed of 30% equity interest in the subsidiary Changchun New Town, resulting in a gain of RMB60.38 million. In the fourth quarter of 2014, the Group disposed the Wuxi Project Group to Wuxi Xinfa Group in stages, resulting in a gain on disposal of subsidiaries and a joint venture, which were not relating to Disposal Assets, of RMB616 million.

Taxation

In the full year of 2015, the Group recorded an income tax credit of RMB5.25 million, such income tax credit mainly attributable to: i) deferred tax asset of RMB14.61 million recognized from the loss at the Shanghai Luodian Project; ii) withholding tax payable of RMB2.40 million arising from the investment gain associated with the disposal of subsidiaries during the year; iii) withholding tax of RMB5.36 million arising from the investment gain recognized from the investments in the Nanjing Two Bridges Project, Danyang Project, etc. by our offshore company during the year; and iv) income tax of RMB1.61 million incurred at CDBC Nanjing during the year.

Financial Position

Investment in a joint venture

The balance as at 31 December 2015 increased by RMB10.60 million as compared with the balance as at the end 2014, mainly because of the disposal of 30% equity interest in the subsidiary Changchun New Town, subsequent to which the Group only holds 50% of equity interest of Changchun New Town, and accounted for as joint venture.

Other assets

The balance as at 31 December 2015 increased by RMB10.74 million as compared with the balance as at the end of 2014. Such asset was mainly attributable to the renovation expenses of the Group's administrative center, amounting to RMB9.35 million. Furthermore, there was an addition of intangible assets such as office software and financial software amounting to RMB1.69 million.

Available-for-sale financial asset

The balance as at 31 December 2015 increased by RMB32 million as compared with the balance as at the end of 2014. This was due to the equity investment of CDBC Nanjing Investment-Development Company Limited into Jiangsu Hongtu Software Venture Capital Investment Company Limited during the year. In 2015, the Group participated in the development of project A5 at Nanjing with an equity stake of 13.89%. The investment amount during the year of RMB32 million was recorded as available-for-sale financial asset.

Loans and receivables (non-current assets)

The 2015 year-end balance of loans and receivables amounted to RMB690 million, an increase of RMB200 million as compared with the balance as at the end of 2014. This was due to the Group’s investment into the Danyang Flood Discharge and Canal Regulation Project in accordance with the PPP model amounting to RMB200 million.

Financial assets designated at fair value through profit or loss and the change in fair value of which is recorded to other income

The balance as at 31 December 2015 increased by RMB68.87 million as compared with the balance as at the end of 2014. This was due to CDBC New Town (Beijing) Asset Management Company Limited invested in CDBC (Beijing) New-type Urbanization Development Fund Phase II (Limited Partnership) as a junior-tranche limited partner during the year and accumulatively invested RMB65.95 million. The year-end valuation of this investment recognizes a fair value gain of RMB2.92 million, resulting in the year-end balance of financial assets measured at fair value of RMB68.87 million and the change in fair value of which is recorded to other income of RMB2.92 million.

Other receivables

The balance as at 31 December 2015 decreased by RMB490 million as compared with the balance as at the end of 2014, mainly because of receipt of consideration payment for the disposal of the Wuxi project amounting to RMB608 million and accruing RMB75.29 million of investment return on loans and receivables during the year.

Loans and receivables (current assets)

There was an increased amount of RMB570 million in loans and receivables in 2015, mainly attributable to: i) the Group's investment into the Danyang Xinmeng River Project amounting to RMB200 million in 2015; and ii) the Group offered new entrusted loans to Yangzhou Xinhang Construction-Investment Company Limited amounting to RMB100 million in 2015.

Senior guaranteed notes

The balance as at 31 December 2015 increased by RMB1,290 million as compared with the balance as at the end of 2014. This increase was because of the issuance of RMB-denominated senior guaranteed notes during 2015. The issuance amount was RMB1,300 million, with issuance costs of RMB11.94 million and the interest expense adjustment on the senior guaranteed notes during the year was RMB13.40 million, resulting in an increase in the balance of RMB1,290 million categorized as non-current liabilities.

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

The balance as at 31 December 2015 increased by RMB309 million as compared with the balance as at the end of 2014. This balance comprises four batches of new borrowings, all of them benefit from the guarantee by CDB Capital: the first loan was of principal amount of RMB245 million, with effective term of 20 May 2015 through 20 May 2020 and interest rate of

4.95%; the second loan was of principal amount of RMB30 million, with effective term of 22 September 2015 through 20 October 2020 and interest rate of 4.635%; the third loan was of principal amount of RMB20 million, with effective term of 10 November 2015 through 20 October 2020 and interest rate of 4.41%; the fourth loan was of principal amount of RMB20 million, with effective term of 21 December 2015 through 20 October 2020 and interest rate of 4.41%.

Interest-bearing bank and other borrowings (current liabilities)

The balance as at 31 December 2015 decreased by RMB531 million as compared with the balance as at the end of 2014. Such reduction was mainly due to the repayment of an interest-bearing loan from a related party amounting to RMB500 million and the repayment of a loan from the Agricultural Bank of China Corporation Limited amounting to RMB246 million during 2015. In addition, in 2015 we increased a new short term borrowing of RMB200 million from Xiamen International Bank Corporation Limited with effective term of 6 September 2015 through 1 September 2016, which was pledged by a cash deposit and the corresponding interest income by China New Town Holding Company Limited at the pledgee (Xiamen International Bank Corporation Limited Beijing Branch). The aggregate effect of the above was a reduction in year-end balance in 2015 as compared with 2014.

Trades payables

The balance as at 31 December 2015 reduced by RMB11.59 million as compared with the balance as at the end of 2014. This reduction was mainly attributable to settling of trade payables balance recorded at the end of 2014 during 2015, which mainly included the payment of Luodian relocation costs of RMB7 million and other construction costs of RMB4.59 million.

Other payables and accruals

The balance as at 31 December 2015 increased by RMB154 million as compared with the balance as at the end of 2014. This movement was mainly due to the disposal of subsidiaries pursuant to the Disposal Master Agreement resulting in other payables amounting to RMB101.41 million, interest payables of RMB10.97 million arising from the senior guaranteed notes issuance and payables to the joint venture Changchun New Town, which is no longer a subsidiary of the Group, amounting to RMB31.59 million.

Advances received for the settlement of Disposal Assets

The balance as at 31 December 2015 was RMB14.57 million lower than the balance as at the end of 2014. Pursuant to the Disposal Master Agreement, relevant consideration was received from

Black Eagle (Shanghai). However, delayed by approval progresses of relevant authorities, the Disposal was not completed by the year end, thereby the consideration received is recognized as advances received for the settlement of Disposal Assets. The reduction in year-end balance was mainly due to the completion of disposal of 5 companies, resulting in a corresponding offset in the advances received for the settlement of Disposal Assets.

Deferred revenue arising from land development

The balance as at 31 December 2015 decreased by RMB30.92 million from the balance as at the end of 2014. Such reduction was mainly due to the development progress at the Shanghai Luodian Project during the year, leading to deferred income recognized as revenue.

Current tax liabilities

The balance as at 31 December 2015 was income tax payable and was RMB23.21 million lower than the balance as at the end of 2014. Such reduction was mainly due to the RMB23.49 million income tax payment made by the Shanghai Luodian Company.

Cash and bank balances

Overall, cash and cash equivalents (excluding restricted cash) for the year increased by RMB497 million as compared with the balance as at the end of 2014, with a total balance of RMB1.37 billion as at 31 December 2015, mainly due to net operating cash inflow of RMB193 million, net financing cash inflow of RMB492 million, and partly offset by net investing cash outflow of RMB188 million during the full year of 2015.

Gearing ratio (defined as net debt / the sum of shareholders equity and net debt) as at 31 December 2015 modestly increased in comparison with the gearing ratio as at 31 December 2014, mainly because of the issuance of senior guaranteed notes during the year leading to an increase in debt level.

Discontinued operations

On 10 October 2013, the Company, CDBIH and 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 new shares of the Company (the "Subscription"). The Subscription was completed on 28 March 2014 and the relevant shares were issued.

As a schedule of the Subscription Agreement, 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 RMB 2,069,832,594, the relevant consideration of which shall be paid in several cash instalments. The Disposal is expected to complete within 24 months from 28 March 2014. As at 31 December 2015, the Disposal Assets are classified as assets held for sale in the financial statements and deemed discontinued operations of the Group. The Company's entitled cash consideration in relation to disposing such assets has been fixed and shall not be affected by its operating results associated with such assets.

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

The 2015 National Economic Review published by the National Statistics Bureau showed that urban population accounted for 56.1% of total population, 1.33 percentage points higher than the urbanization rate of 54.77% in 2014. This shows China's urbanization is still on an excellent upward trend. On the backdrop of favorable economic trend and policy environment promoting nationwide new-type urbanization, the Group remained fully committed to exploring business opportunities in the field of new-type urbanization. In November 2014 the Group started cooperation on the Two Bridges township upgrade project with the Nanjing Yuhuatai district government. During 2015 this project contributed RMB83.63 million of gross investment income to the Group, or 17.1% return on our investment. Since this project, the business model of the Group is extended from a pure land premium proceeds sharing model to include investment-driven model within the fields of new-type urbanization and primary land development, enriching the Group's revenue model and project pipeline. Riding on this, during the year of 2015, the Group continued to launch new investment projects under the new business model and secured a series of projects, including the PPP project in Danyang city of Jiangsu Province, Yangzhou Airport New Town Project and Zhengzhou Urban Village Re-development Project. Apart from contributing solid cashflow, these projects constitute a more diverse base of project nature, covering for example PPP and airport industrial new town development. More importantly, building on our investments into these projects, the Company is able to open up downstream business opportunities in quality locations strategically through the land development platform. In 2016 we intend to proactively explore downstream business along the entire value chain of comprehensive new town development so as to provide sustainable profit growth engine for the Group.

Concurrent with our new project launch, the Group was also fully committed to restructuring and improving its current asset portfolio, in particular, to exit projects located in regions with relatively unclear future prospects and recovered the relevant cash value. In November 2015, the Company disposed of 30% equity interest in the project company in Changchun New Town with a total consideration of RMB66.28 million, recording a gain of RMB60.38 million. This evidences the Company's determination to restructure its asset portfolio, improve its asset quality, as well as unlock cash values and re-deploy them into new investments.

During the 2015 financial year, the Group also proactively explored onshore and offshore financing channels so as to use relatively attractive financing cost to drive our leveraged return to shareholders. In May 2015, with the comprehensive credit enhancement measures by our controlling shareholder CDB Capital, we successfully closed our first offshore RMB bond issuance with total amount of RMB1.3 billion and at a 5.5% interest rate. The bond received good demand from the market. In June, with the capacity as a junior-tranche limited partner, the Company committed to invest RMB150 million into the RMB10 billion CDB (Beijing) - BOCOMM New-type Urbanization Development Fund raised and managed by CDB Capital, to efficiently use leverage to substantially increase the investment return on new-type urbanization projects of fixed investment return nature. During 2015, the Company funded 10 shanty town and urban village reformation projects through the investment partnership which is expected to achieve an average return on investment of over 30% for the Company in its capacity as a junior-tranche limited partner. With the fixed investment return from urbanization projects invested and a competitive financing cost, the Group achieved turnaround in its finance and recorded a net profit for the year.

Since the completion of the Subscription on 28 March 2014, the Group has been actively exploring the new business opportunities in urbanization to fully leverage the controlling shareholder's advantage, and to alter the business model that simply relies on the return of the profit shared from land auction. By the end of 2015, the Group has carried out more than RMB1 billion investments in fixed-return type of urbanization projects, which has contributed steady cash flow to the Group, and it's a standing evidence of the advantages in national-wide network and resources inherited from the controlling shareholder. Meanwhile, the Group has been sourcing other value-added downstream business of urbanization on this foundation, in order to create more profit for the shareholders. In the future, the Group will consistently operate under this business model that is obtaining robust cash flow through fixed return investments in urbanization projects, and furthering other downstream operations. The Group will obtain multiple sources of income through the continuous effort in exploring the revenue growth along the urbanization value chain.

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

Looking ahead into 2016, we stay in the national policy of the new urbanization model as the foundation. CDB continues to dedicate to nationwide shanty-town reformation. The Company continues to adhere to the national policy and rely on the strategic resources of its controlling shareholder, adequately use of existing land reserves, cultivate the business opportunities from the downstream of its industrial chain, enhance its business structure and model as well as form a unique and competitive industry pioneer, 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 2015.

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 all 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 (the "Listing Rules") on the "HKEx" (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.

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 2015, there were 1,100 (2014: 1,084) 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 staffs 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 2015 (2014: 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 risk management and internal control systems and reporting matters. The audited annual results for the year ended 31 December 2015 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 2015 annual report of the Company containing all information required by the Listing Rules will be despatched 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

Singapore and Hong Kong, 11 March 2016

As at the date of this announcement, the executive directors of the Company, are 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. Xie Zhen; 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.