NEW TOWN

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

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)
(Stock Code：1278)

2016 FINAL RESULTS ANNOUNCEMENT

The board of directors (the "Board") of China New Town Development Company Limited (the "Company" or "CNTD") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2016 (the "Year") together with the comparative figures for the year ended 31 December 2015 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2016
(Amount expressed in thousands of Renminbi unless otherwise stated)

	Notes	**2016**	2015*
Continuing operations			
Operating income		**303,088**	210,837
Revenue	*5*	**244,572**	163,962
Other income	*6*	**58,516**	46,875
Operating expenses		**(334,524)**	(189,128)
Cost of sales	*7*	**(46,164)**	(12,445)
Selling and administrative expenses	*7*	**(126,207)**	(97,745)
Finance costs	*8*	**(104,595)**	(69,230)
Other expenses	*6*	**(57,558)**	(3,521)
Operating (loss)/profit		**(31,436)**	27,896
Gain on disposal of subsidiaries and a joint venture	*9*	**103,444**	60,378
Share of loss of joint ventures		**(1,204)**	(51)

	Notes	2016	2015*
Profit before tax from continuing operations		**70,804**	88,223
Income tax	*10*	**(3,651)**	5,254
Profit after tax from continuing operations		**67,153**	93,477
Discontinued operations			
Loss after tax for the year from discontinued operations	*14*	**(34,065)**	(125,359)
Gain after tax on disposal of assets and liabilities relating to discontinued operations	*9*	**301,277**	67,683
Profit for the year		**334,365**	35,801
Other comprehensive income, net of tax		**–**	–
Total comprehensive profit, net of tax		**334,365**	35,801
Attributable to:			
Equity holders of the parent		**322,654**	65,141
Non-controlling interests		**11,711**	(29,340)
		334,365	35,801
Earnings per share (RMB per share) attributable to ordinary equity holders of the parent:			
Basic and diluted, profit for the year	*13*	**0.0328**	0.0066
Basic and diluted, profit from continuing operations	*13*	**0.0106**	0.0108

*: The Group affirmed that investment in urbanization development is the Group's principal activity. Therefore, the Company adjusted its disclosure of revenue to reflect such changes. The 2015 comparative information was restated to conform with the current year's presentation and disclosures (Note 5).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	**2016**	2015
Assets			
Non-current assets			
Investment in a joint venture		**49,297**	10,595
Loans and receivables	*20*	**1,067,277**	690,000
Available-for-sale financial assets	*21*	**32,000**	32,000
Financial assets at fair value through profit or loss	*22*	**818,673**	68,874
Property, plant and equipment	*15*	**9,232**	39,792
Prepaid land lease payments	*16*	**2,552**	11,657
Deferred tax assets	*10*	**70,023**	56,191
Other assets		**9,085**	10,744
Total non-current assets		**2,058,139**	919,853
Current assets			
Land development for sale	*17*	**1,562,429**	1,546,483
Prepayments		**3,068**	1,675
Other receivables	*18*	**1,070,245**	1,415,727
Trade receivables	*19*	**62,408**	59,218
Loans and receivables	*20*	**1,000,000**	570,488
Other current assets		**6,285**	–
Cash and bank balances		**2,349,397**	1,568,656
Assets classified as held for sale	*14*	**–**	4,803,516
Total current assets		**6,053,832**	9,965,763
Total assets		**8,111,971**	10,885,616
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		**(776,500)**	(1,099,154)
		3,913,611	3,590,957
Non-controlling interests		**364,256**	293,465
Total equity		**4,277,867**	3,884,422

	Notes	**2016**	2015
Non-current liabilities			
Senior guaranteed notes	*24*	**1,294,201**	1,290,490
Interest-bearing bank and other borrowings	*23*	**275,528**	309,030
Deferred tax liabilities	*10*	**23,710**	21,151
Total non-current liabilities		**1,593,439**	1,620,671
Current liabilities			
Interest-bearing bank and other borrowings	*23*	**520,950**	365,000
Trade payables	*26*	**114,466**	149,942
Other payables and accruals	*27*	**211,189**	270,964
Advances received for the settlement of Disposal Assets		**538,975**	538,975
Deferred revenue arising from land development	*25*	**352,794**	352,794
Current income tax liabilities		**383,740**	336,628
Financial liabilities at fair value through profit or loss	*28*	**118,551**	–
Liabilities directly associated with assets classified as held for sale	*14*	**–**	3,366,220
Total current liabilities		**2,240,665**	5,380,523
Total liabilities		**3,834,104**	7,001,194
Total equity and liabilities		**8,111,971**	10,885,616
Net current assets		**3,813,167**	4,585,240
Total assets less current liabilities		**5,871,306**	5,505,093

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

(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 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 and 1 January 2016	4,110,841	579,270	(1,099,154)	3,590,957	293,465	3,884,422
Total comprehensive income	–	–	322,654	322,654	11,711	334,365
Capital injection by non-controlling interests	–	–	–	–	20,577	20,577
Disposal of subsidiaries	–	–	–	–	38,503	38,503
As at 31 December 2016	**4,110,841**	**579,270**	**(776,500)**	**3,913,611**	**364,256**	**4,277,867**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016
(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	**2016**	2015
Cash flow from operating activities			
Profit before tax from continuing operations		**70,804**	88,223
Profit/(loss) before tax from discontinued operations		**314,212**	(53,954)
Profit before tax		**385,016**	34,269
Adjustments for:			
Impairment of other receivables		**13,146**	1,303
Depreciation of property, plant and equipment	*15*	**2,078**	2,260
Amortization of prepaid land lease payments	*16*	**377**	377
Amortization of intangible assets		**320**	126
Loss/(gain) on disposal of prepaid land lease payment, property, plant and equipment		**38,227**	(2,507)
Net fair value gain on financial assets/liabilities at fair value through profit or loss		**(10,184)**	(2,925)
Gain on disposal of subsidiaries and a joint venture	*9*	**(451,721)**	(128,061)
Interest expense on financial liabilities at fair value through profit or loss		**3,051**	–
Share of loss from a joint venture		**1,204**	51
Interest from loans and receivables		**(200,533)**	(96,940)
Interest from bank deposits		**(34,816)**	(38,106)
Interest expense on bank and other borrowings		**59,740**	95,671
Interest expense on senior guaranteed notes		**75,406**	49,447
Foreign exchange loss/(gain)		**4,179**	(1,483)
Operating loss before working capital changes		**(114,510)**	(86,518)
(Increase)/decrease in land development for sale		**(15,946)**	2,596
Increase in properties under development for sale		**(242,548)**	(30,580)
Decrease in prepaid land lease payments		**34,165**	13,703
Decrease in inventories		**3,038**	473
(Increase)/decrease in prepayments		**(29,795)**	29,621
Increase in other receivables and other current assets		**(256,911)**	(344,421)
Increase in trade receivables		**(13,787)**	(81,007)
Decrease/(increase) in prepaid income tax		**25,158**	(11,550)
Decrease in deferred revenue arising from sale of golf club memberships		**(11,995)**	(16,811)
Increase in advances from customers		**142,738**	36,722
Decrease in deferred revenue arising from land development		**–**	(30,922)
Increase in trade and other payables		**807,264**	737,252
		326,871	218,558
Income tax paid		**(10,478)**	(25,592)
Net cash inflow from operating activities		**316,393**	192,966

	2016	2015
Cash flows from investing activities		
Purchases/construction of property, plant and equipment	**(17,424)**	(33,965)
Proceeds from disposal of property, plant and equipment	**–**	53
Payments for investment properties	**–**	(4,723)
Payments for intangible assets	**(60)**	(1,814)
Disposal of subsidiaries and joint venture	**2,237,753**	667,716
Acquisition of a subsidiary	**6,609**	–
Investment in a jointly-controlled entity	**(50,000)**	–
Investment in available-for-sale financial assets	**–**	(32,000)
Investment in loans and receivables	**(806,789)**	(770,488)
Interest received from loans and receivables	**193,729**	20,158
Investment in financial assets at fair value through profit or loss	**(739,563)**	(65,949)
Dividends received from financial assets at fair value through profit or loss	**6,804**	–
Interest received from bank deposits	**34,816**	38,106
Payments of expenses incurred for the transaction cost of the Disposal	**(2,975)**	(4,987)
Net cash inflow/(outflow) from investing activities	**862,900**	(187,893)
Cash flow from financing activities		
Proceeds from issuance of senior guaranteed notes	**–**	1,288,057
Proceeds from non-controlling interests	**3,200**	–
Proceeds from bank and other borrowings	**30,000**	572,500
Repayment of bank and other borrowings	**(743,169)**	(547,629)
Proceeds from borrowing from a related party	**502,560**	–
Repayment of borrowing from a related party	**(200,000)**	(500,000)
Cash release from restricted deposits in relation to interest payments for bank borrowings	**206,186**	–
Proceeds received from other interest holders of consolidated structured entity	**118,500**	–
Cash placed as restricted deposits in relation to bank borrowings	**–**	(206,186)
Interest paid	**(139,085)**	(114,950)
Net cash (outflow)/inflow from financing activities	**(221,808)**	491,792
Net increase in cash and cash equivalents	**957,485**	496,865
Effect of exchange rate changes on cash and cash equivalents	**18,753**	–
Cash and cash equivalents at the beginning of year	**1,373,159**	876,294
Cash and cash equivalents at the end of year	**2,349,397**	1,373,159

NOTES TO FINANCIAL STATEMENTS

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

1. CORPORATE INFORMATION

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 Singapore Exchange Securities Trading Limited (the "SGX-ST"). On 22 October 2010, the Company was listed on the Main Board of the HKEx by way of introduction. As a result, the Company was once dual-listed on the Main Boards of both the SGX-ST and the HKEx. The Company voluntarily delisted from the SGX-ST on 17 February 2017 (see Note 29).

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, among which the activities include designing the master plan, relocating and resettling incumbent residents and businesses, clearing and preparing the land and installing infrastructure. Since 2014, as China Development Bank Capital Corporation Limited ("CDBC" or "CDB Capital") becoming the controlling shareholder, the Company's business models has been further optimized to diversify from land development into nationwide urbanization projects that cover investment, development, and operation. The Group focuses on such core national economic regions as the Yangtze River delta region and the Beijing-Tianjin-Hebei region, while constantly expanding the urbanization projects with fixed income under the investment portfolio.

The Company became a subsidiary of SRE Group Limited ("SRE") since September 2009, a company listed on the HKEx. During 2012, SRE disposed of its entire holding of shares in the Company (the "Shares") 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 (the "Shareholder").

On 10 October 2013, the Company, China Development Bank International Holdings Limited ("CDBIH") and SREI entered into a share subscription agreement (the "Subscription Agreement"), pursuant to which CDBIH had 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 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 principal business of planning and development of new town projects in the Mainland China (the "Disposal Assets"). Execution of the Disposal Assets are included in Note 14.

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 China Development Bank Corporation ("CDB"), which holds 54.32% of the issued share capital of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group 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 financial assets, financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss 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. The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

(a) Basis of consolidation

The consolidated financial statements include the financial statement of the Company and its subsidiaries for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

(b) Exposure, or rights, to variable returns from its involvement with the investee

(c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement(s) with the other vote holders of the investee

(b) Rights arising from other contractual arrangements

(c) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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 equity holders of the parent of the Group and to the non-controlling interests, even if it results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer, this standard does not apply.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments have had no significant impact on the Group's financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments have had no impact on the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments have had no significant impact on the Group's financial statements.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRSs and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRSs electing to use the equity method in its separate financial statements, they are required to apply this method from the date of transition to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments have had no impact on the Group's consolidated financial statements.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1

- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated

- That entities have flexibility as to the order in which they present the notes to financial statements

- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments are applied retrospectively and did not have any impact on the Group as the Group did not apply the consolidation exception.

Annual Improvements to IFRSs 2012–2014 Cycle

These improvements include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to the owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment is applied prospectively.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures need not be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.

These amendments have had no impact on the Group.

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, construction of ancillary public facilities;

- Urbanization development segment, which is responsible for investments in new town projects; and
- 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 or 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 (2015: 100% in Shanghai) of the revenue in the Year.

An analysis by operating segment is as follows:

RMB'000	**For the year ended 31 December 2016**				
	Land development	**Urbanization development**	**Others**	**Adjustments and eliminations**	**Total**
Segment results					
External sales	**21,862**	**202,868**	**19,842**	**–**	**244,572**
Intersegment sales	**–**	**–**	**–**	**–**	**–**
Total segment sales	**21,862**	**202,868**	**19,842**	**–**	**244,572**
Results					
Depreciation	**(1,938)**	**(229)**	**(310)**	**–**	**(2,477)**
Amortization	**(377)**	**(320)**	**–**	**–**	**(697)**
Share of loss of a joint venture	**(703)**	**–**	**(501)**	**–**	**(1,204)**
Segment (loss)/profit	**(64,191)**	**163,824**	**75,766**	**(104,595)**[1]	**70,804**
Segment assets	**2,027,080**	**3,544,264**	**2,470,604**	**70,023**[2]	**8,111,971**
Segment liabilities	**1,080,585**	**178,964**	**76,426**	**2,498,129**[3]	**3,834,104**
Other disclosures					
Investment in a joint venture	**50,000**	**–**	**–**	**–**	**50,000**
Capital expenditure[4]	**3**	**669**	**85**	**–**	**757**

1 Profit/(loss) for each operating segment of continuing operations does not include finance costs of RMB104.6 million.

2 Assets in segments do not include deferred tax assets of RMB70.0 million as these assets are managed on a group basis.

3 Liabilities in segments do not include current income tax liabilities of RMB383,740 thousand, senior guaranteed notes of RMB1,294,201 thousand, interest-bearing bank and other borrowings of RMB796,478 thousand, and deferred tax liabilities of RMB23,710 thousand as these liabilities are managed on a group basis.

4 Capital expenditure of continuing operations is additions of property, plant and equipment of RMB757 thousand.

RMB'000	For the year ended 31 December 2015				
	Land development	Urbanization development[5]	Others	Adjustments and eliminations	Total
Segment results					
External sales	67,022	96,940	–	–	163,962
Intersegment sales	–	–	–	–	–
Total segment sales	67,022	96,940	–	–	163,962
Results					
Depreciation	(1,704)	(118)	(162)	–	(1,984)
Amortization	(377)	(126)	–	–	(503)
Share of loss of a joint venture	–	–	(51)	–	(51)
Segment profit/(loss)	30,621	64,702	62,130	(69,230)[1]	88,823
Segment assets	1,742,087	2,101,636	2,182,186	4,859,707[2]	10,885,616
Segment liabilities	1,211,011	12,836	88,828	5,688,519[3]	7,001,194
Other disclosures					
Investment in a joint venture	–	–	10,646	–	10,646
Capital expenditure[4]	371	470	364	7,838	9,043

1 Profit/(loss) 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.

5 The 2015 comparative information of the urbanization development segment has been restated to conform with the current year's presentation and disclosures.

5. REVENUE

RMB'000	*Notes*	**2016**	2015 Restated
Land development	*(a)*	**21,862**	67,022
Urbanization development	*(b)*	**205,841**	103,127
Sales of goods		**20,009**	–
Less: Tax and surcharges		**(3,140)**	(6,187)
		244,572	163,962

(a) During the year ended 31 December 2016, all the revenue of RMB22 million (2015: RMB67 million) in respect of the Group's land development was derived from the development of ancillary public facilities, based on the progress of completion.

(b) Prior to 2015, the Group invested in various urbanization projects and related returns were presented as Other Income. In 2016, the Group's management continued its investments in this area and greater efforts and emphasis were made to develop and strengthen investments in urbanization projects. In accordance with its revised strategy, the Group believes that such investments is now a key business revenue generator as it is able to invest in a wide pool of high quality urbanization projects nationwide together with CDB and CDB Capital, leveraging their extensive resources and network. The business has also evolved from financing a handful of urbanization projects in the past to investments in a diversified portfolio of investments, with the Group investing and participating in primary land development and downstream business cultivation and operation, affirming that investment in urbanization development is the Group's principal activity.

Therefore, the Group presented returns from urbanization development, previously classified as Other Income, as Revenue to reflect such changes. The 2015 comparative information was restated to conform with the current year's presentation and disclosures.

The revenue from urbanization development was mainly consist of interests from loans and receivables of RMB193,729 thousand (2015: RMB103,127 thousand) and dividends from investment funds of RMB6,804 thousand (2015: nil) and fees from assets management of RMB5,308 thousand (2015: nil).

The detailed information of revenue from urbanization development is as follows:

	2016	2015
Interest income		
CDB Yuhua Project	**64,235**	83,626
Danyang Public Private Partnership	**24,878**	10,978
Danyang Xinmeng River Project	**17,576**	600
Yangzhou Airport New Town Project	**26,001**	–
Zhengzhou Heizhuzhuang Urban Village Reconstruction Project	**19,443**	–
Danyang Zhongbei College Development Project	**7,382**	–
Qinhuangdao Project	**5,451**	–
Changzhou New-Tech Economic Development Zone	**2,371**	–
Others	**26,392**	7,923
Dividend income		
CDB (Beijing) — BOCOMM New-Type Urbanization Development Fund	**6,804**	–
Fee from assets management	**5,308**	–
	205,841	103,127

6. OTHER INCOME AND OTHER EXPENSES

Other income

RMB'000	**2016**	2015
Interest income from bank deposits	**34,816**	37,941
Net fair value gain on financial assets/liabilities at fair value through profit or loss	**10,184**	2,925
Foreign exchange gain, net	**–**	1,483
Reversal of bad debt provision	**–**	1,500
Others	**13,516**	3,026
	58,516	46,875

Other expenses

RMB'000	**2016**	2015
Bank charges	**97**	505
Net loss on disposal of prepaid land lease payment, property, plant and equipment	**38,417**	–
Impairment of doubtful debts	**13,146**	2,803
Foreign exchange loss, net	**4,179**	–
Others	**1,719**	213
	57,558	3,521

7. EXPENSES BY NATURE

RMB'000	**2016**	2015
Cost of land development	**29,099**	12,445
Cost of goods sold	**17,065**	–
Depreciation of property, plant and equipment	**2,477**	1,984
Amortisation of prepaid land lease payments	**377**	377
Audit fees and non-audit fees	**5,710**	6,679
Audit fees		
— Auditor of the Company	**4,150**	3,600
— Other auditors	**359**	355
Non-audit fees		
— Auditor of the Company	**–**	–
— Other auditors	**1,201**	2,724
Employee benefits	**51,292**	47,388
Utility expenses	**930**	884
Property tax, stamp duty and land use tax	**586**	441
Advertising	**801**	–
Rental expense	**12,439**	5,743
Property management service expenses	**7,774**	8,688
Intermediary and professional service charges	**24,150**	8,714
Other expenses	**19,671**	16,847
Total cost of sales, selling and administrative expenses	**172,371**	110,190

8. FINANCE COSTS

RMB'000	2016	2015
Interest on bank and other borrowings	**26,138**	19,783
Interest on senior guaranteed notes	**75,406**	49,447
Interests attributable to other interest holders of Jiangsu Fund	**3,051**	–
	104,595	69,230
Less: Interest capitalised	**–**	–
	104,595	69,230

9. GAIN ON DISPOSAL OF A JOINT VENTURE/ASSETS AND LIABILITIES RELATING TO DISCONTINUED OPERATIONS

For the year ended 31 December 2016

In 2016, CDBC New Town (Changchun) Construction and Development Co., Ltd. ("CDBC Changchun"), a wholly-owned subsidiary of the Group, entered into an agreement with Changchun New Town Automobile Industry Construction Co., Ltd. ("CCJV") and Changchun Kaida Development Co., Ltd. ("Changchun Kaida"), a subsidiary of the Administrative Committee of Changchun Automotive Economic-Technology Development Zone (the "Changchun Committee") to sale the 50% equity interest of CCJV to Changchun Kaida for a total consideration of RMB113,538 thousand, of which RMB110,133 thousand will be paid in five years. CDBC Changchun will receive annual interest of 10% pre-tax on its uncollected considerations from Changchun Kaida during the period. As a result, the 50% equity interest in CCJV was derecognised and a loan and receivable of RMB110,133 thousand with annual interest rate of 10% pre-tax was recognised. CCJV is no longer a joint venture thereafter.

In February 2016, with the consent of SREI, Shenyang Lixiang New Town Modern Agriculture Co., Ltd. ("Shenyang Lixiang"), the Company, SREI and Shenyang Lake Malaren Country Club Co., Ltd. ("SY Club") entered into a supplementary agreement based on the Disposal Master Agreement to dispose of Shenyang disposal assets to SY Club for a consideration of RMB154,652,555. The disposal consideration of RMB2,069,832,594 set out in the Disposal Master Agreement will therefore be reduced by RMB154,652,555 as a result.

In April 2016, the Company entered into an agreement regarding the disposal of a number of Disposal Assets with SRE and SREI, certain Disposal Assets would be disposed of to SRE (the "Shanghai Disposal Assets"). The consideration was RMB238,248,140, which was consistent with the consideration amount for the Shanghai Disposal Assets set out in the Disposal Master Agreement. As the relevant conditions have been satisfied, the Disposal Assets are derecognised from the statement of financial position. As a result, a disposal gain of RMB322,971 thousand before tax was recognised for Shanghai Disposal Assets. This completes the disposal of all the Disposal Assets. As at 31 December 2016, the total consideration amounting to RMB238,248,140 was fully received.

As at the date of disposal	**Proportion share of CCJV**	**Assets and liabilities relating to discontinued operations**
Net assets disposed of:		
Property, plant and equipment	389	1,546,184
Completed investment properties	–	55,039
Investment properties	–	698,000
Prepaid land lease payments — current	–	418,200
Properties under development for sale	–	1,821,419
Other assets	18	66,631
Prepaid land lease payments — non-current	–	146,851
Inventories	–	1,867
Prepayments	50,000	39,319
Other receivables	1,037,897	518,022
Trade receivables	–	15,044
Cash and bank balances	150,192	56,232
Interest-bearing bank and other borrowings	(1,050,000)	(664,584)
Deferred income from sale of golf club membership	–	(441,300)
Trade payables	–	(510,241)
Other payables and accruals	(28,402)	(3,331,431)
Advance from customers	(150,000)	(424,467)
Current income tax liability	–	(4,665)
	10,094	6,120
Non-controlling interests	–	38,503
Gain on disposal of a joint venture/assets and liabilities relating to discontinued operations before tax	103,444	348,277
Consideration	113,538	392,901

Gain on disposal of assets and liabilities relating to discontinued operations after tax was RMB301,277 thousand after deducting income tax of RMB47,000 thousand.

For the year ended 31 December 2015

In November 2015, China New Town Development (Changchun) Company Limited, a wholly-owned subsidiary of the Group, entered into an agreement with Changchun Kaida, a subsidiary of the Changchun Committee, for the sale of 30% equity interest in CCJV to Changchun Kaida for a consideration of RMB66.28 million. Immediately upon completion of the transaction in November 2015, the Group's equity interest in CCJV decreased from 80% to 50% and the Group lost control over CCJV thereafter. The net consideration of RMB66.27 million, after immediately deducting a withholding tax of RMB14 thousand, was fully received by 31 December 2015. CCJV does not constitute part of the Disposal Assets.

In February and March 2015, with the consent of SREI, Shanghai Golden Luodian Development Co., Ltd. ("SGLD") entered into an agreement to dispose of five subsidiaries to Black Eagle (Shanghai) Investment Management Co., Ltd. ("Black Eagle (Shanghai)") for RMB14,573,952. For the disposal of the assets and liabilities of the five subsidiaries, consideration attributable to SREI in relation to assets and liabilities belonging to the Disposal Assets was RMB14,573,952. The disposal consideration of RMB2,069,832,594 set out in the Disposal Master Agreement will therefore be reduced by RMB14,573,952 as a result. The consideration was settled by net-off against the advances received for the settlement of the Disposal Assets.

In July 2015, with the consent of SREI, the Company entered into an agreement to dispose of New Town Procurement Co., Ltd. and its two subsidiaries to Black Eagle Investment Advisors Limited ("Black Eagle Advisors") for a net consideration of RMB21,591,582, after immediately deducting a withholding tax of RMB2,399,065. For the disposal of the assets and liabilities of the subsidiaries, consideration attributable to SREI in relation to assets and liabilities belonging to the Disposal Assets was RMB23,990,647. The disposal consideration of RMB2,069,832,594 set out in the Disposal Master Agreement will therefore be reduced by RMB23,990,647 as a result. As at 31 December 2016, the net consideration amounting to RMB21,591,582 was still outstanding.

As at the date of disposal	**CCJV**	**Assets and liabilities relating to discontinued operations**
Net assets/(liabilities) disposed of:		
Property, plant and equipment	672	24,516
Other assets	59	1,531
Inventories	–	2,645
Prepayments	–	3,134
Other receivables	58,249	287,803
Trade receivables	–	87,075
Cash and bank balances	351	6,245
Interest-bearing bank and other borrowings	–	(84,950)
Trade payables	–	(77,257)
Other payables and accruals	(38,039)	(269,461)
Advance from customers	–	(5,363)
Current income tax liability	–	(6,878)
	21,292	(30,960)
Non-controlling interests	(4,743)	1,842
Fair value of retained investments	(10,646)	–
Gain on disposal of subsidiaries/assets and liabilities relating to discontinued operations before tax	60,378	67,683
Consideration	66,281	38,565

The Group disposed of Wuxi Project Group in 2014. As at 31 December 2016, the remaining consideration amounting to RMB59,940 thousand was still outstanding.

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a joint venture/assets and liabilities relating to discontinued operations is as follows:

Year ended 31 December 2016	**CCJV**	**Assets and liabilities relating to discontinued operations**
Cash received	**–**	**238,248**
Cash and bank balances disposed of	**–**	**(56,232)**
Net inflow of cash and cash equivalents in respect of the disposal of a joint venture/assets and liabilities relating to discontinued operations	**–**	**182,016**

Year ended 31 December 2015	CCJV	Assets and liabilities relating to discontinued operations
Cash received	66,281	–
Cash and bank balances disposed of	(351)	(6,245)
Net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries/assets and liabilities relating to discontinued operations	65,930	(6,245)

10. 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 BVI.

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 People's Republic of China (the "PRC").

Mainland China Withholding Tax

Pursuant to the laws governing the PRC Corporate Income Tax, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. 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 the PRC Corporate Income Tax, a member of the Group, who is not a tax resident in the jurisdiction of the PRC, is subject to withholding tax at 10% on the incomes from Mainland China, such as interest income and gains from disposal of equity investments. 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 determined that such withholding tax is an income tax in the scope of IAS 12 and has recognised such withholding taxes as a tax expense in the statement of profit or loss and other comprehensive income.

The major components of income tax are:

RMB'000	2016	2015
Income tax charge/(credit):		
Current income tax	**2,176**	2,015
Deferred tax	**(11,273)**	(15,042)
Withholding tax	**12,748**	7,773
Income tax charge/(credit) as reported in profit or loss	**3,651**	(5,254)

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 2016

RMB'000	CNTD and BVI companies		Mainland China		Total	
Profit before tax	**17,752**		**53,052**		**70,804**	
Tax at the statutory tax rate	**4,438**	**25.0%**	**13,263**	**25.0%**	**17,701**	**25.0%**
Effect of subsidiaries applying non-statutory tax rate	**(4,438)**	**-25.0%**	**(574)**	**-1.1%**	**(5,012)**	**-7.1%**
Non-deductible expenses for tax purposes	**–**	**–**	**3,780**	**7.1%**	**3,780**	**5.3%**
Income not subject to tax	**–**	**–**	**(24,884)**	**-46.9%**	**(24,884)**	**-35.1%**
Utilisation of previously unrecognised of tax losses			**(5,962)**	**-11.2%**	**(5,962)**	**-8.4%**
Unrecognised tax losses			**5,280**	**10.0%**	**5,280**	**7.5%**
Effect of withholding tax	**12,748**	**71.8%**	**–**	**–**	**12,748**	**18.0%**
Income tax as reported in the statement of profit or loss and other comprehensive income	**12,748**	**71.8%**	**(9,097)**	**-17.1%**	**3,651**	**5.2%**

Year ended 31 December 2015

RMB'000	CNTD and BVI companies		Mainland China		Total	
Profit before tax	97,764		(9,541)		88,223	
Tax at the statutory tax rate	24,441	25.0%	(2,385)	25.0%	22,056	25.0%
Effect of subsidiaries applying non-statutory tax rate	(24,441)	-25.0%	–	–	(24,441)	-27.7%
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%

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:

RMB'000	Consolidated statement of financial position 2016	2015	Consolidated statement of profit or loss and other comprehensive income 2016	2015
Deferred tax assets/(liabilities)				
Net difference between net carrying amount of land development for sale and their tax base	**30,048**	32,608	**(2,560)**	(392)
Accrued expense	**1,504**	4,426	**(2,922)**	826
Losses available for offsetting against future taxable income	**31,363**	14,608	**16,755**	14,608
Provision for impairment of receivables	**4,549**	4,549	**–**	–
Effect of withholding tax at 10% on the distributable profits of the Group's subsidiaries in Mainland China	**(21,151)**	(21,151)	**–**	–
Net deferred tax assets	**46,313**	35,040		
Deferred income tax credit			**11,273**	15,042

Deferred tax movements:

RMB'000	2016	2015
As at 1 January	**35,040**	19,998
Tax income recognized in profit or loss	**11,273**	15,042
As at 31 December	**46,313**	35,040
Deferred tax assets	**70,023**	56,191
Deferred tax liabilities	**(23,710)**	(21,151)

11. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated profit attributable to equity holders of the parent for the years ended 31 December 2016 and 2015 includes a profit of RMB876,676 thousand and a profit of RMB100,227 thousand, respectively, which have been dealt with in the financial statements of the Company.

12. DIVIDEND

No final dividend to the shareholders has been proposed by the Company in respect of the year ended 31 December 2016 (2015: nil)

13. 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 2016 and 2015.

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

RMB'000	**2016**	2015
Profit/(loss) attributable to ordinary equity holders of the parent		
Continuing operations	**104,544**	106,501
Discontinued operations	**218,111**	(41,360)
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	**322,654**	65,141
Weighted average number of ordinary shares used to calculate to basic and diluted earnings/(loss) per share	**9,846,119,747**	9,846,119,747
Basic and diluted earnings per share (RMB)	**0.0328**	0.0066
Basic and diluted earnings per share from continuing operations (RMB)	**0.0106**	0.0108
Basic and diluted earnings/(loss) per share from discontinued operations (RMB)	**0.0222**	(0.0042)

There was no transactions involving ordinary shares or potential ordinary shares during the year. Pursuant to the Company's circular dated 21 December 2016 in relation to the proposed voluntary delisting from the Official List of the SGX-ST, 119,873,330 Shares had been validly tendered and cancelled on 14 February 2017 (Note 29).

14. DISCONTINUED OPERATIONS

In October 2013, the Company entered into an agreement with 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. Therefore the Company classified the specified assets and liabilities not relating to the Group's main principle business as held for sale, and excluded the operating results and disclosed separating as discontinued operations.

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

RMB'000	Year ended 31 December 2016	Year ended 31 December 2015
Revenue	**116,612**	151,483
Cost of sales	**(60,745)**	(85,547)
Gross profit	**55,867**	65,936
Other income	**907**	1,100
Selling and distribution costs	**(11,542)**	(17,740)
Administrative expenses	**(44,988)**	(69,791)
Other expenses	**(707)**	(25,254)
Operating loss from discontinued operations	**(463)**	(45,749)
Finance costs	**(33,602)**	(75,888)
Loss before tax from discontinued operations	**(34,065)**	(121,637)
Income tax	**–**	(3,722)
Loss for the year from discontinued operations	**(34,065)**	(125,359)
Gain after tax on disposal of assets and liabilities relating to discontinued operations	**301,277**	67,683
Total profit/(loss) for the year from discontinued operations	**267,212**	(57,676)

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

RMB'000	Year ended 31 December 2016	Year ended 31 December 2015
Operating	**612,647**	307,985
Investing	**(11,418)**	(44,335)
Financing	**(556,216)**	(333,804)
Net cash inflow/(outflow)	**45,013**	(70,154)

Earnings/(loss) per share (RMB):	Year ended 31 December 2016	Year ended 31 December 2015
Basic and diluted profit/(loss) for the year from discontinued operations	**0.0222**	(0.0042)

Upon the completion of Shanghai Disposal Assets, all the Disposal Assets was completed and the assets and liabilities classified as held for sales was derecognised from the Group's financial statement.

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

RMB'000	2015
Assets:	
Investments in an associate	200
Property, plant and equipment	1,609,322
Completed investment properties	698,000
Prepaid land lease payments — long-term	146,851
Non-current trade receivables	–
Deferred tax assets	27,358
Other assets	40,714
Properties under development for sale	1,589,023
Prepaid land lease payments — short-term	443,638
Inventories	1,998
Prepayments	9,322
Other receivables	199,184
Trade receivables	2,059
Prepaid income taxes	25,158
Cash and bank balances	10,689
Assets classified as held for sale	4,803,516
Liabilities:	
Non-current interest-bearing bank and other borrowings	688,619
Deferred revenue arising from sale of golf club memberships	453,296
Deferred tax liabilities	4,665
Interest-bearing bank and other borrowings	488,471
Trade payables	412,734
Other payables and accruals	1,037,212
Advances from customers	281,223
Current income tax liabilities	–
Liabilities directly associated with assets classified as held for sale	3,366,220
Net assets directly associated with Assets Disposal	1,437,296

15. PROPERTY, PLANT AND EQUIPMENT

RMB'000	Buildings	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
Original cost					
At 1 January 2015	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
Additions	–	757	–	–	757
Acquisition of subsidiaries	–	773	238	–	1,011
Disposals	(41,561)	(214)	(2,216)	–	(43,901)
At 31 December 2016	13,129	9,287	11,244	–	33,660
Accumulated depreciation					
At 1 January 2015	15,937	7,621	12,716	–	36,274
Provided during the year	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
Provided during the year	1,783	574	165	–	2,522
Acquisition of subsidiaries	–	191	82	–	273
Disposals	(12,261)	(301)	(1,806)	–	(14,368)
At 31 December 2016	6,447	7,425	10,556	–	24,428
Impairment					
At 1 January 2015	–	–	–	–	–
Recognised during the year	–	–	–	–	–
At 31 December 2015	–	–	–	–	–
Recognised during the year	–	–	–	–	–
At 31 December 2016	–	–	–	–	–
Net carrying amount					
At 1 January 2015	38,685	569	1,865	231	41,350
At 31 December 2015	37,765	1,010	1,017	–	39,792
At 31 December 2016	6,682	1,862	688	–	9,232

16. PREPAID LAND LEASE PAYMENTS

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

RMB'000	2016	2015
In Mainland China, held on:		
— Leases of between 10 and 50 years	**2,552**	11,657

RMB'000	2016	2015
At beginning of year	**11,657**	12,034
Disposed	**(8,728)**	–
Amortisation charged to profit or loss	**(377)**	(377)
At the end of the year	**2,552**	11,657

17. LAND DEVELOPMENT FOR SALE

RMB'000	2016	2015
At lower of cost and net realisable value:		
Mainland China	**1,562,429**	1,546,483

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.

18. OTHER RECEIVABLES

RMB'000	**2016**	2015
Other receivables		
Net disposal consideration:		
— Wuxi Project	**59,940**	525,875
— Shenyang Project	**154,653**	–
— Procurement and its subsidiaries	**21,592**	21,592
Balances due from:		
— Wuxi Project	**336,656**	738,027
— Shanghai Project	**208,471**	–
— Shenyang Project	**33,743**	–
Interests receivable from loans and receivables	**72,639**	75,293
Due from a joint venture	**94,214**	–
Balances due from entities disposed of	**43,867**	14,866
Others	**44,470**	40,074
Other receivables, net	**1,070,245**	1,415,727

An aged analysis of the other receivables is as follows:

RMB'000		**2016**	
	Other receivables	**Less: allowance for impairment**	**Other receivables, net**
Within 6 months	**198,857**	**–**	**198,857**
6 months to 1 year	**211,261**	**–**	**211,261**
1 year to 2 years	**23,123**	**–**	**23,123**
2 years to 3 years	**615,820**	**–**	**615,820**
Over 3 years	**21,184**	**–**	**21,184**
	1,070,245	**–**	**1,070,245**

RMB'000		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	–	–	–
	1,415,727	–	1,415,727

The Group has adequately assessed the recoverability of other receivables considering the advances received for the settlement of the Disposal Assets and other credit enhancements.

19. TRADE RECEIVABLES

RMB'000	**2016**	2015
Receivables from land development for sale	**45,218**	59,218
Others	**17,190**	–
Trade receivables, net	**62,408**	59,218

An aged analysis of the trade receivables is as follows:

RMB'000		**2016**	
	Trade receivables	**Less: allowance for impairment**	**Trade receivables, net**
Within 6 months	**17,190**	**–**	**17,190**
6 months to 1 year	**–**	**–**	**–**
1 year to 2 years	**–**	**–**	**–**
2 years to 3 years	**13,000**	**–**	**13,000**
Over 3 years	**32,218**	**–**	**32,218**
	62,408	**–**	**62,408**

RMB'000		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

The above balances are unsecured and interest-free.

20. LOANS AND RECEIVABLES

	2016	2015
CDB Yuhua Project	**490,000**	490,000
Danyang Public Private Partnership	**200,000**	200,000
Danyang Xinmeng River Project	**–**	200,000
Danyang Zhongbei College Development Project	**300,000**	–
Zhenjiang Hi-tech District Affordable Housing Project	**200,000**	–
Changzhou New-Tech Economic Development Zone	**300,000**	–
Yangzhou Airport New Town Project	**300,000**	–
Qinghuangdao Project	**150,868**	–
Other loans	**126,409**	370,488
	2,067,277	1,260,488
Amounts due in next 12 months classified as current assets	**1,000,000**	570,488
Amounts classified as non-current assets	**1,067,277**	690,000

As at 31 December 2016, the Group is entitled to fixed returns ranging from 7.98% to 17.07% (2015: 7.00% to 17.07%) before tax for the loans and receivables investments. Certain contractual arrangements of these investments are equity investments in legal form but debt securities in substance.

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016	2015
Unlisted equity investments	**32,000**	32,000

In July 2015, CDBC Nanjing Investment Development Co., Ltd. ("CDBC Nanjing"), a subsidiary of the Company, entered into an agreement to purchase a 13.89% equity interest in Jiangsu Hong-tu software Venture Capital Investment Ltd.

22. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2016	2015
Financial assets designated as at fair value through profit or loss			
— Funds	*(a)*	**98,610**	68,874
— Wealth Management Products	*(b)*	**720,063**	–
		818,673	68,874

(a) In June 2015, CDBC New Town (Beijing) Asset Management Co., Ltd. ("CDBC New Town"), a wholly-owned subsidiary of the Company, 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. As at 31 December 2016, CDBC New Town had invested RMB85.449 million to the partnership which had in turn invested in various debt and equity investments (2015:RMB65.949 million). The management of the Group has designated such investments at fair value through profit or loss. A fair value gain of RMB10.236 million was recognized during 2016.

(b) In 2016, CDBC New Town purchased wealth management products issued by Industrial and Commercial Bank of China ("ICBC") and Bank of Communications ("BOCOMM") for short term cash management, amounting to RMB720.063 million as at 31 December 2016.

23. INTEREST-BEARING BANK AND OTHER BORROWINGS

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

RMB'000	**2016**	2015
Bank and other borrowings — secured	**–**	200,000
Bank and other borrowings — guaranteed	**325,528**	324,030
Other borrowings — unsecured and unguaranteed	**470,950**	150,000
	796,478	674,030

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

RMB'000	**2016**	2015
Within 6 months	**505,950**	150,000
6 months to 9 months	**–**	200,000
9 months to 12 months	**15,000**	15,000
1 year to 2 years	**50,000**	50,000
2 years to 5 years	**225,528**	259,030
Over 5 years	**–**	–
	796,478	674,030

The Group's interest-bearing bank borrowings in RMB bore interest at floating rates ranging from 4.41% to 5.09% per annum for the year ended 31 December 2016 (2015: 2.42% to 5.09% per annum).

As at 31 December 2016, the Group's other borrowing from a related party of RMB320,950 thousand bore interest at a fixed rate of 2.5% per annum.

Bank borrowings — secured

Bank borrowings of RMB200,000 thousand had been fully repaid during 2016.

Bank and other borrowings — guaranteed

As at 31 December 2016, bank borrowings of RMB325,528 thousand were guaranteed by CDB Capital (2015: RMB324,030 thousand).

Other borrowings — unsecured and unguaranteed

As at 31 December 2016, the Group's unsecured other borrowing of RMB320,950 thousand is a short-term loan from a related party CDBIH (2015:nil). The other borrowing of RMB150,000 thousand is an interest-free loan from Shanghai Luodian Old Town Real Estate Limited (2015: RMB150 million).

24. 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 2016 were as follows:

RMB'000	**2016**	2015
At the beginning of year	**1,301,460**	–
Net proceeds of senior guaranteed notes issued	**–**	1,288,057
Accrued interest expenses	**75,406**	49,447
Interest payment	**(71,893)**	(36,044)
At the end of year	**1,304,973**	1,301,460
Categorised as current liabilities	**10,772**	10,970
Categorised as non-current liabilities	**1,294,201**	1,290,490

25. DEFERRED REVENUE

RMB'000	*Note*	**2016**	2015
Deferred revenue arising from:			
Land development for sale	*(i)*	**352,794**	352,794

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 received or receivable are non-refundable unless the Group fails to complete the development work. The deferred revenue is classified as a current liability as the remaining development work is expected to be provided within the normal operating cycle.

26. TRADE PAYABLES

RMB'000	2016	2015
Payable for land development for sale	**105,814**	149,365
Others	**8,652**	577
	114,466	149,942

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

RMB'000	2016	2015
Within 1 year	**31,728**	577
1 to 2 years	**136**	12,554
Over 2 years	**82,602**	136,811
	114,466	149,942

* Trade payables are non-interest-bearing.

27. OTHER PAYABLES AND ACCRUALS

RMB'000	2016	2015
Payroll and welfare	**13,400**	13,478
Accrued coupon interest of senior guaranteed notes	**10,772**	10,970
Other taxes payable:		
Business tax payable	**12,715**	13,685
Property tax payable	**31**	32
Value-added tax payable	**10,417**	–
Other miscellaneous tax	**2,092**	1,215
Receipts in excess of the Group's estimated share of land sales proceeds	**26,477**	26,477
Payable for expense incurred in application for National AAAA Tourist Attraction (Luodian New Town)	**2,412**	3,200
Amounts due to related parties	**8,131**	36,908
Payable for Intermediary and professional service charges	**17,709**	9,721
Balances due to entities disposed of	**34,098**	101,410
Others	**72,935**	53,868
	211,189	270,964

Terms and conditions of the above liabilities:

- 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.

28. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

In 2016, CDBC New Town and Sheng Qi Investment Fund Management ("Sheng Qi IFM"), both are wholly-owned subsidiaries of the Company, entered into a limited partnership agreement (the "Limited Partnership Agreement") with CIB Wealth Management Co., Ltd. ("CIB"), and CDB Jingcheng (Beijing) Investment Fund Company Limited ("CDB Fund"), in relation to the establishment of an investment partnership, CDBC New Town (Jiangsu) New-type Urbanization Development Fund (Limited Partnership) ("Jiangsu Fund"). Sheng Qi IFM is the general partner. As at 31 December 2016, CIB as the senior-tranche limited partner, and CDB Fund as the intermediate-tranche limited partner have contributed capital of RMB119 million to the Jiangsu Fund. Such interests held by other interest holders are presented as financial liabilities at fair value through profit or loss in the Group's financial statement.

29. SUBSEQUENT EVENT

Pursuant to the Company's circular to shareholders dated 21 December 2016 in relation to the proposed voluntary delisting from the Official List of the SGX-ST by way of selective share buyback (the "Selective Share Buyback"), the Extraordinary General Meeting ("EGM") of the Company was held on 17 January 2017 which approved the Selective Share Buyback. The Selective Share Buyback became effective and binding on 14 February 2017 and shares which have been validly tendered pursuant to the Selective Share Buyback at or prior to the latest tender time were cancelled on such effective date. As a result, 119,873,330 shares of issued share capital were tendered and the remaining shares were delisted from the SGX-ST on 17 February 2017 and began to be traded on the HKEx from 6 March 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Fair review of development of business of the Group during the financial year and of their financial position at the end of the year:

Operating Results

Revenue

Our results from operation mainly include fixed-income investments in urbanization projects, sharing of land sale proceeds in some projects and downstream operations in urbanization. In 2016, the Group recorded revenue of RMB245 million, increased by 49.2% as compared to that of the year ended 31 December 2015 (the "Year 2015"), primarily because investment gain in urbanization projects in 2016 was RMB206 million, increased by 99.6% as compared with that of last year. In 2016, we recorded revenue of RMB21.86 million related to land development. This was due to the facilities fee earned at SGLD. Besides, sales of goods from CDBC Modern Agricultural Investment Management (Beijing) Co., Ltd. ("CDBC Beijing Agricultural") and CDBC Chengdu Agricultural Development Co., Ltd. ("CDBC Chengdu Agricultural") recorded RMB20 million.

Other income

In the year of 2016, other income amounted to RMB58.52 million, an increase of RMB11.64 million as compared to that of Year 2015. It was mainly due to an increase of net fair value gain on financial assets of RMB7.31 million as compared to that of Year 2015.

Cost of sales

In the year of 2016, cost of sales amounted to RMB46.14 million, 2.7 times more than that of Year 2015, mainly because the cost of goods sold from CDBC Beijing Agricultural and CDBC Chengdu Agricultural recorded RMB17.07 million. Besides, we recorded RMB29.1 million cost of land development. This was due to the corresponding cost of the facilities fee including cost to rectify certain facilities for SGLD.

Selling and administrative expense

In 2016, selling and administrative expenses increased by RMB28.46 million as compared to that of Year 2015. It was mainly due to an increase of staff costs of RMB3.9 million at CDBC New Town, CDBC Beijing Agricultural and CDBC Chengdu Agricultural, an increase of office rental expenses of RMB6.7 million, and an increase of intermediary service charges of RMB13.6 million.

Other expenses

In 2016, other expenses of RMB57.56 million increased by RMB54.04 million as compared to that of Year 2015. Such increase in expenses was mainly due to net loss on disposal of the properties and related prepaid land lease payment of SGLD of RMB38.42 million, and an impairment on other receivables amounting to RMB13.15 million.

Finance costs

In 2016, the Group recorded net finance costs of RMB105 million, including interest expenses on bank and other borrowings of RMB26.14 million which was an increase of RMB6.36 million as compared to that of Year 2015. Such increase was mainly due to an increase in the average balance on bank and other borrowings as well as a higher bank loan rate during the year. In addition, the issuance of RMB senior guaranteed notes in 2015 resulted in interest expenses of RMB75.41 million in the year of 2016, which increased RMB25.96 million compared to that of Year 2015. In 2016, the interest expense attributed to other interest holders of Jiangsu Fund increased by RMB3.05 million.

Gain on disposal of subsidiaries and a joint venture

In 2016, CDBC Changchun, a wholly-owned subsidiary of the Group, entered into an agreement with CCJV, and Changchun Kaida, a subsidiary of Changchun Committee, to sale the 50% equity interest of CCJV to Changchun Kaida for a total consideration of RMB113,538 thousand, of which RMB110,133 thousand will be paid in five years. CDBC Changchun will receive annual interest of 10% pre-tax on its uncollected considerations from Changchun Kaida during the period. As a result, the 50% equity interest in CCJV was derecognised and a loan and receivable of RMB110,133 thousand with annual interest rate of 10% pre-tax was recognised. CCJV is no longer a joint venture thereafter. The equity carrying amount has been written down in previous financial years. Accordingly, it recorded an disposal gain of RMB103,444 thousand in 2016. In 2015, the Group disposed 30% of equity interest in CCJV, resulting in a gain of RMB60.38 million.

Taxation

In the year of 2016, the Group recorded an income tax of RMB3.65 million, such income tax mainly attributable to: (i) current income tax of RMB2.18 million; (ii) deferred tax asset credit of RMB11.27 million; and (iii) withholding tax of RMB12.75 million.

Financial Position

Investment in a joint venture

The balance as at 31 December 2016 increased by RMB38.70 million as compared with the balance as at the end of 2015, mainly because the Group held 50% equity of Beijing Guowan Real Estate Co., Ltd. ("Guowan") this year. CDBC New Town and Beijing Vanke Enterprises Co. Ltd. ("Vanke BJ") entered into an agreement for the overall development of Mentougou District Junzhuang Town Project, pursuant to which Guowan was established (please refer to the announcement of the Company dated 26 October 2016). Besides, the Group has changed investment pattern of CCJV. The Group's original 50% equity interest in the equity investment of CCJV has been changed to fixed-income debt investment. After the change, the Group no longer held the equity interest of CCJV.

Loans and receivables (non-current assets)

The 2016 year-end balance of loans and receivables (non-current assets) amounted to RMB1,067 million, an increase of RMB377 million as compared with the balance as at the end of 2015. This was due to the new investment in loans and receivables of RMB300 million to Yangzhou Airport New Town Project, RMB150 million to Qinhuangdao Project, RMB16.27 million to Changchun Pipeline Project, fixed-income debt investment of principal amount of RMB110.13 million of CCJV, and the Group's investment into Danyang Public Private Partnership amounting to RMB200 million was reclassified into loans and receivables (current assets).

Financial assets at fair value through profit or loss

The balance as at 31 December 2016 increased by RMB749.8 million as compared with the balance as at the end of 2015, mainly because of CDBC New Town contributed capital of RMB19.50 million towards the Urbanization Fund and according to the result of the valuation, a fair value gain of RMB10.23 million was recorded as other income. In 2016, CDBC New Town purchased wealth management products issued by ICBC and BOCOMM for short term cash management, amounting to RMB720.063 million as at 31 December 2016.

Property, plant and equipment

The balance as at 31 December 2016 decreased by RMB30.56 million as compared with the balance as at the end of 2015, mainly because the disposal of properties of SGLD.

Prepaid land lease payments

The balance as at 31 December 2016 decreased by RMB9.10 million as compared with the balance as at the end 2015, mainly because the corresponding land use right of the disposal of properties of SGLD.

Other receivables

The balance as at 31 December 2016 decreased by RMB345 million as compared with the balance as at the end of 2015, mainly due to the decrease of net disposal consideration of RMB311 million compared with the end of the last year, the decrease of balances due from the disposal projects of RMB159 million, and the increase of due from a joint venture of RMB94.21 million.

Loans and receivables (current assets)

The 2016 year-end balance of loans and receivables amounted to RMB1 billion. This was due to the Group's investment of RMB300 million into Danyang Zhongbei College Development Project, RMB200 million into Zhenjiang Hi-tech District Affordable Housing Project and RMB300 million into Changzhou New-Tech Economic Development Zone for Urbanization Renovation Project. Besides, the Group's investment into Danyang Public Private Partnership amounting to RMB200 million was reclassified.

Other current assets

The balance as at 31 December 2016 was increased by RMB6.28 million as compared with the balance as at the end of 2015. Such increase was mainly due to the Group's acquisition of CDBC Chengdu Agricultural which includes the agricultural and sideline products.

Senior guaranteed notes

The balance as at 31 December 2016 increased by RMB3.711 million as compared with the balance as at the end of 2015, due to the measurement at amortized cost. The interest expense adjustment on the senior guaranteed notes during the Year was RMB3.513 million, resulting in an increase in the balance of RMB1,294 million categorized as non-current liabilities.

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

The balance as at 31 December 2016 was RMB276 million, decreasing RMB33.5 million as compared with the balance as at the end of 2015. This was mainly due to a new loan amounting to RMB15 million during the Year, and reclassification of RMB50 million long-term borrowings into the interest-bearing bank and other borrowings (current liabilities).

Interest-bearing bank and other borrowings (current liabilities)

The balance as at 31 December 2016 increased by RMB156 million as compared with the balance as at the end of 2015. This was mainly due to the loan from CDBIH, a related party, of RMB321 million, a repayment of a loan of RMB200 million, and a loan of RMB50 million reclassified from interest-bearing bank and other borrowings (non-current liabilities).

Trades payables

The balance as at 31 December 2016 was reduced by RMB35.48 million as compared with the balance as at the end of 2015. This reduction was mainly attributable to the payment of trade payables balance recorded at the end of 2015 during 2016, which mainly included the payment of relocation costs of SGLD amounting to RMB42 million.

Other payables and accruals

The balance as at 31 December 2016 was decreased by RMB59.78 million as compared with the balance as at the end of 2015. This movement was mainly due to: (i) the decrease of amounts due to related parties of RMB28.78 million and balances due to entities disposed of RMB67.31 million; (ii) an increase of payable for intermediary service charges of RMB7.99 million; and (iii) as Mainland China fully implemented replacing business tax with value-added tax in the year 2016, the balance of value-added tax payable increased by RMB10.42 million as the operation.

Financial liabilities at fair value through profit or loss

The balance as at 31 December 2016 increased by RMB119 million as compared with the balance as at the end of 2015, mainly because of the contribution of interest of Jiangsu Fund by CIB as the senior-tranche limited partner, and CDB Fund as the intermediate-tranche limited partner.

Cash and bank balances

Overall, cash and cash equivalents (excluding restricted cash) for the year increased by RMB976 million as compared with the balance as at the end of 2015, with a total balance of RMB2.35 billion as at 31 December 2016, mainly due to net operating cash inflow of RMB316 million, net investing cash inflow of RMB863 million, and partly offset by net financing cash outflow of RMB222 million during the Year.

Gearing ratio (defined as net debt/the sum of shareholders equity and net debt) as at 31 December 2016 was -6.44%, which decreased dramatically as compared with 9.25% as at 31 December 2015, mainly because the Group received the consideration of certain Disposal Assets of RMB1.315 billion and the cash and bank balance increased.

Discontinued operations

On 10 October 2013, the Company, CDBIH and SREI (the then controlling shareholder of the Company) entered into the Subscription Agreement in relation to 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 a 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 (the "Disposal Agreement") with SRE and SREI, certain Disposal Assets held by SGLD will be disposed to SRE, which is consistent with the terms and conditions, and the consideration is RMB1.315 billion. As at 31 December 2016, the Group has received the whole 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 RMB301 million in 2016.

(b) Details of important events affecting the Group which have occurred since the end of the Year:

During the Year, the overall national economic performance remained reasonable in 2016 with quality and efficiency improving. Benefitting from the national supply-side reform and policies, the domestic market saw all macroeconomic data improving at a certain level. According to information released by the National Bureau of Statistics regarding national economic performance during 2016, the urban population continued improving to 57.35% of the total population (i.e. urbanization rate) by 1.25 percentage points as compared to 2015. In the meantime, the economic environment will embrace greater opportunities and challenges, as economic performance improved at a stable pace amid a weak economic foundation and the economic restructuring in the future. During 2016, the Group constantly persisted in the core development strategy of "investments + operations", sped up its own development and business transformation, and engaged in business strategy and planning focused on national important core cities. In addition, the Group intensified efforts to develop operational projects, enhanced its asset quality, and improved long-term investment returns.

With our active strategic deployment throughout 2016, the Company's investments of RMB2.067 billion in urbanization projects with fixed income under its investment portfolio generated annualized investment income of approximately RMB206 million before tax, contributing to a stable cash flow of the Group's investing and operating activities. Meanwhile, on top of ample and stable cash flow derived from investment projects with fixed income, the Group achieved positive improvements in many highly value-added urbanization projects that involve tourism, education, healthcare, and senior housing, which was selected at the beginning of the year. By pairing up with leading operators and brands at home and abroad, we will create a scenario of powerful alliance and mutual benefits. In October 2016, the Group announced partnership with Vanke BJ on developing the Junzhuang Town Project in Beijing, which focuses on urbanization projects that involve cultural ecology, senior housing, family vacation, and family bonding activities. These projects will be developed into landmark projects featuring the development and operations of consumer-based tourism and healthcare industry.

Amid the strategic restructuring of our new businesses and investments, the Group carried on the progress on the improvement of inventory assets, recovery of funds, and disposing historical burdens. In April 2016, the Group sold a series of disposal assets in Shanghai, and received the consideration in full. By the end of 2016, the Group have completed the assets disposal substantially.

During 2016, the Group placed greater importance on the capital market and the shareholders' propositions, and as a result announced its voluntary delisting from the SGX-ST by way of optional repurchase of its own shares on 18 October 2016. Delisting of Shares on SGX-ST, which was successfully approved at the EGM held in Singapore, took place in Singapore on 17 February 2017. Such delisting in Singapore will be conducive to cutting operational and managerial costs of the Group, rationalize resource allocation, and consolidate trading of shares. To deliver more revenue for our shareholders, the Group will constantly optimize its internal structure to accommodate the market demands.

(c) An indication of likely future developments in the business of the Group:

Looking into 2017, the Group will continue to follow the national new urbanization policies, strengthen the synergistic role of our shareholder in projects related to resources and business operations, and build the platform of listing and sale of land development under the strategy of CDB. In addition, to deliver stable and constant returns to our shareholders, the Group will continue to identify and diversify the drivers for its profit growth by capitalizing on our strategically incubated project pipeline, focusing on the philosophy of "Core Cities, Core Industries", and achieving mutual benefits through integration and collaboration of advanced brands at home and abroad.

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

During the year, the Company did not redeem any of its listed Shares nor did the Company or its subsidiaries purchase or sell any of such Shares. A voluntary delisting from the Official List of the SGX-ST pursuant to a conditional cash exit offer by way of selective share buyback was approved by the Shareholders at the EGM held on 17 January 2017. On 14 February 2017, the 119,873,330 Shares which had been validly tendered were cancelled, and the issued share capital of the Company has been reduced from 9,846,119,747 shares to 9,726,246,417 Shares.

CORPORATE GOVERNANCE

The Board has reviewed its corporate governance practices and ensures that the Company is in compliance with all principles and guidelines of all code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the HKEx (the "Listing Rules") throughout the year except for the code provision C.1.2 of the CG 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 the Directors to understand and well note the business performance of the Group.

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 the Directors. Specific enquiry had been made by the Company to all Directors, who have confirmed that they had complied with the Model Code throughout the Year.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2016, there were 142 (2015: 1,100) 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

The Board of Directors has resolved not to recommend the payment of the final dividend in respect of the year ended 31 December 2016 (2015: 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 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 respective websites of the Company (www.china-newtown.com), and the HKEx (www.hkexnews.hk). The 2016 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 and Executive Director

Hong Kong, 31 March 2017

As at the date of this announcement, the executive Directors, 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.