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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)

2017 FINAL RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of China New Town Development Company Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2017 (the "**Year**") together with the comparative figures for the year ended 31 December 2016 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2017
(Amount expressed in thousands of Renminbi unless otherwise stated)

	Notes	**2017**	2016
Continuing operations			
Operating income		**1,232,296**	303,088
Revenue	5	**1,151,794**	244,572
Other income	6	**80,502**	58,516
Operating expenses		**(665,085)**	(334,524)
Cost of sales	7	**(391,246)**	(46,164)
Selling and administrative expenses	7	**(125,764)**	(126,207)
Finance costs	8	**(99,145)**	(104,595)
Other expenses	6	**(48,930)**	(57,558)

	Notes	**2017**	2016
Operating profit/(loss)		**567,211**	(31,436)
Gain on disposal of a joint venture	9	**—**	103,444
Share of loss of joint ventures		**(4,395)**	(1,204)
Profit before tax from continuing operations		**562,816**	70,804
Income tax	10	**(143,452)**	(3,651)
Profit for the year from continuing operations		**419,364**	67,153
Discontinued operations			
Loss after tax for the year from discontinued operations	14	**—**	(34,065)
Gain after tax on disposal of assets and liabilities relating to discontinued operations	9	**—**	301,277
Profit for the year		**419,364**	334,365
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Net losses on available-for-sale financial assets	22	**(951)**	—
Income tax effect relating to the components of other comprehensive income	10	**238**	—
Other comprehensive loss for the year, net of tax		**(713)**	—
Total comprehensive income for the year, net of tax		**418,651**	334,365
Profit attributable to:			
Equity holders of the parent		**335,614**	322,654
Non-controlling interests		**83,750**	11,711
		419,364	334,365
Total comprehensive income attributable to:			
Equity holders of the parent		**334,901**	322,654
Non-controlling interests		**83,750**	11,711
		418,651	334,365
Earnings per share (RMB per share) attributable to ordinary equity holders of the parent:			
Basic and diluted, profit for the year	13	**0.0345**	0.0328
Basic and diluted, profit from continuing operations	13	**0.0345**	0.0106

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	**2017**	2016
Assets			
Non-current assets			
Investment in joint ventures		**99,225**	49,297
Loans and receivables	21	**1,295,146**	1,067,277
Available-for-sale financial assets	22	**35,049**	32,000
Financial assets at fair value through profit or loss	23	**541,600**	818,673
Property, plant and equipment	15	**11,923**	9,232
Prepaid land lease payments	16	**2,395**	2,552
Deferred tax assets	10	**102,718**	70,023
Prepayments	18	**200,000**	—
Other assets		**9,725**	9,085
Total non-current assets		**2,297,781**	2,058,139
Current assets			
Land development for sale	17	**1,296,166**	1,562,429
Prepayments	18	**9,446**	3,068
Other receivables	19	**894,517**	1,070,245
Trade receivables	20	**1,275,816**	62,408
Loans and receivables	21	**790,000**	1,000,000
Other current assets		**2,833**	6,285
Cash and bank balances		**1,532,265**	2,349,397
Total current assets		**5,801,043**	6,053,832
Total assets		**8,098,824**	8,111,971
Equity and liabilities			
Attributable to：			
Equity holders of the parent:			
Share capital		**4,070,201**	4,110,841
Other reserves		**592,792**	579,270
Other comprehensive loss		**(713)**	—
Accumulated losses		**(440,886)**	(776,500)
		4,221,394	3,913,611
Non-controlling interests		**383,820**	364,256
Total equity		**4,605,214**	4,277,867

	Notes	**2017**	2016
Non-current liabilities			
Senior guaranteed notes	25	**—**	1,294,201
Interest-bearing bank and other borrowings	24	**298,938**	275,528
Deferred tax liabilities	10	**22,733**	23,710
Total non-current liabilities		**321,671**	1,593,439
Current liabilities			
Interest-bearing bank and other borrowings	24	**50,000**	520,950
Trade payables	27	**147,601**	114,466
Other payables and accruals	28	**287,960**	211,189
Senior guaranteed notes	25	**1,297,891**	—
Advance from customers		**1,040**	—
Advances received for the settlement of Disposal Assets		**—**	538,975
Deferred revenue arising from land development	26	**706,365**	352,794
Current income tax liabilities		**492,814**	383,740
Financial liabilities at fair value through profit or loss	29	**188,268**	118,551
Total current liabilities		**3,171,939**	2,240,665
Total liabilities		**3,493,610**	3,834,104
Total equity and liabilities		**8,098,824**	8,111,971
Net current assets		**2,629,104**	3,813,167
Total assets less current liabilities		**4,926,885**	5,871,306

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Attributable to equity holders of the parent						
	Share capital	Other reserves	Available-for-sale reserve	Accumulated losses	Total	Non-controlling interests	Total equity
As at 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 and 1 January 2017	4,110,841	579,270	—	(776,500)	3,913,611	364,256	4,277,867
Total comprehensive income	—	—	(713)	335,614	334,901	83,750	418,651
Capital withdrawal by non-controlling interests	—	(10,733)	—	—	(10,733)	(64,186)	(74,919)
Share the reserve of a joint venture	—	24,255	—	—	24,255	—	24,255
Buyback shares of the Company	(40,640)	—	—	—	(40,640)	—	(40,640)
As at 31 December 2017	4,070,201	592,792	(713)	(440,886)	4,221,394	383,820	4,605,214

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	**2017**	2016
Cash flow from operating activities			
Profit before tax from continuing operations		**562,816**	70,804
Profit before tax from discontinued operations		—	314,212
Profit before tax		**562,816**	385,016
Adjustments for:			
Impairment of other receivables	6	**38,679**	13,146
Depreciation of property, plant and equipment	15	**1,486**	2,078
Amortization of prepaid land lease payments	16	**157**	377
Amortization of intangible assets		**321**	320
(Gain)/loss on disposal of prepaid land lease payment, property, plant and equipment		**(476)**	38,227
Net fair value loss/(gain) on financial assets/ liabilities at fair value through profit or loss	6	**3,909**	(10,184)
Gain on disposal of subsidiaries and a joint venture	9	—	(451,721)
Interest expense on financial liabilities at fair value through profit or loss	8	**8,741**	3,051
Share of loss from joint ventures		**4,395**	1,204
Interests from loans and receivables	5	**(241,127)**	(193,729)
Dividends received from financial assets at fair value through profit and loss	5	**(14,646)**	(6,804)
Interests from bank deposits	6	**(35,105)**	(34,816)
Gain from wealth products	6	**(31,357)**	—
Interest expense on bank and other borrowings		**15,410**	59,740
Interest expense on senior guaranteed notes	8	**74,994**	75,406
Foreign exchange loss	6	**9,615**	4,179
Operating gain/(loss) before working capital changes		**397,812**	(114,510)
Decrease/(increase) in land development for sale		**268,240**	(15,946)
Increase in properties under development for sale		—	(242,548)
Decrease in prepaid land lease payments		—	34,165
Decrease in inventories		**3,273**	3,038
Increase in prepayments		**(2,148)**	(29,795)
Decrease/(increase) in other receivables and other current assets		**144,509**	(256,911)
Increase in trade receivables		**(1,213,408)**	(13,787)

	Notes	2017	2016
Decrease in prepaid income tax		—	25,158
Decrease in deferred revenue arising from sale of golf club memberships		—	(11,995)
Decrease in advances received for the settlement of the Disposal Assets		**(538,975)**	—
Increase in advances from customers		**1,040**	142,738
Increase in deferred income arising from land development		**353,571**	—
Increase in trade and other payables		**32,612**	807,264
		(553,474)	326,871
Income tax paid		**(68,279)**	(10,478)
Net cash (outflow)/inflow from operating activities		**(621,753)**	316,393
Cash flows from investing activities			
Purchases/construction of property, plant and equipment		**(4,627)**	(17,424)
Proceeds from disposal of property, plant and equipment		**26**	—
Payments for intangible assets		—	(60)
Disposal of subsidiaries and a joint venture		—	2,237,753
Acquisition of a subsidiary		—	6,609
Investment in a jointly-controlled entity		**(30,068)**	(50,000)
Investment in available-for-sale financial assets		**(4,000)**	—
Net investments in loans and receivables		**(17,869)**	(806,789)
Interests received from loans and receivables		**241,988**	193,729
Redemption/(investments) in financial assets at fair value through profit or loss		**273,164**	(739,563)
Dividends received from financial assets at fair value through profit or loss		**14,646**	6,804
Interest received from bank deposits		**35,105**	34,816
Gain from wealth products		**24,542**	—
Prepayments for the equity acquisition		**(200,000)**	—
Payments of expenses incurred for the transaction cost of the Disposal		—	(2,975)
Net cash inflow from investing activities		**332,907**	862,900

	Notes	**2017**	2016
Cash flow from financing activities			
Proceeds from non-controlling interests		**—**	3,200
Cash payment for buyback shares of the Company		**(40,640)**	—
Proceeds from bank and other borrowings		**71,600**	30,000
Repayment of bank and other borrowings		**(517,184)**	(743,169)
Proceeds from borrowing from a related party		**—**	502,560
Repayment of borrowing from a related party		**—**	(200,000)
Cash release from restricted deposits in relation to interest payments for bank borrowings		**—**	206,186
Proceeds received from other interest holders of the consolidated structured entity		**70,000**	118,500
Payment for the revolving loan facility fee		**(4,230)**	—
Interest paid		**(95,482)**	(139,085)
Net cash outflow from financing activities		**(515,936)**	(221,808)
Net (decrease)/increase in cash and cash equivalents		**(804,782)**	957,485
Effect of exchange rate changes on cash and cash equivalents		**(12,350)**	18,753
Cash and cash equivalents at the beginning of year		**2,349,397**	1,373,159
Cash and cash equivalents at end of year		**1,532,265**	2,349,397

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 the 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.

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

On 10 October 2013, the Company, China Development Bank International Holdings Limited ("**CDBIH**") and SREI entered into a share subscription agreement (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 was completed in 2016.

In the opinion of the directors of the Company (the "**Directors**"), with the completion of the share subscription of CDBIH, the Company's ultimate holding company is China Development Bank Corporation ("**CDB**"), which holds 54.98% of the issued share capital of the Company through CDBIH after delisted from SGX-ST.

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 fair value through profit or loss and financial liabilities at fair value though profit or loss which have been measured at fair value. 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 2017. 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 applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 January 2017. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and the impact of each amendment is described below:

Amendments to IAS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for both the current and the comparative period in the notes of the financial statements.

Amendments to IAS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

The Group applied amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Amendments to IFRS 12 *Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12*

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

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 the 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 (2016: 100% in Shanghai) of the revenue in the year ended 31 December 2017.

An analysis by operating segment is as follows:

	Year ended 31 December 2017				
	Land development	**Urbanization development**	**Others**	**Adjustments and eliminations**	**Total**
Segment results					
External sales	**880,626**	**267,777**	**3,391**	**—**	**1,151,794**
Intersegment sales	**—**	**—**	**—**	**—**	**—**
Total segment sales	**880,626**	**267,777**	**3,391**	**—**	**1,151,794**
Results					
Depreciation	**(638)**	**(571)**	**(277)**	**—**	**(1,486)**
Amortisation	**(157)**	**(320)**	**(1)**	**—**	**(478)**
Share of losses of joint ventures	**(3,250)**	**—**	**(1,145)**	**—**	**(4,395)**
Segment profit/(loss)	**439,814**	**221,490**	**657**	**(99,145)**[1]	**562,816**
Segment assets	**2,588,800**	**4,257,560**	**1,149,746**	**102,718** [2]	**8,098,824**
Segment liabilities	**1,017,429**	**246,590**	**67,215**	**2,162,376** [3]	**3,493,610**
Other disclosures					
Investment in joint ventures	**94,801**	**—**	**4,424**	**—**	**99,225**
Capital expenditure[4]	**3,132**	**1,398**	**97**	**—**	**4,627**

1 Profit/(loss) for each operating segment of continuing operations does not include finance costs of RMB99,145 thousand.

2 Assets in segments do not include deferred tax assets of RMB102,718 thousand as these assets are managed on a group basis.

3 Liabilities in segments do not include current income tax liabilities of RMB492,814 thousand, senior guaranteed notes of RMB1,297,891 thousand, interest-bearing bank loans and other borrowings of RMB348,938 thousand, and deferred tax liabilities of RMB22,733 thousand as these liabilities are managed on a group basis.

4 Capital expenditure of continuing operations is additions of property, plant and equipment of RMB4,627 thousand.

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	49,297	—	—	—	49,297
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.

5. REVENUE

RMB'000	*Notes*	**2017**	2016
Land development	(a)	**880,626**	21,862
Urbanization development	(b)	**267,777**	205,841
Sales of goods		**3,391**	20,009
Less: Tax and surcharges		**—**	(3,140)
		1,151,794	244,572

(a) During the year ended 31 December 2017, revenue of RMB881 million (2016: RMB22 million) in respect of the Group's land development was recognized. Of which, RMB287,163 thousand (2016: nil) was derived from the development of land infrastructure and RMB593,463 thousand (2016: RMB22 million) was derived from the construction of ancillary public facilities based on the proceeds allocated between the completed land infrastructure and the progress of completion of the ancillary public facilities.

(b) The revenue from urbanization development mainly consist of interests from loans and receivables of RMB241,127 thousand (2016: RMB193,729 thousand), dividends from investment funds of RMB14,646 thousand (2016: RMB6,804 thousand) and fees from assets management of RMB12,004 thousand (2016: RMB5,308 thousand).

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

	2017	2016
Interest income		
CDB Yuhua Project	**71,839**	64,235
Danyang Public Private Partnership	**14,778**	24,878
Danyang Xinmeng River Project	**—**	17,576
Yangzhou Airport New Town Project	**36,786**	26,001
Zhengzhou Heizhuzhuang Urban Village Reconstruction Project	**—**	19,443
Danyang Zhongbei College Development Project	**25,134**	7,382
Qinhuangdao Project	**14,067**	5,451
Changzhou New-Tech Economic Development Zone	**25,835**	2,371
Zhenjiang Hi-tech District Affordable Housing Project	**13,399**	5,236
Others	**39,289**	21,156
Dividend income		
CDB (Beijing)-BOCOMM New-Type Urbanization Development Fund	**14,646**	6,804
Fee from assets management	**12,004**	5,308
	267,777	205,841

6. OTHER INCOME AND OTHER EXPENSES

Other income

RMB'000	**2017**	2016
Interest income from bank deposits	**35,105**	34,816
Net fair value (loss)/ gain on financial assets/liabilities at fair value through profit or loss	**(3,909)**	10,184
Gain on wealth management products	**31,357**	—
Gain on disposal of property, plant and equipments	**476**	—
Others	**17,473**	13,516
	80,502	58,516

Other expenses

RMB'000	**2017**	2016
Bank charges	**121**	97
Net loss on disposal of prepaid land lease payment, property, plant and equipment	**—**	38,417
Write-off of other receivables	**38,679**	13,146
Foreign exchange loss, net	**9,615**	4,179
Others	**515**	1,719
	48,930	57,558

7. EXPENSES BY NATURE

RMB'000	**2017**	2016
Cost of land development	**384,458**	29,099
Cost of goods sold	**6,778**	17,065
Depreciation of property, plant and equipment	**1,486**	2,477
Amortisation of prepaid land lease payments	**157**	377
Audit fees and non-audit fees	**7,499**	5,710
Audit fees		
— Auditor of the Company	**3,800**	4,150
— Other auditors	**2,871**	359
Non-audit fees		
— Auditor of the Company	**—**	—
— Other auditors	**827**	1,201
Employee benefits	**63,072**	51,292
Utility expenses	**755**	930
Advertising	**875**	801
Rental expense	**16,491**	12,439
Property management service expenses	**3,821**	7,774
Intermediary and professional service charges	**11,155**	24,150
Other expenses	**20,454**	20,257
Total cost of sales, selling and administrative expenses	**517,010**	172,371

8. FINANCE COSTS

RMB'000	**2017**	2016
Interest on bank and other borrowings	**17,387**	26,138
Interest on senior guaranteed notes	**74,994**	75,406
Interests attributable to other interest holders of structured entities	**8,741**	3,051
	101,122	104,595
Less: Interest capitalised	**(1,977)**	—
	99,145	104,595

The borrowing costs have been capitalised at a weighted average rate of 4.88% per annum for the year ended 31 December 2017 (2016: nil).

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 was recognised as a loan and repayable five years later. 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 will be disposed of to SRE (the "Shanghai Disposal Assets"). The consideration is RMB238,248,140, which is 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.

An analysis of the net inflow 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

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 Law, 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 Law, 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	**2017**	2016
Income tax charge/(credit):		
Current income tax	**159,511**	2,176
Deferred tax	**(33,434)**	(11,273)
Withholding tax	**17,375**	12,748
Income tax charge as reported in profit or loss	**143,452**	3,651

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

Year ended 31 December 2017

RMB'000	**CNTD and BVI companies**		**Mainland China**		**Total**	
Profit before tax	**78,025**		**484,791**		**562,816**	
Tax at the statutory tax rate	**19,506**	**25.0%**	**121,198**	**25.0%**	**140,704**	**25.0%**
Effect of subsidiaries applying non-statutory tax rate	**(19,506)**	**−25.0%**	**(9)**	**0.0%**	**(19,515)**	**−3.5%**
Non-deductible expenses for tax purposes	—	—	**1,030**	**0.2%**	**1,030**	**0.2%**
Adjustments in respect of current tax of previous periods	—	—	**3,823**	**0.8%**	**3,823**	**0.7%**
Utilisation of previously unrecognised of tax losses	—	—	**(3,740)**	**0.1%**	**(3,740)**	**0.1%**
Unrecognised tax losses	—	—	**3,775**	**−0.1%**	**3,775**	**−0.1%**
Effect of withholding tax*	**17,375**	**22.3%**	—	—	**17,375**	**3.1%**
Income tax as reported in the statement of profit or loss and other comprehensive income	**17,375**	**22.3%**	**126,077**	**26.0%**	**143,452**	**25.5%**

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%

* During the year ended 31 December 2017, the incomes from Mainland China of non-resident enterprises amounted to RMB173,748 thousand (2016: RMB127,475 thousand) therefore withholding tax expense was RMB17,375 thousand according to 10% withholding tax rate (2016: RMB12,748 thousand).

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 **2017**	2016	Consolidated statement of profit or loss **2017**	2016
Deferred tax assets/(liabilities)				
Fair value change of AFS financial assets	**238**	—	**—**	—
Fair value change of financial assets at fair value through profit or loss	**(1,583)**	(2,560)	**977**	(2,560)
Temporary differences of land development for sale	**86,510**	32,608	**53,902**	—
Accrued expense	**1,752**	1,504	**248**	(2,922)
Losses available for offsetting against future taxable income	**—**	31,363	**(31,363)**	16,755
Provision for impairment of receivables	**14,219**	4,549	**9,670**	—
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	**79,985**	46,313		
Deferred income tax credit			**33,434**	11,273

Deferred tax movements:

RMB'000	**2017**	2016
As at 1 January	**46,313**	35,040
Tax income during the period recognised in OCI	**238**	—
Tax income recognized in profit or loss	**33,434**	11,273
As at 31 December	**79,985**	46,313
Deferred tax assets	**102,718**	70,023
Deferred tax liabilities	**(22,733)**	(23,710)

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the parent for the years ended 31 December 2017 and 2016 includes a loss of RMB12,608 thousand and a profit of RMB876,676 thousand, respectively, which have been dealt with in the financial statements of the Company.

12. DIVIDEND

The Board proposed a final dividend of HK$0.0116 per ordinary share for the year ended 31 December 2017 (2016: nil). The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. EARNINGS PER SHARE

The calculations of the basic earnings per share amounts are based on the profit attributable to ordinary equity holders of the parent for the years ended 31 December 2017 and 2016.

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

RMB'000	**2017**	2016
Profit attributable to ordinary equity holders of the parent		
Continuing operations	**335,614**	104,544
Discontinued operations	**—**	218,111
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	**335,614**	322,654
Weighted average number of ordinary shares used to calculate to basic and diluted earnings per share	**9,741,230,583**	9,846,119,747
Basic and diluted earnings per share *(RMB)*	**0.0345**	0.0328
Basic and diluted earnings per share from continuing operations *(RMB)*	**0.0345**	0.0106
Basic and diluted earnings per share from discontinued operations *(RMB)*	**—**	0.0222

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.

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 (the "Disposal"). 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. All the Disposal were completed in 2016 and the discontinued operations were derecognised from the Group's financial statements.

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

RMB'000	**Year ended 31 December 2016**
Revenue	116,612
Cost of sales	(60,745)
Gross profit	55,867
Other income	907
Selling and distribution costs	(11,542)
Administrative expenses	(44,988)
Other expenses	(707)
Operating loss from discontinued operations	(463)
Finance costs	(33,602)
Loss before tax from discontinued operations	(34,065)
Income tax	—
Loss for the year from discontinued operations	(34,065)
Gain after tax on disposal of assets and liabilities relating to discontinued operations	301,277
Total profit for the year from discontinued operations	267,212

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

RMB'000	**Year ended 31 December 2016**
Operating	612,647
Investing	(11,418)
Financing	(556,216)
Net cash inflow	45,013

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

15. PROPERTY, PLANT AND EQUIPMENT

RMB'000	Buildings	Furniture, fixtures and equipment	Motor vehicles	Tota
Original cost				
At 1 January 2016	54,690	7,971	13,132	75,793
Additions	—	757	—	757
Acquisition of subsidiaries	—	773	238	1,011
Disposals	(41,561)	(214)	(2,126)	(43,901)
At 31 December 2016	13,129	9,287	11,244	33,660
Additions	2,733	1,517	377	4,627
Acquisition of subsidiaries	—	—	—	—
Disposals	—	(602)	(2,539)	(3,141)
At 31 December 2017	**15,862**	**10,202**	**9,082**	**35,146**
Accumulated depreciation				
At 1 January 2016	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
Provided during the year	485	867	134	1,486
Acquisition of subsidiaries	—	—	—	—
Disposals	—	(301)	(2,390)	(2,691)
At 31 December 2017	**6,932**	**7,991**	**8,300**	**23,223**
Impairment				
At 1 January 2016	—	—	—	—
Recognised during the year	—	—	—	—
At 31 December 2016	—	—	—	—
Recognised during the year	—	—	—	—
At 31 December 2017	**—**	**—**	**—**	**—**
Net carrying amount				
At 1 January 2016	37,765	1,010	1,017	39,792
At 31 December 2016	6,682	1,862	688	9,232
At 31 December 2017	**8,930**	**2,211**	**782**	**11,923**

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	**2017**	2016
In Mainland China, held on:		
— Leases of between 10 and 50 years	**2,395**	2,552

RMB'000	**2017**	2016
At beginning of year	**2,552**	11,657
Disposed	**—**	(8,728)
Amortisation charged to profit or loss	**(157)**	(377)
At the end of the year	**2,395**	2,552

17. LAND DEVELOPMENT FOR SALE

RMB'000	**2017**	2016
At lower of cost and net realisable value:		
Mainland China	**1,296,166**	1,562,429

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. PREPAYMENTS

RMB'000		**2017**	2016
Prepayments, non-current	(a)	**200,000**	—
Prepayments, current	(b)	**9,446**	3,068

(a) On 28 November 2017, CDBC New Town (Beijing) Asset Management Co., Ltd. ("CDBC New Town"), a wholly-owned subsidiary of the Company, Motorola (Beijing) Mobility Technologies Company Limited (the "Vendor") and Lenovo Mobile Communication Software (Wuhan) Company Limited (the "Target Company") entered into the Equity Interest Transfer and Framework Agreement (the "Framework Agreement"), pursuant to which CDBC New Town has agreed to acquire the entire equity interest held by the Vendor in the Target Company, at a cash consideration of RMB300 million. According to the Framework Agreement, the transaction should be completed within 70 days after the Framework Agreement was signed. On 7 February 2018, CDBC New Town, the Vendor and the Target Company entered into a supplemental agreement to extend the execution period to 190 days. The major purpose of the equity transaction for the Group is to acquire a commercial property owned by the Target Company. Pursuant to the Framework Agreement, CDBC New Town has also agreed to take assignment of the target liabilities incurred by the Target Company in the amount of RMB620 million and CDBC New Town has agreed to be responsible for the construction costs related to the commercial property of the Target Company in the amount of RMB320 million.

    As at the end of 2017, CDBC New Town has prepaid RMB200 million for the equity transaction according to the payment terms of the Framework Agreement.

(b) The prepayments as at 31 December 2017 mainly included a prepayment of RMB1,537 thousand for rental and property management expenses for the Group's headquarters, a prepayment of RMB1,985 thousand for Shanghai Golden Luodian Development Co., Ltd ("SGLD")'s renovation costs and a prepayment of RMB4,060 thousand relating to revolving loan facility fee.

    The prepayments as at 31 December 2016 mainly included a prepayment of RMB3,068 thousand for rental and property management expenses for the Group's headquarters.

19. OTHER RECEIVABLES

RMB'000	*Notes*	**2017**	2016
Other receivables			
Net disposal consideration:			
—Wuxi Project		**59,940**	59,940
—Shenyang Project	(i)	**—**	154,653
—Procurement and its subsidiaries	(i)	**—**	21,592
Balances due from:			
—Wuxi Project	(i)	**43,977**	336,656
—Shanghai Project	(i)	**—**	208,471
—Shenyang Project	(i)	**—**	33,743
Interests receivable from loans and receivables		**71,778**	72,639
Due from joint ventures	(ii)	**309,634**	94,214
Due from SREI	(i)	**227,703**	—
Deposits	(iii)	**133,380**	—
Balances due from entities disposed of	(i)	**24,384**	43,867
Others	(i*)	**23,721**	44,470
Other receivables, net		**894,517**	1,070,245

(i) The Group entered into a series of agreements with SREI to settle the outstanding balances regarding the Disposal Assets in 2017. As of 31 December 2017, the remaining balance due from SREI is the result of the offset with advances received for the settlement of the Disposal Assets which was amounted to RMB538,975 thousand as at 31 December 2016.

*The receivable of RMB22,265 thousand also regarding the Disposal Assets was included in 'Others' as at 31 December 2016 which was also included into the agreements to settle the outstanding balances.

(ii) As at 31 December 2017, the balance due from joint ventures included shareholder's loans of RMB210 million and RMB99.45 million, provided by CDBC Nanjing Investment Development Co., Ltd. ("CDBC Nanjing") to Nanjing Guofa Real Estate Co., Ltd. ("Nanjing Guofa"), and by CDBC New Town to Beijing Guowan Real Estate Co., Ltd. ("Guowan") respectively to facilitate their daily operating, which are interest free and should be repayable on demand.

(iii) CDBC New Town prepaid RMB133.38 million to Chengdu Rural Property Exchange as bid bond for the Lushan reconstruction programs in Qionglai City (the "Qionglai Project") in 2017.

20. TRADE RECEIVABLES

RMB'000	**2017**	2016
Receivables from land development for sale	**1,272,295**	45,218
Others	**3,521**	17,190
Trade receivables, net	**1,275,816**	62,408

An aging analysis of the trade receivables is as follows:

RMB'000		**2017**	
	Trade receivables	**Less: allowance for impairment**	**Trade receivables, net**
Within 6 months	**1,234,197**	**—**	**1,234,197**
6 months to 1 year	**—**	**—**	**—**
1 year to 2 years	**3,521**	**—**	**3,521**
2 years to 3 years	**—**	**—**	**—**
Over 3 years	**38,098**	**—**	**38,098**
	1,275,816	**—**	**1,275,816**

		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

The above balances are unsecured and interest-free.

21. LOANS AND RECEIVABLES

RMB'000	**2017**	2016
CDB Yuhua Project	**490,000**	490,000
Danyang Public Private Partnership	**—**	200,000
Danyang Xinmeng River Project	**—**	—
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**	300,000
Qinghuangdao Project	**150,587**	150,868
Yangzhou Hanjiang District Infrastructure Construction Project	**300,000**	—
Jiangsu Suqian Yanghe New District Packaging Industry Park Construction Project	**100,000**	—
Yangzhou Xincheng River Hanjiang Branch Region Integrated Renovation Project	**200,000**	—
Yanzhou Industrial Park Project	**190,000**	—
Gaoyou PPP Project	**68,150**	—
Yangzhou River Banks Project	**150,000**	—
Other loans	**136,409**	126,409
	2,085,146	2,067,277
Amounts due in next 12 months classified as current assets	**790,000**	1,000,000
Amounts classified as non-current assets	**1,295,146**	1,067,277

As at 31 December 2017, the Group is entitled to fixed returns ranging from 7.98% to 17.07% (2016: 7.98% 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.

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

RMB'000	**2017**	2016
Unlisted equity investments		
— Cost	**36,000**	32,000
— Fair value change	**(951)**	—
	35,049	32,000

In July 2015, 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. for RMB32 million with a contingent consideration up to RMB5.5 million. In November 2017, CDBC Nanjing paid the contingent consideration of RMB4 million according to the terms and conditions agreed in the share purchase agreement.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

RMB'000	*Notes*	**2017**	2016
Financial assets at fair value through profit or loss			
— Funds	(a)	**83,600**	98,610
— Wealth Management Products	(b)	**458,000**	720,063
		541,600	818,673

(a) In June 2015, 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 at a 1.5% capital ratio to the partnership, which amounted to RMB150 million. As at 31 December 2017, the principle amount invested to the partnership which in turn invested in various debt and equity investments is RMB74.349 million (2016: RMB85.449 million). The management of the Group designated such investments at fair value through profit or loss. A fair value loss of RMB4 million was recognised during 2017.

(b) In 2017, CDBC New Town purchased wealth management products issued by Shanghai Pudong Development Bank as part of cash management for the short term, amounting to RMB458 million as at 31 December 2017.

In 2016, CDBC New Town purchased wealth management products issued by Industrial and Commercial Bank of China and Bank of Communications as part of cash management for the short term, amounting to RMB720 million as at 31 December 2016.

24. 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	**2017**	2016
Bank and other borrowings — guaranteed	**348,938**	325,528
Other borrowings — unsecured and unguaranteed	**—**	470,950
	348,938	796,478

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

RMB'000	**2017**	2016
Within 6 months	**35,000**	505,950
6 months to 9 months	**—**	—
9 months to 12 months	**15,000**	15,000
1 year to 2 years	**85,000**	50,000
2 years to 5 years	**213,938**	225,528
Over 5 years	**—**	—
	348,938	796,478

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 2017 (2016: from 4.41% to 5.09% per annum).

Bank and other borrowings — guaranteed

As at 31 December 2017, bank borrowings of RMB348,938 thousand were guaranteed by CDB Capital (2016: RMB325,528 thousand).

Other borrowings — unsecured and unguaranteed

The Group's unsecured other borrowing of RMB320,950 thousand from a related party CDBIH had been fully repaid in 2017 (2016: RMB320,950 thousand). The other borrowing of RMB150,000 thousand which is an interest-free loan from Shanghai Luodian Old Town Real Estate Limited had been fully repaid in 2017 (2016: RMB150,000 thousand).

25. 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 2017 were as follows:

RMB'000	**2017**	2016
At the beginning of year	**1,304,973**	1,301,460
Net proceeds of senior guaranteed notes issued	**—**	—
Accrued interest expenses	**74,994**	75,406
Interest payment	**(71,304)**	(71,893)
At the end of year	**1,308,663**	1,304,973
Accrued coupon interest	**10,772**	10,772
Categorised as current liabilities	**1,297,891**	—
Categorised as non-current liabilities	**—**	1,294,201

26. DEFERRED REVENUE

RMB'000	*Notes*	**2017**	2016
Deferred revenue arising from:			
Land development for sale	(i)	**706,365**	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.

27. TRADE PAYABLES

RMB'000	**2017**	2016
Payable for land development for sale	**147,464**	105,814
Others	**137**	8,652
	147,601	114,466

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

RMB'000	**2017**	2016
Within 1 year	**45,640**	31,728
1 to 2 years	**23,213**	136
Over 2 years	**78,748**	82,602
	147,601	114,466

Trade payables are non-interest bearing.

28. OTHER PAYABLES AND ACCRUALS

RMB'000	**2017**	2016
Payroll and welfare	**21,734**	13,400
Accrued coupon interest of senior guaranteed notes	**10,772**	10,772
Other taxes payable:		
Business tax payable	**12,715**	12,715
Property tax payable	**—**	31
Value-added tax payable	**1,628**	10,417
Other miscellaneous taxes	**2,370**	2,092
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**	2,412
Amounts due to related parties	**440**	8,131
Payable for Intermediary and professional service charges	**5,262**	17,709
Balances due to entities disposed of	**69**	34,098
Payable for Wuxi Project	**42,250**	—
Payable for capital return of Shenyang Lixiang	**74,919**	—
Others	**86,912**	72,935
	287,960	211,189

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.

29. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group had consolidated two structured entities, CDB New Town (Jiangsu) New-type Urbanization Development Fund (the "Jiangsu Fund") and CDBC Yangzhou Jiangguang Fusion Private Investment Fund (the "Jiangguang Fund"). As at 31 December 2017, CIB Wealth Management Co., Ltd ("CIB") as the senior-tranche limited partner and CDB Jingcheng (Beijing) Investment Fund Company Limited ("CDB Fund") as the intermediate-tranche limited partner have contributed capital of RMB119 million to the Jiangsu Fund (2016: RMB119 million). Qinhuangdao Zhongmin Investment Company Limited ("Zhongmin Company") as the sole senior-tranche limited partner has contributed capital of RMB70 million to the Jiangguang Fund (2016: nil). The interests held by other interest holders are presented as financial liabilities at fair value through profit or loss in the Group's financial statements.

30. SUBSEQUENT EVENT

On 21 January 2018, CDBC Nanjing (a wholly-owned subsidiary of the Company), China New Town Holding Company Limited ("CNT Holding", a wholly-owned subsidiary of the Company), Sichuan Zhongxi Property Co., Ltd. ("Sichuan Zhongxi") and Nanjing Guoying Development Co., Ltd. (the "Joint Venture") entered into a cooperation agreement, pursuant to which CDBC Nanjing, CNT Holding and Sichuan Zhongxi agreed to invest RMB34.54 million, RMB73.26 million and RMB112.2 million respectively into the Joint Venture as capital, representing approximately 15.7%, 33.3% and 51% of the enlarged registered capital. CDBC Nanjing has the right to acquire additional 1% equity interest in the Joint Venture from Sichuan Zhongxi for a consideration of RMB2.2 million upon the Joint Venture obtains the certification of the land use right.

The Joint Venture will be principally engaged in the construction and development of a private "all-through" school covering pre-primary education to secondary education, and obtaining long-term rental return from the operating party of the school once it is completed.

On the same date, New Town Education Company Limited ("New Town Education"), an indirect wholly-owned subsidiary of the Company entered into a subscription agreement to subscribe for and purchase the interest of Kaiyuan Education Fund LP ("Kaiyuan Fund"), at the amount of US$40 million (equivalent to HK$312 million). The Kaiyuan Fund is positioned to offer private education solutions with international curriculum elements.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Operating Results

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 2017, the Group recorded revenue of RMB1.15 billion, increased by 370.9% as compared to that of the year ended 31 December 2016 (the "**Year 2016**"), primarily because the Group recorded revenue of RMB881 million from land development in 2017, 39.3 times more than that of last year. RMB287 million was derived from the development of land infrastructure and RMB593 million was derived from construction of ancillary public facilities based on the proceeds allocated between the completed land infrastructure and the progress of the completion of the ancillary public facilities for SGLD. In 2017, we recorded revenue of RMB268 million related to urbanization development, increased by 30.1% compared to that of last year. Revenue of 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**") decreased 83% compared to that of last year.

Other income

In the year of 2017, other income amounted to RMB80.50 million, an increase of RMB21.99 million as compared to that of Year 2016. It was mainly due to an increase of gain on wealth management products.

Cost of sales

In the year of 2017, cost of sales amounted to RMB391.25 million, 7.5 times more than of Year 2016, mainly because the Group recorded RMB384.46 million cost of land development in the Year 2017 in line with the revenue recognised. This was due to the corresponding cost of land infrastructure and ancillary public facilities based on the progress of completion in SGLD Project.

Other expenses

In 2017, other expenses of RMB48.93 million decreased by RMB8.63 million as compared to that of Year 2016. Such decrease 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 in the year of 2016, while no net loss on disposal of properties in the year of 2017; other expense due to the writing off of other receivables increased by RMB25.53 million compared to that of Year 2016; foreign exchange loss increased by RMB5.44 million compared to that of Year 2016.

Finance costs

In 2017, the Group recorded net finance costs of RMB99.15 million, which was a decrease of RMB5.45 million as compared to that of Year 2016. Such decrease was mainly due to the decrease of average balance on bank and other borrowings during the year. Interest on bank and other borrowings was RMB17.39 million, which was a decrease of RMB8.75 million compared to that of Year 2016. Besides, with the development of projects, certain borrowing costs capitalised amounting to RMB1.97 million for the year 2017.

Gain on disposal of subsidiaries and a joint venture

In 2017, no joint ventures or subsidiaries of the Group were disposed so no gain or loss on disposals was recognised. In 2016, CDBC Changchun, a wholly-owned subsidiary of the Company, entered into an agreement with CCJV, and Changchun Kaida, a subsidiary of Changchun Committee, for the sale of the 50% equity interest of CCJV to Changchun Kaida for a total consideration of RMB113,538 thousand, of which RMB110,133 thousand was recognised as a loan and repayable five years later. 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 a disposal gain of RMB103,444 thousand in 2016.

Taxation

In the year of 2017, the Group recorded an income tax of RMB143 million, such income tax mainly attributable to: (i) current income tax of RMB159.51 million; (ii) deferred tax asset credit of RMB33.43 million; and (iii) withholding tax of RMB17.38 million.

Financial Position

Investment in joint ventures

The balance as at 31 December 2017 increased by RMB49.93 million as compared with the balance as at the end of 2016, mainly because CDBC Nanjing and Mingfa Group Nanjing Real Estate Development Co., Ltd. ("Mingfa Group") set up a joint venture Nanjing Guofa (please refer to the announcement of the Company dated 23 November 2017). The registered capital for Nanjing Guofa was RMB50 million. As at 31 December 2017, Mingfa Group contributed RMB25.5 million, CDBC Nanjing contributed RMB24.5 million. The Group also share the reserve of Nanjing Guofa of RMB24.255 million due to the capital reserve injection from Mingfa Group. Besides, CDBC Beijing Agricultural reached a cooperation agreement with Beijing Ecological Agriculture Co. Ltd., and set up a joint venture Beijing Guoyuan Agriculture Co., Ltd. whereby CDBC Beijing Agricultural held 50% equity interest and contributed RMB5.57 million.

Loans and receivables (non-current assets)

The 2017 year-end balance of loans and receivables (non-current assets) amounted to RMB1,295 million, an increase of RMB228 million as compared with the balance as at the end of 2016. This was due to the new investment in loans and receivables of RMB150 million to Yangzhou River Banks Project, RMB68.15 million to Gaoyou PPP Project, RMB10 million to the tourism project in Changbaishan, Jilin Province.

Financial assets at fair value through profit or loss

The balance as at 31 December 2017 decreased by RMB277 million as compared with the balance as at the end of 2016, mainly due to a decrease of wealth management products of RMB262 million compared to that of 31 December 2016. Besides, CDBC New Town contributed capital of RMB10.65 million towards the Urbanization Fund and withdraw capital of RMB21.75 million, and a fair value loss of RMB3.91 million was recorded during the year of 2017.

Other receivables

The balance as at 31 December 2017 decreased by RMB176 million as compared with the balance as at the end of 2016 (see Note 19), mainly because the Group entered into a series of agreements with SREI to settle the outstanding balances regarding the Disposal Assets in 2017. The remaining balance due from SREI is the result of the offset with advances received for the settlement of the Disposal Assets. Besides, the Group provided a shareholder loan of RMB210 million to Nanjing Guofa, and prepaid RMB133.38 million to Chengdu Rural Property Exchange for security deposit of Qionglai Project.

Loans and receivables (current assets)

The 2017 year-end balance of loans and receivables amounted to RMB790 million. This was due to the Group's investment of RMB300 million into Yangzhou Hanjiang District Infrastructure Construction Project, RMB100 million into Jiangsu Suqian Yanghe New District Packaging Industry Park Construction Project, RMB200 million into Yangzhou Xincheng River Hanjiang Branch Region Integrated Renovation Project, and RMB190 million into Yanzhou Industrial Park Project.

Other current assets

The balance as at 31 December 2017 decreased by RMB3.45 million as compared with the balance as at the end of 2016. Such decrease was mainly due to CDBC Chengdu Agricultural sale of agricultural and sideline products.

Senior guaranteed notes

The balance as at 31 December 2017 increased by RMB3.69 million as compared with the balance as at the end of 2016, due to the measurement at amortized cost. The interest expense adjustment on the senior guaranteed notes during the Year was RMB3.69 million. As the maturity date of senior guaranteed notes is 6 May 2018, the balance as at 31 December 2017 categorised as current liabilities was RMB 1.297 billion.

Interest-bearing bank and other borrowings

The balance as at 31 December 2017 was decreased by RMB448 million as compared with the balance as at the end of 2016. This was mainly due to repayment of the loan from a related party CDBIH of RMB321 million and a borrowing amounting to RMB150 million which was an interest-free loan from Shanghai Luodian Old Town Real Estate Limited.

Trades payables

The balance as at 31 December 2017 was increased by RMB33.14 million as compared with the balance as at the end of 2016. This increase was mainly attributable to increase of RMB41.65 million of payable for land development.

Other payables and accruals

The balance as at 31 December 2017 was increased by RMB76.77 million as compared with the balance as at the end of 2016. This movement was mainly due to: (i) the decrease of amounts due to related parties of RMB7.69 million and balances due to entities disposed of RMB34.03 million; (ii) a decrease of payable for intermediary and professional service charges of RMB12.45 million; and (iii) payable of RMB42.25 million for Wuxi project and payable for capital withdrawal of RMB74.92 million to the non-controlling shareholder of Shenyang Lixiang due to capital reduction.

Financial liabilities at fair value through profit or loss

The balance as at 31 December 2017 increased by RMB69.72 million as compared with the balance as at the end of 2016, mainly because of the contribution of interest of Jiangguang Fund by Zhongmin Company as the senior-tranche limited partner.

Cash and bank balances

Overall, cash and cash equivalents for the year decreased by RMB817 million as compared with the balance as at the end of 2016, with a total balance of RMB1.532 billion as at 31 December 2017, mainly due to net operating cash outflow of RMB622 million, net investing cash inflow of RMB333 million, and net financing cash outflow of RMB516 million during the Year.

Gearing ratio (defined as net debt/the sum of shareholders equity and net debt) as at 31 December 2017 was 2.43%, which decreased dramatically as compared with -6.44% as at 31 December 2016, mainly because cash and cash equivalents decreased largely compared to Year 2016.

Discontinued operations

On 10 October 2013, the Company, CDBIH and SREI (the then controlling shareholder of the Company) entered into 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 and SREI, certain Disposal Assets held by SGLD will be disposed to SRE Group, 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:

In 2017, the Chinese economy kept healthy growth. The gross domestic product grew by 6.9%. The economic growth rate rose the first time over the past seven years. The total economic volume amounted to RMB82.7 trillion and remains the world's second largest economy. The structure of economic development was more balanced. The contributions of the final consumption expenditure, gross fixed capital formation and the net export of goods and services to the economic growth were 58.8%, 32.1% and 9.1%, respectively. The contribution of citizens' consumption to the economic growth is more important, which has changed the old picture in which economic growth relied on the investment in fixed assets. This will help to create a more steady and long-term economic growth. Looking at the different sectors in consumption, a steady increase was observed in the consumption of food, clothes and all kinds of essentials while the increase of products related to consumption upgrade kept a two-digit rate of growth. Consumption upgrade of various kinds also improves the investment in industry and related fields. For example, the investment in culture, sports and entertainment increased by 12.9% while the investment in education grew by 20.2%, significantly higher than the average national growth rate.

Urbanization still accelerates in the country. In 2017, the urbanization rate of permanent residents was 58.52%, 1.17 percentage points higher than that by the end of 2016. The urbanization rate of household registration population was 42.35%, 1.15 percentage points higher than that by the end of 2016. The national migrant population was 244 million. The market was still great for all kinds of products and related services required during the process of urbanization.

Based on the thorough analysis of domestic economy and the development of the industry, in 2017, the Company followed the strategy of "new-type urbanization investment + downstream operation" to promote our business development. In the urbanization investment sector, with the de-leveraging in the domestic financial market, the Group has taken full advantage of the CDB network as well as our own experience in urbanization investment, prudently chose high-quality projects to invest in and manage the risks of our investment well while maintaining the return. By the end of 2017, the Group's fixed income investments in urbanization reached approximately RMB2.1 billion, with a pre-tax annualized rate of return of 11.9%.

In downstream operation in urbanization, the Group continued to work in the industry of tourism, education, and industrial park, and made good progress. In 2017, the Company signed a memorandum of understanding with MGM Resorts International and will establish a fund that focuses on non-gaming tourism, leisure and culture. The fund will invest in non-gaming tourism projects in China and provide new partners and deal sources to facilitate the Group's investment and operation in tourism sector.

As for investment and operation in industrial property, in 2017, the Company has established a joint venture with partners. The joint venture will develop and manage a business and office complex in Tiexin Bridge area in Yuhuatai District in Nanjing. The Company will also acquire the Lenovo (Wuhan) Industrial Base located at the Donghu Optical Valley High-tech Development Zone of Wuhan and earn long-term revenue through leasing after development and construction. For more details, please refer to the announcements dated 23 November 2017 and 28 November 2017.

The Company has also made positive achievements in the education industry. In January 2018, New Town Education (an indirect wholly-owned subsidiary of the Company), has participated in the establishment of an education investment fund. New Town Education commits to invest no more than US$50 million as a limited partner, and holds 40% shares in the general partner of the investment fund (the "**General Partner**") as a main strategic shareholder. The fund will mainly invest in companies, projects and businesses in the education industry within the Greater China region and such other global regions as identified by the General Partner in its discretion from time to time. Meanwhile, the Group will also construct and build an international school in Jiangning District of Nanjing with partners. The school will be a private "all-through" school covering pre-primary education to secondary education, providing bilingual internationalization curriculum (K12 bilingual curriculum). It will seek to earn revenue in the long run by renting school houses to the operating party of the school. By investing in and acquiring education brands through the fund, combining the school houses and facilities the Company owns, and cooperating with the partners in the industry, we can promote the Group's education platform nationwide and realize sustainable revenue and profit in education sector. For more details, please refer to the announcements dated 21 January 2018.

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

Looking ahead for 2018, the Group will continue to adapt to our country's economic development and the policies in the industry, strengthen the synergistic cooperation with our controlling shareholder in resources and business. The Group will continue to develop education, tourism, healthcare and industrial park projects, while keep a stable return in the urbanization investment portfolio. We will cooperate with both domestic and overseas brands, develop more ways to secure results and bring stable and continuing revenue for shareholders.

APPRECIATION

It is the Board's privilege to express our gratitude to our strategic investors and shareholders for their unstinting trust and support and to offer our 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

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 of the Company at an extraordinary general meeting of the Company held on 17 January 2017 (Tuesday). On 14 February 2017, the 119,873,330 shares which had been validly tendered and were cancelled, and the number of issued shares 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 (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.

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 2017, there were 140 (2016: 142) 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 to eligible staffs based on their performance and contributions to the Group.

FINAL DIVIDENDS

The Board recommended the payment of a final dividend of HK$0.0116 per ordinary share for the year ended 31 December 2017 (2016: nil). The proposed final dividend for the Year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting held on 22 June 2018 (Friday). It is expected that the final dividend will be paid to the shareholders by the Company on 20 July 2018 (Friday).

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 final results for the Year have been reviewed by the Audit Committee.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

The final 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 2017 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, 22 March 2018

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