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CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

(Company Registration No. 1003373)

Unaudited Third Quarter and Year to Date Financial Statement for the Period Ended 30 September 2007

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

1(a) An income statement (for the group) together with a statement for the period from 29 June 2006 to 31 December 2006

(All amounts expressed in RMB'000 unless otherwise specified)

1(a)(i) Income Statement for the nine months ended 30 September 2007

	<u>Notes</u>	<u>29 June 2006 to 31 December 2006</u>	<u>3 months ended 30 September 2007</u>	<u>9 months ended 30 September 2007</u>
Revenue	1	647,983	22,951	356,844
Cost of sales	3	(302,626)	(20,894)	(190,907)
Gross profit		345,357	2,057	165,937
Other income	1	201	5,178	68,096
Selling and distribution costs		(20,286)	(9,652)	(28,500)
Administrative expenses		(27,239)	(21,056)	(57,101)
Other expenses	1	(1,830)	(19,164)	(37,223)
Loss on convertible bonds other than interest cost, net	2	-	(129,543)	(106,189)
Increase in fair values of		30,000	4,000	13,351

investment properties				
Operating profit (loss)		326,203	(168,180)	18,371
Finance costs	4	<u>(55,498)</u>	<u>(76,382)</u>	<u>(223,788)</u>
Profit (Loss) before tax		270,705	(244,562)	(205,417)
Income tax		<u>(91,380)</u>	<u>14,728</u>	<u>7,040</u>
Profit (Loss) after tax for the period		<u><u>179,325</u></u>	<u><u>(229,834)</u></u>	<u><u>(198,377)</u></u>
Attributable to:				
Equity holders of the Company		130,100	(220,252)	(218,972)
Minority interests		<u>49,225</u>	<u>(9,582)</u>	<u>20,595</u>
		<u><u>179,325</u></u>	<u><u>(229,834)</u></u>	<u><u>(198,377)</u></u>
Dividends	5	<u>-</u>	<u>-</u>	<u>-</u>
Earnings per share:	6			
- Basic earnings (loss) per share		<u>0.1735</u>	<u>(0.2937)</u>	<u>(0.2920)</u>
- Diluted earnings (loss) per share		<u>0.1699</u>	<u>(0.2937)</u>	<u>(0.2920)</u>

Note: Comparatives for the 3 months ended 30 September 2006 had not been prepared as the Company was not a listed company then and had not prepared such quarterly information.

Notes to the income statement

1. Revenue, other income and other expense

Revenue

	29 June 2006 to 31 December 2006	3 months ended 30 September 2007	9 months ended 30 September 2007
Development of land infrastructure	625,791	1,570	308,504
Hotel operations	31,201	7,274	26,384
Golf course operations	28,192	13,736	38,655
Golf club membership fees	5,039	2,740	8,412
Investment property leasing	2,729	1,409	4,171
Others	1,094	527	1,471
Less: Business tax and surcharges	(46,063)	(4,305)	(30,753)
	<u>647,983</u>	<u>22,951</u>	<u>356,844</u>

During the 3rd quarter of 2007, we have made no sale of land infrastructure and, therefore, recognised only deferred revenue of Rmb1.6 million arising from increase in the completion of infrastructure assets. The commercial property portfolio has contributed revenue of Rmb25.2 million and operating profit of Rmb5.9 million respectively.

In January 2007, we handed over developable residential land parcels of 120,595 square metres in our Luodian project to the relevant land administrative bodies for public listing. The achieved selling price exceeded Rmb2,900 per square metre (in terms of gross floor area), compared with the average cost of approximately Rmb1,300 per square metre. Revenue of approximately Rmb306 million was recorded.

The operating performance of the commercial property portfolio has demonstrated moderate overall improvement. For the nine months concerned, the golf course business (including operations and membership sales) posted revenue of Rmb47.1 million and operating profits of Rmb18.3 million respectively (versus Rmb33.2 million and Rmb11.6 million for the period from 29 June to 31 December 2006), which more than offset the operating losses of Rmb2.0 million from the hotel (Rmb10.0 million profit for the period from 29 June to 31 December 2006), which has been under renovation in preparation of soft-opening as Crowne Plaza Lake Meilan Hotel before the end of the year. The shopping street has contributed operating profits of over Rmb4.2 million, which is 52% ahead of the period from 29 June to 31 December last year.

Other income

	29 June 2006 to 31 December 2006	3 months ended 30 September 2007	9 months ended 30 September 2007
Government grant	-	-	46,486
Foreign exchange gain, net	-	(337)	-
Interest income	201	5,492	21,249
Gain from sale of investment properties and disposal of fixed assets	-	23	361
	<u>201</u>	<u>5,178</u>	<u>68,096</u>

In January 2007, the Group received RMB43,190,000 from the government in accordance with relevant policy and detailed regulations with regard to Trial Measures to Expedite the Development of Towns in Shanghai (“关于上海市促进试点城镇发展的试点意见的实施细则”). The grant amount received was a subsidy for interest expense incurred by the Group for the construction of public facilities. In addition, the amount received represents 70% of the total amount receivable in connection with the Group’s application for such grant and the remaining 30% is expected to be received within the next twelve months, after the completion of certain procedure conducted by the government. Such grants are recognised by the Group when the application is successful as there is no assurance that the application could be successfully processed. As some of the borrowing costs that the grant was to subsidise had been capitalised as part of land infrastructure under development for sale, a portion of the grant amount was offset against land infrastructure under development for sale and the remaining amount recognised as other income.

The unused proceeds from convertible bonds issued in February 2007 gave rise to interest income of Rmb5.5 million for the 3rd quarter and Rmb21.2 million for the nine months of 2007 respectively. The said proceeds, however, are denominated in US dollars, which have depreciated significantly throughout the year and resulted in foreign exchange loss reported as follows:

Other expenses

	29 June 2006 to 31 December 2006	3 months ended 30 September 2007	9 months ended 30 September 2007
Foreign exchange loss, net	1,140	19,346	36,828
Bank charges and others	690	(182)	395
	<u>1,830</u>	<u>19,164</u>	<u>37,223</u>

2. Loss on convertible bonds other than interest cost, net

	29 June 2006 to 31 December 2006	3 months ended 30 September 2007	9 months ended 30 September 2007
Loss on change in terms of convertible bonds:			
- increase in carrying value of convertible bonds	-	199,460	199,460
- write off of unamortized transaction cost	-	39,329	39,329
Gain on fair value decrease of derivatives	-	(107,841)	(131,195)
Foreign exchange gain	-	(1,405)	(1,405)
	<u>-</u>	<u>129,543</u>	<u>106,189</u>

3. Cost of sales

	<u>29 June 2006 to 31 December 2006</u>	<u>3 months ended 30 September 2007</u>	<u>9 months ended 30 September 2007</u>
Development of land infrastructure	258,323	702	131,144
Hotel operations	21,212	9,339	28,342
Golf course operations	11,530	4,845	13,544
Golf club membership fees	10,082	5,096	15,222
Investment property leasing	-	-	-
Others	1,479	912	2,655
	<u>302,626</u>	<u>20,894</u>	<u>190,907</u>

4. Finance costs

	<u>29 June 2006 to 31 December 2006</u>	<u>3 months ended 30 September 2007</u>	<u>9 months ended 30 September 2007</u>
Interest on bank and borrowings	63,981	29,115	85,674
Interest on convertible bonds	-	58,498	150,541
Less: Interest capitalised	(8,483)	(11,231)	(12,427)
	<u>55,498</u>	<u>76,382</u>	<u>223,788</u>

The borrowing costs have been capitalised at rates of 6.05% and 12.78% per annum for the periods ended 31 December 2006 and 30 September 2007.

On 20 December 2006, a convertible bond ("CB1") with principal amount of USD12,173,833.93 convertible into shares of the Company was issued to Sinopower, a shareholder, by the Company. On 13 February 2007, 5.0% US dollar settled convertible bonds ("CB2") with principal amount of RMB1,239,600,000 were issued by the Company to various investors.

In accordance with the prevailing accounting standards, we are required to record interest cost of the convertible instruments in terms of the effective costs of borrowing, which are 26.8% for the CB1 and 22.9% for the CB2 respectively for the period concerned. The total amounts of Rmb58.5 million for the 3rd quarter and Rmb150.5 million for the nine months of 2007 are over 4 times larger than the annual coupons, which are 0% for the CB1 and 5% for the CB2. In other words, over 70% of this total is non-cash accrued expenses. Actual cash outlays in addition to the coupon payments would result only if the CB2 holders choose to exercise the put option, which is exercisable from 15 September to 15 October 2008. The put price is approximately S\$0.48 (assuming S\$1=RMB5.13).

5. Dividends

- (i) No dividends had been declared for the current financial period reported on. There were also no dividends declared for the corresponding period of the immediately preceding financial year.
- (ii) No dividend has been declared or recommended during the nine months ended 30 September 2007.

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

The calculation of basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the Company on the assumption that the sub-division of one existing share into 75,000 shares had been effective throughout the relevant periods.

A diluted earnings per share amount is calculated by dividing the profit attributable to ordinary equity holders of the Company (after adjusting income statement effects of dilutive convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The calculation of diluted earnings per share does not include the effect of potential ordinary shares, i.e. the conversion bonds and the employee stock option that would have an antidilutive effect on earnings per share for the relevant periods.

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

	29 June 2006 to 31 December 2006	3 months ended 30 September 2007	9 months ended 30 September 2007
Profit (loss) attributable to ordinary equity holders of the Company	130,100	(220,252)	(218,972)
Less: Exchange gain and change in fair value of the embedded derivative, net of interest expenses of the dilutive convertible bond	-	-	-
Profit (loss) attributable to ordinary equity holders of the parent adjusted for effect of dilutive convertible bond	<u>130,100</u>	<u>(220,252)</u>	<u>(218,972)</u>
Weighted average number of ordinary shares outstanding	750,000,000	750,000,000	750,000,000
Add: Weighted average number of ordinary shares resulting from conversion of dilutive convertible bond	<u>15,764,189</u>	<u>-</u>	<u>-</u>
Number of ordinary shares used to calculate the diluted earnings per share	<u><u>765,764,189</u></u>	<u><u>750,000,000</u></u>	<u><u>750,000,000</u></u>
Basic earnings (loss) per share (Rmb)	<u>0.1735</u>	<u>(0.2937)</u>	<u>(0.2920)</u>
Diluted earnings (loss) per share (Rmb)	<u><u>0.1699</u></u>	<u><u>(0.2937)</u></u>	<u><u>(0.2920)</u></u>

There have been no other transactions involving ordinary shares or potential ordinary shares between 30 September 2007 and the date when financial statements were approved and authorised for issue that would affect the calculation of the above earnings per share.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as of 31 December 2006

Balance Sheet as at 30 September 2007

(All amounts expressed in RMB'000 unless otherwise specified)

The Group

	<u>Notes</u>	<u>31 December 2006</u>	<u>30 September 2007</u>
Non-current assets			
Property, plant and equipment		1,220,954	1,212,561
Investment properties		780,000	791,000
Prepaid land lease payments		334,400	328,153
Investment in associated companies		200	200
Non-current trade receivables		162,253	150,596
Deferred tax assets		1,979	1,995
Other assets		31,498	54,961
		<u>2,531,284</u>	<u>2,539,466</u>
Current assets			
Land infrastructure under development for sale		1,529,289	1,892,826
Inventories		2,890	4,430
Amounts due from related parties		3,246	1,581
Prepayments and other receivables		24,586	59,039
Trade receivables		473,009	282,326
Cash and bank balances		169,211	749,844
		<u>2,202,231</u>	<u>2,990,046</u>
Total current assets		<u>2,202,231</u>	<u>2,990,046</u>
		<u>4,733,515</u>	<u>5,529,512</u>
Total assets			
Equity			
Equity attributable to equity holders of the Company:			
Share capital	1	78	78
Other reserves		224,032	849,186
Retained earnings (Accumulated losses)		130,100	(88,872)
Minority interests		309,683	417,204
		<u>663,893</u>	<u>1,177,596</u>
Total equity		<u>663,893</u>	<u>1,177,596</u>
Non-current liabilities			
Interest-bearing bank and borrowings		1,990,000	-
Convertible bonds - host debts	3	56,773	1,222,608
Convertible bonds - embedded derivatives	3	410,264	43,200
Deferred income from sale of golf club membership	5	339,180	478,796
Deferred tax liabilities		133,908	94,771
Other non-current liabilities	4	144,590	144,590
		<u>3,074,715</u>	<u>1,983,965</u>

Balance Sheet as at 30 September 2007 (continued)

The Group

	<u>Notes</u>	<u>31 December 2006</u>	<u>30 September 2007</u>
Current liabilities			
Trade payables		483,417	314,061
Other payables and accruals		96,428	95,431
Amounts due to related parties		40,685	-
Advances from customers		3,505	2,890
Interest-bearing bank and other borrowings	2	100,000	1,640,000
Deferred income arising from construction of ancillary public facilities	5	106,725	119,308
Current income tax liabilities		164,147	196,261
		<u>994,907</u>	<u>2,367,951</u>
Total liabilities		<u>4,069,622</u>	<u>4,351,916</u>
Total equity and liabilities		<u>4,733,515</u>	<u>5,529,512</u>

The Company

	<u>31 December 2006</u>	<u>30 September 2007</u>
Non-current assets		
Investment	2,024,561	2,024,561
Property, plant and equipment	80	85
Other assets	3,422	15,199
	<u>2,028,063</u>	<u>2,039,845</u>
Current assets		
Amounts due from related parties	1,491	959,355
Prepayments and other receivables	14,234	53
Cash and bank balances	5,950	202,664
Total current assets	<u>21,675</u>	<u>1,162,072</u>
Total assets	<u>2,049,738</u>	<u>3,201,916</u>
Equity		
Share capital	78	78
Other reserves	1,557,445	2,182,599
Retained earnings	(539)	(257,054)
Total equity	<u>1,556,984</u>	<u>1,925,623</u>
Non-current liabilities		
Convertible bonds - host debts	56,773	1,222,607
Convertible bonds - embedded derivatives	410,264	43,200
	<u>467,037</u>	<u>1,265,807</u>

	<u>31 December 2006</u>	<u>30 September 2007</u>
Current liabilities		
Other payables and accruals	-	10,486
Amounts due to related parties	25,717	-
	<u>25,717</u>	<u>10,486</u>
Total liabilities	<u>492,754</u>	<u>1,276,293</u>
Total equity and liabilities	<u>2,049,738</u>	<u>3,201,916</u>

Notes to the balance sheet

1. Share capital

	<u>31 December 2006</u>	<u>30 September 2007</u>
Registered capital, of 10,000 shares	<u>78</u>	<u>78</u>

2. Interest-bearing bank borrowings

At each period end, the interest-bearing bank borrowings which were all denominated in RMB, were as follows:

	<u>31 December 2006</u>	<u>30 September 2007</u>
Bank loans – collateralised	1,000,000	1,000,000
Bank loans – guaranteed	100,000	-
Bank loans – unsecured	990,000	640,000
Total	<u>2,090,000</u>	<u>1,640,000</u>

The bank borrowings are repayable as follows:

	<u>31 December 2006</u>	<u>30 September 2007</u>
Within one year	100,000	1,640,000
In the second year	1,990,000	-
Total	<u>2,090,000</u>	<u>1,640,000</u>

The Group's bank loans bear interest at floating rates ranging from 5.184% to 6.30% and 5.184% to 6.75% per annum for the periods ended 31 December 2006 and 30 September 2007 respectively.

3. Convertible bonds and derivative financial liabilities

The carrying amounts of convertible bonds as of 30 September 2007 are as follows:

	As at 30 September 2007		
	CB1	CB2	Total
Embedded derivatives (at fair value through profit and loss)	-	43,200	43,200
Host debts (carried at amortised cost)	70,872	1,151,736	1,222,608
Carrying amount of convertible bonds	<u>70,872</u>	<u>1,194,936</u>	<u>1,265,808</u>

The movements of carrying amounts of host debts in CB1 and CB2 in the nine months ended 30 September 2007 are as follows:

	9 months ended 30 September 2007		
	CB1	CB2	Total
Carrying amount of host debt at beginning of period	56,773	-	56,773
Carrying amount of host debt on initial recognition upon issuance (fair value upon issuance net of attributable transaction cost of 50,492 thousands)	-	1,038,364	1,038,364
Foreign exchange gain	(1,405)	-	(1,405)
Interest expenses until 30 September 2007	12,213	143,150	155,363
Carrying amount change due to terms change	3,291	1,212	4,503
Interest paid	-	(30,990)	(30,990)
	<u>70,872</u>	<u>1,151,736</u>	<u>1,222,608</u>
Carrying amounts of host debts at end of Period			

The fair value movements for derivatives embedded in CB1 and CB2 for the nine months ended 30 September 2007 are as follows:

	9 months ended 30 September 2007		
	CB1	CB2	Total
At beginning of period	410,264	-	410,264
Initial recognition upon issuance of bonds	-	150,745	150,745
Fair value decrease	(11,212)	(119,983)	(131,195)
Fair value loss due to terms change	(2,152)	236,438	234,286
Transfer to equity	(396,900)	(224,000)	(620,900)
	<u>-</u>	<u>43,200</u>	<u>43,200</u>
At end of period			

The fair values of the convertible bonds and the embedded derivatives as of 30 September 2007 are valued by DTZ and and Real Actuarial Consulting Limited.

In December 2006, the Company issued CB1 to Sinopower, major shareholder of CNTD and a wholly owned subsidiary of SRE Group Limited, which were convertible into 265,125,000 shares. In July 2007, the Company and Sinopower subsequently changed the currency denomination of the CB1 from US dollars into RMB.

The Company also issued CB2. Owing to the features of the conversion and early redemption options pertinent to the original terms and conditions, we were required to treat the CB2 as an interest-bearing debt with embedded derivatives, of which we recognize changes in fair value in our profit and loss statement. In September 2007, the Company and the CB2 holders amended the terms and conditions so that the conversion option is now classified as part of equity rather than liability, and changes in fair value of the conversion option no longer need to flow through the financial statements as a result. However, albeit the changes in terms, an independently exercisable put option remains and is carried as liability in the balance sheet. Changes in its fair value, therefore, will continue to affect the profit and loss statement until the expiry of the put option or when the CB2 holders exercise the conversion rights.

For the nine months ended 30 September 2007, we have recorded loss of Rmb199.4 million as a result of change in terms of the CB2 (see note 2), which can compare with the estimated loss of Rmb200 million, as disclosed in listing Prospectus dated 5 November 2007 (see section titled Risk Relating to Our Business on p.16 thereof).

4. Other non-current liabilities

	<u>31 December 2006</u>	<u>30 September 2007</u>
Old town reconstruction fund	144,590	144,590

Other non-current liabilities represent a pre-determined portion of the amounts received from the local land authorities as a result of the sale of rights to use parcels of land developed by the Group, which, as agreed by the Group and local land authorities, would be used for the purposes of reconstruction of an old town of Luodian, Shanghai.

5. Deferred income

	<u>31 December 2006</u>	<u>30 September 2007</u>
Deferred revenue arising from:		
- Sale of golf club membership (a)	339,180	478,796
- Sale of land infrastructure (b)	106,725	119,308
Total	445,905	598,104

- (a) The revenue arising from the sales of golf club membership is deferred and recognised on a straight-line basis to reflect the expected period when related benefits would be provided.
- (b) The deferred revenue arising from the sale of land infrastructure represents the portion of amounts received from the land authorities as a result of the sales of parcels of land developed by the Group that were not yet recognized as revenue, because the developments of the ancillary public facilities attributable to the parcels of land sold were still in progress. The deferred income is classified as a current liability as it would be realized within its normal operating cycle.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

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

As at 31/12/ 2006		As at 30/9/2007	
Secured	Unsecured	Secured	Unsecured
100,000	-	1,000,000	640,000

(b) Amount repayable after one year

As at 31/12/ 2006		As at 30/9/2007	
Secured	Unsecured	Secured	Unsecured
1,000,000	990,000	-	-

(c) Details of any collaterals

Not applicable.

1(c) **A cash flow statement (for the Group), together with a comparative statement for the period from 29 June 2006 to 31 December 2006**

Consolidated Cash Flow Statement

(All amounts expressed in RMB'000 unless otherwise specified)

	29 June 2006 to 31 December 2006	3 months ended 30 September 2007	9 months ended 30 September 2007
Cash flows from operating activities			
Profit (Loss) before tax	270,705	(244,562)	(205,417)
Adjustments for:			
Depreciation of property, plant and equipment	27,790	14,653	43,535
Amortisation of prepaid land lease payments	4,165	2,083	6,248
Gain from sales of investment properties	-	-	(338)
Loss on disposal of property, plant and equipment	-	170	170
Fair value gain on investment properties	(30,000)	(4,000)	(13,351)
Fair value change for convertible bonds	-	129,543	106,189
Foreign exchange loss	-	19,346	36,828
Interest income	(201)	(5,492)	(21,249)
Interest expense	55,498	76,381	223,787
Share options granted	-	4,254	4,254
	327,957	(7,624)	180,656
Decrease/(increase) in restricted bank deposits	508	165	(161)
Decrease/(increase) in land infrastructure under development for sale	204,676	(216,308)	(351,110)
Decrease/(increase) in inventories	72	(376)	(1,540)
Decrease/(increase) in amounts due from related parties	(1,424)	177	1,665
Decrease/(increase) in prepayments and other current assets	(17,465)	(7,107)	(29,111)
Decrease/(increase) in trade receivables	(396,212)	98,910	202,341
Increase in deferred income and other non-current liabilities	11,200	77,873	139,616
Decrease in trade and other payables	(53,687)	(113,863)	(159,435)
Increase/(decrease) in amounts due to related parties	19,835	(4,937)	(40,685)
Net cash inflow (outflow) from operating activities	95,460	(173,090)	(57,764)

Consolidated Cash Flow Statement (continued)

	<u>29 June 2006 to 31 December 2006</u>	<u>3 months ended 30 September 2007</u>	<u>9 months ended 30 September 2007</u>
Cash flows from investing activities			
Purchases/Constructions of property, plant and equipment	(37,526)	(50,017)	(79,538)
Proceeds from disposal of property, plant and equipment	-	6,759	6,759
Land lease payments	(2,186)	-	-
Payment for properties under development for long-term investment/investment properties	(288)	(5,178)	(6,646)
Interest received	201	5,492	21,249
Net cash outflow from investing activities	<u>(39,799)</u>	<u>(42,944)</u>	<u>(58,176)</u>
Cash flows from financing activities			
Proceeds from convertible bonds, net of interest paid for convertible bonds	-	(28,253)	1,165,457
Capital contributions from minority shareholders of subsidiaries	-	29,693	86,926
Repayment of borrowings	-	(100,000)	(450,000)
Loans from related parties	70,000	-	-
Repayment of loans to related parties	(70,000)	-	-
Restricted cash for convertible bonds coupon	-	31,381	(32,373)
Interest paid	(63,633)	(9,585)	(67,738)
Net cash inflow/(outflow) from financing activities	<u>(63,633)</u>	<u>(76,764)</u>	<u>702,272</u>
Net increase/(decrease) in cash and cash equivalents	(7,972)	(292,798)	586,332
Net foreign exchange difference	-	(19,345)	(38,232)
Cash and cash equivalents at beginning of period	<u>177,120</u>	<u>1,029,391</u>	<u>169,148</u>
Cash and cash equivalents at end of period	<u><u>169,148</u></u>	<u><u>717,248</u></u>	<u><u>717,248</u></u>

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the period from 29 June 2006 to 31 December 2006**

Statement of changes in equity

(All amounts expressed in RMB'000 unless otherwise specified)

The Group

	Note	Equity attributable to equity holders of the Company					Total Equity
		Share capital	Other reserves	Retained earnings	Total	Minority interests	
As at 29 June 2006		78	691,069	-	691,147	260,458	951,605
Profit for the period		-	-	130,100	130,100	49,225	179,325
Issuance of convertible bonds upon reorganisation		-	(467,037)	-	(467,037)	-	(467,037)
As at 31 December 2006		78	224,032	130,100	354,210	309,683	663,893
Loss for the period		-	-	(218,972)	(218,972)	20,595	(198,377)
Employee Share option scheme: options granted			4,254		4,254		4,254
Convertible bonds – equity components	3		620,900		620,900		620,900
Issue of shares to minority shareholders of subsidiaries		-	-		-	86,926	86,926
As at 30 September 2007		78	849,186	(88,872)	760,392	417,204	1,177,596

The Company

	Equity attributable to equity holders of the Company			
	Share capital	Other reserves	Retained earnings	Total
As at 29 June 2006	-	-	(11)	(11)
Issue of shares	78	-	-	78
Loss for the period	-	-	(528)	(528)
Imputed equity contribution upon reorganisation	-	1,557,445	-	1,557,445
As at 31 December 2006	78	1,557,445	(539)	1,556,984
Loss for the period	-	-	(256,515)	(256,515)
Employee share option scheme: options granted	-	4,254	-	4,254
Convertible bonds - equity components	-	620,900	-	620,900
As at 30 September 2007	78	2,182,599	(257,054)	1,925,623

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and for the period from 29 June 2006 to 31 December 2006:**

As at 30 September 2007, the number of shares that may be issued on conversion of all the outstanding convertibles is 974,700,000 shares (after the sub-division of one existing share into 75,000 shares).

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

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

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

Not applicable.

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

The group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the most recently audited financial statements for the period from 29 June 2006 to 31 December 2006 and the six months ended 30 June 2007.

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

Not applicable.

- 6 **Earnings per ordinary share of the group for the current financial period reported on and for the period from 29 June 2006 to 31 December 2006, after deducting any provision for preference dividends.**

	Earning per ordinary share for the year based on profit attributable to shareholders after deducting any provision for preference dividends	Group		
		29 June 2006 to 31 December 2006 (RMB)	3 months ended 30 September 2007 (RMB)	9 months ended 30 September 2007 (RMB)
(i)	Based on weighted average number of ordinary shares on issue	0.1735	(0.2937)	(0.2920)
(ii)	On a fully diluted basis	0.1699	(0.2937)	(0.2920)

- 7 **Net asset value (for the issuer and the group) per ordinary share based on issued share capital of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year**

Net asset value per ordinary share based on existing issued share capital of the issuer as at the end of the period reported on (RMB, after share split)	Group		Company	
	31/12/2006	30/9/2007	31/12/2006	30/9/2007
	0.4723	1.5701	2.0760	2.5675

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

Our results of operations are affected primarily by the following factors: frequency and timing of sales of land prices will likely to result in higher gross margins and contribute use rights, revenue for the 4th quarter. from the sale of land use rights, change in fair value of our investment properties, changes in the fair value of the embedded equity derivative in CB2, etc.The Company is in talks with the Shanghai Land Reserve Center for releasing three more plots of residential land parcels for public listing prior to March 2008.

The Luodian New Town development company has renewed the project loan of principal amount of Rmb1.64 billion for 18 months at the prevailing lending rates in China.

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

Not applicable

- 10 **A commentary at the date of this announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Despite the gradual tightening of bank credit towards property development in China, chronic shortage of developable land parcels in Shanghai persisted during the period under review. Recent transactions of transfer of land use rights showed that the comparable land price may exceed Rmb4,000 psm in terms of gross floor area, which compares comfortably with the last achieved price of Rmb2,900 psm in January 2007. We are finalizing details with the Shanghai Land Reserve Center so as to participate in the next public listing, which is expected to invite bids in the second half of December 2007.

- 11 **Dividend**

Any dividend for the period has been declared?

- | | |
|---|-----------------|
| (a) Any dividend declared for the current financial period reported on? | No |
| (b) Any dividend declared for the corresponding period of the immediately preceding financial year? | No |
| (c) Date payable | Not applicable. |
| (d) Books closing date | Not applicable. |

- 12 **If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared for the third quarter ended 30 September 2007.

13 **Additional Information**

13(i) **Interested Persons Transactions (“IPTs”)**

Name of interested person	9 months ended 30 September 2007	
	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) (RMB’000)	Aggregate value of all IPTs conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (RMB’000)
SRE Group Limited Group of Companies	5,275	-

13(ii) **Post Balance Sheet Events**

1. **Wuxi Hong Shan New Town (“Wuxi New Town”)**

The Company has commenced construction of the Wuxi New Town on 28 March 2007. On 20 November 2007, land use rights of two plots of land developed by the Wuxi New Town project have been sold by way of public listing. Among them, a commercial plot was purchased by the Wuxi New Town development company for construction of a shopping district and, therefore, would not contribute profit to the Company. The residential plot (48,620 sq.m. in site area sold at Rmb76.9 million) was sold to an independent property developer and, therefore, will contribute revenue to the 4th quarter of 2007.

2. **Shenyang Lixiang New Town (“Shenyang New Town”)**

The Company has commenced construction of the Shenyang New Town on 1 April 2007. On 23 October 2007, the Shenyang New Town has handed over a residential plot of 272,361 sq.m. in site area to the local land reserve center for public listing. The bidding is expected to close prior to the end of December 2007. Upon successful sale of the parcel by the end of December 2007, revenue will contribute to the 4th quarter’s revenue of 2007.

3. **Changchun Automobile New Town (“Changchun New Town”)**

Winlee Investment Limited, a wholly-owned subsidiary of the Company, on 30 November 2007 entered into a definitive agreement with Changchun Auto Industry Development Zone Administrative Committee (the “Committee”) to develop Changchun New Town. The Project is expected to be undertaken by a newly-formed joint venture project company with equity participation of 80% owned by the Company and 20% by a commercial entity owned by the Committee.

Changchun New Town comprises Sites I and II, with site areas of 12.99 sq. km. and 8 sq. km. respectively. The total cost of investment for Site I is estimated to be RMB3 billion (including construction costs, operating expenses and taxes), while the initial registered capital for Site I is estimated to be USD29.8 million. Funding is expected to take place in December 2007. The feasibility study for Site II is still in process.

13(iii) Waiver from Rule 705(2)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) to announce financial statement for third quarter of 2007

The Company had made an application to the SGX-ST for a thirty-day extension from compliance with Rule 705(2)(b) of the Listing Manual of the SGX-ST and to announce its third quarter results of 2007 for the period ended 30 September 2007 by 12 December 2007 (“Extension of Time”). The SGX-ST had via its letter dated 16 November 2007 approved the Company’s application for the Extension of Time.

14 Negative assurance confirmation by the Board pursuant to Rule 705 (4) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of China New Town Development Company Limited for the nine months ended 30 September 2007 presented in this announcement to be false or misleading in any material respect.

The initial public offering of the Company’s shares was jointly sponsored by Citigroup Global Markets Singapore Pte. Ltd. and Deutsche Bank AG, Singapore Branch.

By order of the Board

Kuok Yew Lee
Company Secretary

12 December 2007