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

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

(Hong Kong Stock Code：1278)
(Singapore Stock Code：D4N.si)

UNAUDITED 2016 THIRD QUARTER RESULTS

This announcement is made by China New Town Development Company Limited (the "**Company**", together with its subsidiaries, the "Group") pursuant to the disclosure obligation under Rule 13.10(B) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**HKEx**"). This announcement is originally prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.

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Statements found in this presentation are not guarantees of future performance of the Group and are subject to factors that could cause actual results and company plans and objectives to differ materially from those expressed in these statements. These factors include, but not limited to, timing and price of sales of land in public bidding process; adverse changes in the Chinese economy and property market; fluctuations in the availability and pricing of residential and commercial properties; performance of construction and other contractors; and competition. The Group undertakes no obligation to update or revise any statements to reflect subsequent events or circumstances.

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

1(a) A statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Statement of profit or loss and other comprehensive income for the third quarter and nine months ended 30 September 2016

RMB'000 Group	**From 1 July to 30 September ***		**Increase/ (Decrease) (%)**	**9 months ended 30 September ***		**Increase/ (Decrease) (%)**
	2016	**2015**		**2016**	**2015**	
Continuing Operations						
Revenue	84,676	61,534	38	191,844	135,441	42
Gain on investments in new town projects	58,369	26,591	120	141,848	68,455	107
Land development	21,862	21,600	1	21,862	36,100	(39)
Other income	4,445	13,343	(67)	28,134	30,886	(9)
Cost of sales	(80,406)	(46,138)	74	(174,900)	(109,686)	59
Finance costs	(23,838)	(22,791)	5	(73,862)	(42,370)	74
Cost of development of land	(29,099)	-	100	(29,099)	-	100
Cost of goods sold	(96)	-	100	(96)	-	100
Business tax and surcharges	(523)	(1,159)	(55)	(1,705)	(3,986)	(57)
Selling and administrative expenses	(21,972)	(21,548)	2	(66,000)	(59,077)	12
Other expenses	(4,878)	(640)	662	(4,138)	(4,253)	(3)
Operating profit	4,270	15,396	(72)	16,944	25,755	(34)
Gain on reorganisation of joint venture	-	-	100	99,534	-	100
Attributable profit from a joint venture	-	-	-	4	-	100
Profit before tax from continuing operations	4,270	15,396	(72)	116,482	25,755	352
Income tax	(1,139)	(4,860)	(77)	(13,042)	(14,520)	(10)
Profit after tax from continuing operations	3,131	10,536	(70)	103,440	11,235	821
Discontinued Operations						
Loss after tax from discontinued operations	(9,417)	(10,846)	(13)	(34,065)	(85,441)	(60)
Gain after tax on partial disposal of assets and liabilities relating to discontinued operations	275,971	5,352	5,056	301,277	64,984	364
Profit/(loss) for the period	269,685	5,042	5,249	370,652	(9,222)	(4,119)
Other comprehensive income, net of tax	-	-	-	-	-	-

RMB’000 Group	From 1 July to 30 September * 2016	2015	Increase/ (Decrease) (%)	9 months ended 30 September * 2016	2015	Increase/ (Decrease) (%)
Total comprehensive profit/(loss), net of tax	269,685	5,042	5,249	370,652	(9,222)	(4,119)
Profit/(loss) attributable to:						
Equity holders of the parent	239,313	4,117	5,713	351,140	(4,963)	(7,175)
Non-controlling interests	30,372	925	3,183	19,512	(4,259)	(558)
	269,685	5,042	5,249	370,652	(9,222)	(4,119)
Total comprehensive profit/(loss) attributable to:						
Equity holders of the parent	239,313	4,117	5,713	351,140	(4,963)	(7,175)
Non-controlling interests	30,372	925	3,183	19,512	(4,259)	(558)
	269,685	5,042	5,249	370,652	(9,222)	(4,119)

*: The Group formulated its future development strategy as the complementary combination of “investment in primary land development” with “downstream business cultivation and operation”, affirming that investment in township development is the Group’s principal activity. Therefore the Company adjusted its disclosure of revenue and related costs to reflect such changes. The 2015 comparative information was restated to conform with the current period’s presentation and disclosures.

1(a)(ii) Notes to statement of profit or loss and other comprehensive income

a) Gain on investments in new town projects

RMB’000	From 1 July to 30 September * 2016	2015	Increase/ (Decrease) (%)	9 months ended 30 September * 2016	2015	Increase/ (Decrease) (%)
Nanjing Two Bridges Project	18,359	20,856	(12)	54,677	62,720	(13)
Danyang Flood Discharge PPP Project	5,797	4,880	19	18,348	4,880	276
Danyang Xinmeng River Project	5,771	-	100	17,576	-	100
Yangzhou Airport New Town Project	9,733	-	100	17,623	-	100
Other projects	18,709	855	2,088	33,624	855	3,833
	58,369	26,591	120	141,848	68,455	107

b) Other income and other expenses

Other income

RMB’000	From 1 July to 30 September * 2016	2015	Increase/ (Decrease) (%)	9 months ended 30 September * 2016	2015	Increase/ (Decrease) (%)
Interest income	7,267	12,232	(41)	26,451	28,614	(8)
Reversal of bad debt provision-other receivables	-	1,500	(100)	-	1,500	(100)
Foreign exchange gain, net	(2,743)	139	(2,073)	(3,299)	214	(1,642)
Others	(79)	(528)	(85)	4,982	558	793
	4,445	13,343	(67)	28,134	30,886	(9)

Other expenses

RMB'000	From 1 July to 30 September 2016	2015	Increase/ (Decrease) (%)	9 months ended 30 September 2016	2015	Increase/ (Decrease) (%)
Bank charges	13	635	(98)	69	1,060	(94)
Loss on financial assets designated at fair value through profit or loss	4,816	-	100	3,344	-	100
Others	49	5	883	725	3,193	(77)
	4,878	640	662	4,138	4,253	(3)

c) Cost of sales by business units

RMB'000	From 1 July to 30 September 2016	2015	Increase/ (Decrease) (%)	9 months ended 30 September 2016	2015	Increase/ (Decrease) (%)
Cost of land development	29,099	-	100	29,099	-	100
Others	96	-	100	96	-	100
	29,195	-	100	29,195	-	100

d) Finance costs

RMB'000	From 1 July to 30 September 2016	2015	Increase/ (Decrease) (%)	9 months ended 30 September 2016	2015	Increase/ (Decrease) (%)
Interest on bank and other borrowings	4,884	3,837	27	17,411	11,878	47
Interest on senior guaranteed notes	18,954	18,954	-	56,451	30,492	85
Less: interest capitalised	-	-	-	-	-	-
	23,838	22,791	5	73,862	42,370	74

*: The 2015 comparative information was restated to conform with the current year's presentation and disclosures.

1(b)(i) **A Statement of Financial Position (for the group), together with a comparative statement as at the end of immediately preceding financial year.**

Statement of Financial Position as at 30 September 2016

RMB'000	Group 30 September 2016	Group 31 December 2015
Assets		
Non-current assets		
Investment in a joint venture	-	10,595
Loans and receivables	1,055,154	690,000
Available-for-sale financial assets	32,000	32,000
Financial assets designated at fair value through profit or loss	86,289	68,874
Property, plant and equipment	39,534	39,792
Prepaid land lease payments	11,373	11,657
Deferred tax assets	56,190	56,191
Other assets	9,596	10,744
Total non-current assets	1,290,136	919,853
Current assets		
Land development for sale	1,553,684	1,546,483
Prepayments	7,264	1,675
Inventories	6,435	-
Other receivables	2,234,857	1,415,727
Trade receivables	47,250	59,218
Loans and receivables	880,000	570,488
Cash and bank balances	1,861,631	1,568,656
Assets classified as held for sale	-	4,803,516
Total current assets	6,591,121	9,965,763
Total assets	7,881,257	10,885,616
Equity		
Owners of the parent:		
Share capital	4,110,841	4,110,841
Other reserves	579,270	579,270
Accumulated losses	(748,014)	(1,099,154)
	3,942,097	3,590,957
Non-controlling interests	369,858	293,465
Total Equity	4,311,955	3,884,422
Non-current liabilities		
Senior guaranteed notes	1,293,268	1,290,490
Interest bearing bank and other borrowings	290,075	309,030
Deferred tax liabilities	21,151	21,151
Total non-current liabilities	1,604,494	1,620,671

RMB'000	Group 30 September 2016	31 December 2015
Current liabilities		
Interest bearing bank and other borrowings	200,000	365,000
Trade payables	153,149	149,942
Other payables and accruals	216,772	270,964
Advance from customers	1,988	-
Advances received for the settlement of Disposal Assets	538,975	538,975
Deferred revenue arising from land development	352,794	352,794
Current income tax liabilities	381,371	336,628
Financial liabilities designated as at fair value through profit or loss	119,759	-
Liabilities directly associated with assets classified as held for sale	-	3,366,220
Total current liabilities	1,964,808	5,380,523
Total liabilities	3,569,302	7,001,194
Equity and total liabilities	7,881,257	10,885,616
Net current assets	4,626,313	4,585,240
Total assets less current liabilities	5,916,449	5,505,093

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

i) Borrowings

RMB'000	30 September 2016	31 December 2015
Bank and other borrowings - secured	-	200,000
Bank and other borrowings - guaranteed	340,075	324,030
Bank and other borrowings – unsecured and unguaranteed	150,000	150,000
	490,075	674,030

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

RMB'000	30 September 2016	31 December 2015
Bank and other borrowings - secured	-	200,000
Bank and other borrowings - guaranteed	50,000	15,000
Bank and other borrowings – unsecured and unguaranteed	150,000	150,000
	200,000	365,000

b) Amount repayable after one year

RMB'000	30 September 2016	31 December 2015
Bank and other borrowings - guaranteed	290,075	309,030
	290,075	309,030

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

See table above.

d) Details of any collateral/guarantee

Bank and other borrowings – guaranteed

As at 30 September 2016, the carrying amount of the guaranteed bank borrowing of RMB340 million was due to the loan from Industrial and Commercial Bank of China Limited. This loan was guaranteed by China Development Bank Capital Corporation Limited.

ii) <u>Senior guaranteed notes</u>

RMB'000	30 September 2016	31 December 2015
Book value of senior guaranteed notes at the beginning of period	1,301,460	-
Net proceeds of issued senior guaranteed notes	-	1,288,057
Interest expenses (based on effective interest rate of 5.84%)	56,452	49,447
Interest payment	(35,653)	(36,044)
Book value of senior guaranteed notes at the end of period	1,322,259	1,301,460
Categorized as current liabilities	28,991	10,970
Categorized as non-current liabilities	1,293,268	1,290,490

The Company issued senior guaranteed notes through its wholly owned subsidiary, China New Town Finance I Limited., in 2015 with a face value of RMB1.3 billion, tenor of three years, and with coupon rate of 5.5% per year. The senior guaranteed notes were guaranteed by the Company with the benefit of a keepwell and liquidity support by China Development Bank Capital Co., Ltd. The senior guaranteed notes were initially recognised at RMB1,288,057 thousand, being the face value of RMB1.3 billion deducted by the issuing cost of RMB RMB11.94 million. As at 30 September 2016, the carrying amount of the senior guaranteed notes were RMB1,322,259 thousand, of which RMB28,991 thousand was classified to current liabilities and RMB1,293,268 thousand was classified to non-current liabilities.

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

Consolidated Statement of Cash Flow

RMB'000	**3Q 2016 from 1 July 2016 to 30 September 2016**	**3Q 2015 from 1 July 2015 to 30 September 2015**	**9 months ended 30 September 2016**	**9 months ended 30 September 2015**
Cash flow from operating activities				
Profit before tax from continuing operations	4,270	15,396	116,482	25,755
Profit/(loss) before tax from discontinued operations	313,554	(5,289)	314,212	(20,252)
Profit before tax	317,824	10,107	430,694	5,503
Adjustments for:				
Bad debt provision of other receivables	-	-	-	2,803
Depreciation of property, plant and equipment	181	728	2,496	2,456
Amortization of prepaid land lease payments	94	94	283	283
Amortization of intangible assets	27	-	159	-
Gain on disposal of property, plant and equipment	(326)	-	(326)	-
Gain from disposal of subsidiaries and joint venture	(322,972)	(5,352)	(447,812)	(64,984)
Profit and loss from fair value changes	(1,872)	-	(3,344)	-
Share of gain from associate and joint venture	-	-	(4)	-
Gain from loans and receivables	(57,100)	(25,432)	(140,579)	(64,469)
Interest income	(7,265)	(12,254)	(26,486)	(28,776)
Interest expenses on bank and other borrowings	13,514	20,319	51,012	70,343
Interest expenses on senior guaranteed notes	18,955	18,954	56,452	30,492
Foreign exchange loss/(gain)	2,743	(139)	3,299	(214)
	(36,197)	7,025	(74,156)	(46,563)
Increase in land development for sale	(1,145)	(356)	(7,201)	(7,117)
Increase in properties under development for sale	(18,219)	(1,901)	(46,230)	(31,151)
Decrease in prepaid land lease payments	13,760	5,304	16,670	8,345
(Increase)/decrease in inventories	(175)	31	(2,792)	492
Increase in prepayments	(32,797)	(66,382)	(49,733)	(51,975)
Increase in other receivables and other current assets	(143,044)	(252,475)	(184,720)	(366,645)
Increase/(decrease) in trade receivables	(386)	235	(27,019)	3,212
Decrease/(increase) in prepaid income tax	25,158	-	25,158	(52)
Decrease in deferred income from sale of golf club membership	(3,998)	(4,005)	(11,994)	(12,014)
Increase/(decrease) in advances from customers	61,982	(53,617)	140,836	12,186

RMB'000	3Q 2016 from 1 July 2016 to 30 September 2016	3Q 2015 from 1 July 2015 to 30 September 2015	9 months ended 30 September 2016	9 months ended 30 September 2015
Increase in trade and other payables	245,688	162,807	690,298	473,730
	110,627	(203,334)	469,117	(17,552)
Payment of income tax	(3,070)	-	(864)	(23,493)
Net cash inflow/(outflow) from operating activities	107,557	(203,334)	468,253	(41,045)
Cash flow from investing activities				
Purchase/construction of property, plant and equipment	(16,642)	(4)	(17,659)	(27,480)
Proceeds from disposal of property, plant and equipment	326	-	326	-
Payment for investment properties	-	-	-	(4,562)
Payments for intangible assets	-	-	(40)	-
Disposal of subsidiaries and joint venture	-	(34)	1,006,915	601,787
Acquisition of a subsidiary	1,000	-	10,277	-
Investment in available-for-sale financial assets	-	(19,500)	-	(19,500)
Investments in loans and receivables	(455,021)	(200,000)	(655,125)	(200,000)
Gain from loans and receivables	14,464	12,254	127,120	7,770
Investments in financial assets designated at fair value through profit or loss	4,170	(18,699)	(15,330)	(18,699)
Interest received from bank deposits	7,265	-	26,486	28,776
Net cash (outflow) /inflow from investing activities	(444,438)	(225,983)	482,970	368,092
Cash flows from financing activities				
Cash proceeds from issuance of senior guaranteed notes	-	-	-	1,288,057
Proceeds from bank borrowings	-	229,300	30,000	513,830
Repayment of bank borrowings	(354,770)	(31,912)	(727,806)	(520,360)
Repayment of borrowing from a related party	-	-	-	(500,000)
Cash released from restricted deposits in relation to repayment of bank borrowings	206,186	-	206,186	-
Investments received from financial liabilities designated as at fair value through profit or loss	121,019	-	121,019	-
Interest paid	(14,010)	(19,912)	(92,150)	(77,823)
Net cash (outflow)/ inflow from financing activities	(41,575)	177,476	(462,751)	703,704
Net (decrease)/ increase in cash and cash equivalents	(378,456)	(251,841)	488,472	1,030,751
Cash and cash equivalents at beginning of period	2,240,087	2,158,886	1,373,159	876,294
Cash and cash equivalents at end of period	1,861,631	1,907,045	1,861,631	1,907,045

1(d)(i) A statement (for the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Change in Equity

9 months ended 30 September 2016

RMB'000	Equity attributable to owners of parent					
	Share capital	Other reserves	Accumulated loss	Total	Non-controlling interest	Total equity
Balance as at 1 January 2016	4,110,841	579,270	(1,099,154)	3,590,957	293,465	3,884,422
Total comprehensive income	-	-	351,140	351,140	19,512	370,652
Acquisition of subsidiaries			-	-	18,377	18,377
Disposal of subsidiaries	-	-	-	-	38,504	38,504
Balance as at 30 September 2016	4,110,841	579,270	(748,014)	3,942,097	369,858	4,311,955

9 months ended 30 September 2015

RMB'000	Equity attributable to owners of parent					
	Share capital	Other reserves	Accumulated loss	Total	Non-controlling interest	Total equity
Balance as at 1 January 2015	4,110,841	579,270	(1,164,295)	3,525,816	321,620	3,847,436
Total comprehensive loss	-	-	(4,963)	(4,963)	(4,259)	(9,222)
Disposal of subsidiaries	-	-	-	-	1,841	1,841
Balance as at 30 September 2015	4,110,841	579,270	(1,169,258)	3,520,853	319,202	3,840,055

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The number of shares that may be issued on conversion of all the outstanding convertibles (including the number of shares held as treasury shares, if any) and against the total number of issued shares excluding treasury shares as at 30 September 2016 and as at 30 September 2015 are set out below:

	As at 30 September 2016	As at 30 September 2015
	No. of shares	No. of shares
Treasury shares	-	-
Total number of issued shares (excluding treasury shares) as at the end of the period	9,846,119,747	9,846,119,747

The Group has no convertible securities as at 30 September 2016.

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

	As at 30 September 2016	As at 31 December 2015
	No. of shares	No. of shares
Total number of issued shares excluding treasury shares as at the beginning of the period	9,846,119,747	9,846,119,747
Add/(Less):Treasury shares	-	-
Total number of issued shares excluding treasury shares as at the end of the period	9,846,119,747	9,846,119,747

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Group had no treasury shares in issue as at 30 September 2016.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the most recently audited annual financial statements for the financial year ended 31 December 2015, except that the Group has adopted all the new and amended IFRS and IFRIC interpretations effective in the first 9 months ended as at 30 September 2016.

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

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

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

		Group			
	Earnings per ordinary share for the period based on profit/(loss) attributable to shareholders after deducting any provision for preference dividends	**3Q from 1 July 2016 to 30 September 2016**	3Q from 1 July 2015 to 30 September 2015	**9 months ended 30 September 2016**	9 months ended 30 September 2015
(i)	Based on the weighted average number of ordinary shares on issue (RMB)	**0.0243**	0.0004	**0.0357**	(0.0005)
(ii)	On a fully diluted basis (RMB)	**0.0243**	0.0004	**0.0357**	(0.0005)

The calculation of basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent for the period ended 30 September 2016 and the period ended 30 September 2015.

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

	3Q from 1 July 2016 to 30 September 2016	3Q from 1 July 2015 to 30 September 2015	9 months ended 30 September 2016	9 months ended 30 September 2015
	RMB'000	RMB'000	RMB'000	RMB'000
Earnings /(loss) attributable to ordinary equity holders of the parent	239,313	4,117	351,140	(4,963)
Number of ordinary shares used to calculate the basic and diluted earnings/(loss) per share	9,846,119,747	9,846,119,747	9,846,119,747	9,846,119,747

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

	Group	
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer as at the end of the period reported on (RMB)	30 September 2016	31 December 2015
	0.4004	0.3647

8 **<u>A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.</u>**

Operating Results

Revenue

Our results from operation mainly include fixed-income investments in new town projects, sharing of land sale proceeds in some projects and downstream operations in urbanization. In the third quarter of 2016, The Group recorded revenue of RMB58.37 million from fixed-income investments in new town projects, mainly including those from Nanjing Two Bridges Project, Danyang Flood Discharge PPP Project, Danyang Xinmeng River Project, and Yangzhou Airport New Town Project, and accumulated investment gain of RMB3.56 million which has been received till the end of September 30 2016, by CDBC New Town (Beijing) Asset Management Company Limited, a junior-tranche limited partner of CDB-BOCOMM New-type Urbanization Development Fund.

In the third quarter of 2016， we recorded revenue of RMB21.86 million related to land development, basically flat with the same period of 2015. This was due to the facilities fee earned at the Shanghai Golden Luodian project.

Other income

In the third quarter of 2016, other income decreased by RMB8.90 million as compared with the same period of 2015, which was mainly attributable to reduction in interest income from bank deposits, foreign exchange gain, and reversal of bad debt provision as compared with the same period of last year.

Cost of development of land

In the third quarter of 2016, we recorded RMB29.1 million cost of development of land. This was due to the corresponding cost of the facilities fee including cost to rectify certain facilities for the western part of the Shanghai Golden Luodian project.

Selling and administrative costs

In the third quarter of 2016, selling and administrative costs increased by RMB0.424 million as compared with the same period of 2015, which was mainly attributable to increase of selling and administrative costs in relation to CDB New Town Changchun Development Company Limited and CDB Modern Agriculture Investment Management (Beijing) Company Limited.

Finance costs

In the third quarter of 2016, the Group incurred net finance costs of RMB23.84million, including the interest expense of RMB4.89 million on bank and other borrowings and interest expense of RMB18.95 million on senior guaranteed notes. This represented an increase of RMB1.05 million from the net finance costs in the same period of 2015, primarily due to the additional interest expenses arising from bank and other borrowings as compared with the same period of last year.

Other expenses

In the third quarter of 2016, other expenses increased by RMB4.24million as compared with the same period of 2015, which was mainly attributable to an increase in the fair value loss on financial assets.

Income tax

In the third quarter of 2016, the Company recorded income tax of RMB1.14 million, which was attributable to the profit from fixed-income investment projects.

Profit after tax from continuing operation

A profit after tax from continuing operation of RMB3.13 million was recorded for the third quarter of 2016, representing a decrease of RMB7.41million from the same period of 2015.

Statements of Financial Position

Loans and receivables（Non-current assets and Current assets）

The balance as at 30 September 2016 increased by RMB674.66 million as compared with the balance as at 2015 year end. Such increase was mainly due to the new investment in loans and receivables of RMB300 million to Yangzhou Airport New Town Project in the first half of 2016, as well as new investments in the third quarter, including RMB150 million to the Qinhuangdao Project, RMB300 million to the Danyang Zhongbei College Project and RMB200 million to the Zhenjiang Hi-tech District Affordable Housing Project, which was partially offset by recovering the RMB200 million investment principal of the Danyang Xinmeng River Project upon exit.

Financial assets designated at fair value through profit or loss

The balance as at 30 September 2016 increased by RMB17.42 million as compared with the balance as at 2015 year end. This was mainly due to CDBC New Town (Beijing) Asset Management Company Limited, in the capacity of junior-tranche limited partner, contributed capital of RMB19.50 million towards the CDB-BOCOMM New-type Urbanization Development Fund in the first half of 2016, and gain from the change in the fair value of RMB1.47 million, as well as having accumulatively received investment gain of RMB3.56 million as at 30 September 2016.

Inventories

The balance as at 30 September 2016 increased by RMB6.44 million as compared with the balance as at 2015 year end. Such increase was mainly due to the agricultural and by-products in connection with the acquisition of CDBC Chengdu Agriculture Development Company Limited in 2016.

Prepayments

The balance as at 30 September 2016 increased by RMB5.59 million as compared with the balance as at 2015 year end. Such increase was mainly due to prepaid office rent of CDBC Chengdu Agricultural Development Company Limited, and prepaid office rent and property management fee of CDBC New Town (Beijing) Asset Management Company Limited from October to December.

Other receivables

The balance as at 30 September 2016 increased by RMB819 million as compared with the balance as at 2015 year end. Such increase was mainly attributable to outstanding proceeds from the disposal of discontinued operations in 2016, including an increase of RMB276 million due from SREI, an increase in disposal consideration receivables of RMB263 million, as well as the outstanding receivables due from the disposed assets in Shenyang amounting to RMB183 million.

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

The balance as at 30 September 2016 was RMB290 million, representing a decrease of RMB184 million from the balance as at 2015 year end. This was mainly due to the repayment of a short-term loan of RMB200 million from the Beijing branch of Xiamen International Bank Company Limited during the third quarter of 2016.

Trade payables

The balance as at 30 September 2016 increased by RMB3.21million as compared with the balance as at 2015 year end. Such increase was mainly due to increase of RMB19.78 million from Shenyang Lixiang Project and decrease of RMB16.68 million from Shanghai Luodian Project.

Financial liabilities designated at fair value through profit or loss

The balance as at 30 September 2016 increased by RMB119.76 million as compared with the balance as at 2015 year end. This was mainly due to CIB Wealth Management Co., Ltd. as the senior-tranche limited partner, and CDB Jingcheng (Beijing) Investment Fund Company Limited, as the intermediate-tranche limited partner contributed capital to CDB New Town New-type Urbanization Development Fund.

Liquidity

Overall, cash and cash equivalents in the Reporting Period increased by RMB488 million as compared with the balance as at 2015 year end with a balance of RMB1.86 billion as at 30 September 2016. This was mainly due to net cash inflow from operating activities amounting to RMB468 million, net cash inflow from investing activities amounting to RMB482 million, as well as net cash outflow from financing activities amounting to RMB463 million for nine months ended 30 September 2016.

Discontinued Operations

On 10 October 2013, the Company, CDBIH and SREI (the then controlling shareholder of the Company) entered into share subscription agreement (the "**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 had been 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 RMB2,069,832,594, the relevant consideration of which shall be paid in several cash instalments ("**Assets Disposal**").

The Disposal Assets are classified as assets held for sale in the financial statements and deemed discontinued operations of the Group. In the first half of 2016, the Company entered into a formal agreement regarding the disposal of a number of Disposal Assets ("**Disposal Agreement**") with SRE Group Limited and SREI, certain Disposal Assets held under Luodian Company will be disposed to SRE Group, which is consistent with the terms and conditions, and the consideration is RMB1.315 billion. As at 30 September 2016, the Group has received 80% consideration of the Disposal Agreement. As the relevant conditions have been satisfied, the Disposal Assets are derecognized from the balance sheet, and the Group recognized an after-tax gain of RMB276 million in the third quarter of 2016.

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

	9 months ended 30 September	
RMB'000	**2016**	**2015**
Revenue	116,612	102,577
Cost of sales	(60,745)	(60,051)
Gross profit	55,867	424,526
Other income	907	907
Selling and distribution costs	(11,542)	(18,971)
Administrative expenses	(44,988)	(48,544)
Other expenses	(707)	(2,689)
Operating loss from discontinued operations	(463)	(26,771)
Finance costs	(33,602)	(58,465)
Loss before tax from discontinued operations	(34,065)	(85,236)
Income tax	-	(205)
Loss for the year from discontinued operations	(34,065)	(85,441)
Gain after tax from disposal of subsidiaries	301,277	64,984
Profit/(loss) for the period from discontinued operations	267,212	(20,457)

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

As is evident from the third quarter results announced, the results for the current quarter is generally in line with the statements made in the Company's commentary in paragraph 10 of 2016 second quarter results . The Company considered that the market conditions remained similar to those that were expected in the last period.

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

In the third quarter of 2016, the Chinese Government continued to regulate the macro economy through supply side reform, and a series of measures targeted at stimulating economic growth (including consumption, investment and industrial output) were launched. In the fourth quarter, the macro economy will continue to be affected by supply side factors such as destocking, deleveraging and prevention of bubbles, which will impact on investments in infrastructures, real estate and private sectors. Overall, there remains substantial downward pressure on the macro economic front.

In the beginning of 2016, after carefully reviewing the current status of China's new-type urbanization and the Group's core competitive advantages, the Group refined its strategic focus from urbanization investment pure play to gradually evolve into the more optimal mix of "investments + operations". Furthermore, sectors such as education, tourism, healthcare and retirement services, were identified as targets for our downstream business extension in the field of urbanization. On this backdrop, leveraging the nationwide business network and strategic resources of China Development Bank Capital, and through proactive project sourcing and execution, the Group has also made progress. On 26 October 2016, the Group announced that it will partner with Beijing Vanke to develop the Junzhuang Project in the Beijing Mentougou District. The project has a total site area of 4.14 hectares, including more than 2 sq.km. of the East Zone which we hold exclusive development and operation rights, and would be developed into a large scale integrated consumption destination featuring various elements such as leisure and resort, eco-conservancy and healthcare, as well as parent-child experience and education. Furthermore, it positions us to participate in the development of the 1.44 sq.km. West Zone, featuring business opportunities such as shanty town reformation, primary land and integrated primary and secondary land developments. The launching of the Junzhuang project demonstrated the capability and determination of the Group in executing its strategy, and is a milestone for the Group in terms of building a quality asset portfolio and comprehensive consumption business in top cities. In addition, the partnership with Vanke represents the strategic combination of resources and branding between the nation's leading integrated land developer and leading property developer. By combining the worldwide partnership resources in the fields of healthcare, integrated tourism and international education from the CDB Urbanization Strategic Alliance and the top notch development and operation capability of Vanke in China, the project is positioned to be developed into an integrated tourism and consumption destination showcase.

While on the business side we remain focused on project investment and executing the Group's strategy, the Group is also proactively optimizing its corporate finance strategies and seeking to improve its listing status. On 18 October 2016, the Company announced that it intends to seek voluntary delisting from Singapore to become solely listed in Hong Kong. The delisting was intended to consolidate the trading of the Company's shares to bring about better liquidity, to align the Group's China-based principal business with the listing platform and thus to improve its appeal to investors. In addition, it helps to reduce the Company's operating costs and optimize the allocation of managerial resources. Please refer to Note 16 for details.

11 Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

Not applicable.

(d) Date Payable

Not applicable.

(e) Book Closure Date

Not applicable

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

No dividend has been declared or recommended for the first quarter ended 30 September 2016.

13 <u>Interest Persons Transactions ("IPT")</u>

RMB'000	**Financial period ended 30 September 2016**	
Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
CDB Jingcheng (Beijing) Investment Fund Company Limited	1,050,000	NA

As CDB Capital is the controlling shareholder of the Company, CDB Jingcheng (Beijing) Investment Fund Company Limited ("**CDB Fund**"), which is under CDB Capital's management, is deemed interested person of the Company under the Singapore Listing Manual. On 2 March 2016, CDBC New Town (Beijing) Asset Management and Shengqi (Jiaxing) Investment Management, wholly-owned subsidiaries of the Company, entered into partnership agreement with CDB Fund regarding the establishment of the CDB New Town New-type Urbanization Development Fund. Pursuant to the agreement, the total capital amount was set at RMB5 billion, while the Company committed to contribute a total capital of RMB1.05 billion with the capacity as the junior-tranche limited partner and manager. For further information, please refer to the announcement made by the Company on 2 March 2016.

14 <u>Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).</u>

The Company confirms that undertakings have been procured from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

15 <u>Negative assurance confirmation by the Board of Directors pursuant to Rule 705 (5) of the Listing Manual of the Singapore Exchange Securities Trading Limited</u>

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the interim unaudited financial statements of China New Town Development Company Limited for the third quarter ended 30 September 2016 presented in this announcement to be false or misleading in any material aspect.

16 Subsequent event

On 18 October 2016, the Company proposed to seek a voluntary delisting of its Shares from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual. Pursuant to the proposed delisting, the Company proposes to make a conditional cash exit offer to shareholders by way of a selective share buyback under the British Virgin Islands Business Companies Act and Articles of Association, which will involve the Company buying back and cancelling all tendered shares. The cash exit offer is a share buyback by way of general offer for the purposes of the Hong Kong Share Buy-back Code. For further information on the transaction, please refer to the announcements by the Company dated 18 October 2016 and 19 October 2016.

On 21 October 2016, the Company's wholly-owned subsidiary, namely CDB New Town, and Vanke BJ entered into a series of investment agreements with the Junzhuang Town Government of Beijing Mentongou District, Mengwu Village Co-op, Dongshan Village Co-op and Jiahua in respect of the development of the Junzhuang Town Project, pursuant to the terms and conditions of which the Group and Vanke BJ shall jointly develop and operate the project. Further to this, on 26 October 2016, CDB New Town and Vanke BJ entered into the *Cooperative Investment Agreement*, which sets out the details of establishing the joint venture for the project. For further information on the project, please refer to the announcement by the Company dated 26 October 2016.

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

Singapore and Hong Kong, 14 November 2016

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

14 November 2016

The Board of Directors
China New Town Development Company Limited
Suite 4506-4509, Two International Finance Centre,
8 Finance Street, Central,
Hong Kong

Dear Sirs,

China New Town Development Company Limited ("the Company") and its subsidiaries (the “Group”)

Independent reporting accountants’ report on profit estimate for the nine months ended 30 September 2016

We refer to the estimate of the unaudited consolidated total comprehensive profit attributable to owners of the parent for the nine months ended 30 September 2016 (“the Profit Estimate”) set forth in the announcement of the Company dated 14 November 2016 (the “Announcement”) in relation to the unaudited results of the Group for the nine months ended 30 September 2016. The Profit Estimate is required to be reported on under Rule 25 of the Singapore Code on Takeovers and Mergers.

Directors’ responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the unaudited consolidated results of the Group for the nine months ended 30 September 2016 as shown in the management accounts of the Group for the nine months ended 30 September 2016.

The Company's directors are solely responsible for the Profit Estimate.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with *International Standards on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with International Standards on Auditing issued by the IAASB. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in the note 4 and note 5 of the Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Company for the year ended 31 December 2015.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

BNP PARIBAS, SINGAPORE BRANCH
20 Collyer Quay #01-01
Singapore 049319

14 November 2016

The Board of Directors
China New Town Development Company Limited
Suite 4506-4509, Two International Financial Centre,
8 Finance Street, Cental,
Hong Kong

Dear Sirs,

CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED AND ITS SUBSIDIARIES

FINANCIAL ADVISERS' LETTER ON PROFIT ESTIMATE FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

On 18 October 2016, China New Town Development Company Limited **("China New Town"**) proposed to seek a voluntary delisting of its shares from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual of the SGX-ST (the **"Proposed Delisting"**). Pursuant to the Proposed Delisting, China New Town proposes to make a conditional cash exit offer to shareholders by way of a selective share buyback which will involve China New Town buying back and cancelling all tendered shares. The cash exit offer is a share buy-back by way of general offer for the purposes of the Hong Kong Code on Share Buy-backs.

We have examined the estimate of the unaudited consolidated total comprehensive profit attributable to owners of the parent for the nine-month ended 30 September 2016 (the **"Profit Estimate"**) set forth in the announcement of China New Town dated 14 November 2016 and have discussed the same with the management of China New Town. We have also considered the independent auditor's report dated 14 November 2016 on the Profit Estimate. Based on the above, we are of the opinion that the Profit Estimate has been prepared by China New Town after due and careful enquiry.

For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us and/or discussed with us by China New Town. We have not assumed any responsibility for independently verifying the accuracy and completeness of such information or undertaken any independent evaluation or appraisal of any of the assets or liabilities of China New Town Group. Save as provided in this letter, we do not express any other opinion or views on the Profit Estimate. The board of directors of China New Town remain solely responsible for the Profit Estimate and the assumptions on which it is based.

This letter is provided to the board of directors of China New Town solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any person(s), other than the board of directors of China New Town, in respect of, arising out of, or in connection with this letter.

Yours faithfully,

For and on behalf of
BNP Paribas, Singapore Branch

Jasper REISER	Calvin LI Xiangrun
Managing Director	Director
Co-Head, Equity Capital Markets Asia-Pacific	Real Estate, South East Asia
Investment Banking Asia-Pacific	Investment Banking Asia-Pacific