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This presentation contains projections and forward-looking statements regarding the Group's objectives and expectations with respect to property development plans, and its opportunities and business prospects. Such forward-looking statements are not guarantees of future performance of the Group and are subject to factors that could cause actual results and company plans and objectives to differ materially from those expressed in the forward-looking statements. These factors include, but are not limited to, timing and price of sales of land in public bidding process; adverse changes in the Chinese economy and property market; fluctuations in the availability and pricing of residential and commercial properties; performance of construction and other contractors; and competition. The Group undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

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

(Company Registration Number: 1003373)

Unaudited Financial Statements for the Full Year Ended 31 December 2008

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

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Income Statement for the Financial Year ("FY") ended 31 December 2008

| Group | Year ended | Year ended | Increase |
|---|------------------|------------------|------------|
| | 31 December 2008 | 31 December 2007 | (Decrease) |
| | RMB'000 | RMB'000 | % |
| Revenue | 564,096 | 363,194 | 55 |
| Cost of sales | (369,101) | (203,061) | 82 |
| Gross profit | 194,995 | 160,133 | 22 |
| Other income | 16,159 | 72,919 | (78) |
| Selling and distribution costs | (35,891) | (37,752) | (5) |
| Administrative expenses | (165,911) | (106,455) | 56 |
| Other expenses | (36,162) | (45,567) | (21) |
| Loss on convertible bonds other than interest cost, net | (287,826) | (79,445) | 262 |
| (Decrease)/Increase in fair values of investment properties | (488,160) | 38,948 | (1,353) |
| Operating profit/(loss) | (802,796) | 2,781 | (28,967) |
| Finance costs | (193,696) | (293,564) | (34) |
| Profit/(loss) before tax | (996,492) | (290,783) | 243 |
| Income tax | 111,721 | 18,772 | 495 |
| Profit/(loss) after tax | (884,771) | (272,011) | 225 |
| Attributable to: | | | |
| Equity holders of the Company | (771,040) | (287,353) | 168 |
| Minority interests | (113,731) | 15,342 | (841) |
| | (884,771) | (272,011) | 225 |

1(a)(ii) **Notes to the income statement**

a) **Revenue, other income and other expenses**

Revenue

| | Year ended 31 December 2008 | Year ended 31 December 2007 | Increase (Decrease) |
|------------------------------------|--------------------------------|--------------------------------|------------------------|
| | RMB'000 | RMB'000 | % |
| Development of land infrastructure | 497,305 | 284,993 | 74 |
| Hotel operations | 34,047 | 33,978 | - |
| Golf course operations | 56,719 | 59,673 | (5) |
| Golf club membership fees | 21,948 | 13,113 | 67 |
| Investment property leasing | 593 | 5,533 | (89) |
| Others | 4,269 | 1,630 | 162 |
| Less: Business tax and surcharges | (50,785) | (35,726) | 42 |
| | 564,096 | 363,194 | 55 |

Other income

| | Year ended 31 December 2008 | Year ended 31 December 2007 | Increase (Decrease) |
|-------------------------------------|--------------------------------|--------------------------------|------------------------|
| | RMB'000 | RMB'000 | % |
| Government grant - interest subsidy | - | 46,486 | (100) |
| Interest income | 14,601 | 26,052 | (44) |
| Others | 1,558 | 381 | 309 |
| | 16,159 | 72,919 | (78) |

Other expenses

| | Year ended 31 December 2008 | Year ended 31 December 2007 | Increase (Decrease) |
|----------------------------|--------------------------------|--------------------------------|------------------------|
| | RMB'000 | RMB'000 | % |
| Foreign exchange loss, net | 34,264 | 44,012 | (22) |
| Bank charges | 1,174 | 1,345 | (13) |
| Others | 724 | 210 | 245 |
| | 36,162 | 45,567 | (21) |

b) **Expenses by business units**

| | Year ended 31 December 2008 | Year ended 31 December 2007 | Increase (Decrease) |
|------------------------------------|--------------------------------|--------------------------------|------------------------|
| | RMB'000 | RMB'000 | % |
| Development of land infrastructure | 278,468 | 121,484 | 129 |
| Hotel operations | 39,787 | 37,652 | 6 |
| Golf course operations | 21,716 | 19,708 | 10 |
| Golf club membership fees | 22,769 | 20,575 | 11 |
| Others | 6,361 | 3,642 | 75 |
| | 369,101 | 203,061 | 82 |

c) **Finance costs**

| | Year ended | Year ended | Increase |
|---------------------------------|------------------|------------------|-------------|
| | 31 December 2008 | 31 December 2007 | (Decrease) |
| | RMB'000 | RMB'000 | % |
| Interest on bank and borrowings | 123,351 | 113,699 | 8 |
| Interest on convertible bonds | 167,704 | 215,496 | (22) |
| Interest on high yield notes | 36,757 | - | N/A |
| Less: Interest capitalised | (134,116) | (35,631) | 276 |
| | <u>193,696</u> | <u>293,564</u> | <u>(34)</u> |

1(b)(i) **A balance sheet (for the issuer and group), together with a comparative statement as at the end of immediately preceding financial year.**

Balance Sheets as at 31 December 2008

| (In RMB'000) | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 31 December 2008 | 31 December 2007 | 31 December 2008 | 31 December 2007 |
| Non-current assets | | | | |
| Investments in subsidiaries | - | - | 3,119,699 | 3,386,846 |
| Investments in associated companies | 200 | 200 | - | - |
| Property, plant and equipment | 1,391,958 | 1,276,038 | 323 | 164 |
| Investment properties | 497,010 | 845,000 | - | - |
| Property under development for long-term investment | 39,740 | 85,336 | - | - |
| Prepaid land lease payments | 320,273 | 326,070 | - | - |
| Non-current trade receivables | 124,841 | 78,043 | - | - |
| Deferred tax assets | 95,623 | 3,157 | - | - |
| Other assets | 50,749 | 40,768 | - | - |
| | <u>2,520,394</u> | <u>2,654,612</u> | <u>3,120,022</u> | <u>3,387,010</u> |
| Current assets | | | | |
| Land infrastructure under development for sale | 3,470,967 | 2,633,604 | - | - |
| Inventories | 3,459 | 3,781 | - | - |
| Amounts due from subsidiaries | - | - | 74,265 | 48,494 |
| Amounts due from related parties | 1,757 | 1,755 | - | - |
| Prepayments and other receivables | 31,860 | 27,193 | 269 | 166 |
| Trade receivables | 290,012 | 553,017 | - | - |
| Cash and bank balances | 184,253 | 1,750,256 | 47,411 | 1,037,563 |
| Total current assets | <u>3,982,308</u> | <u>4,969,606</u> | <u>121,945</u> | <u>1,086,223</u> |
| Total assets | <u>6,502,702</u> | <u>7,624,218</u> | <u>3,241,967</u> | <u>4,473,233</u> |
| Equity | | | | |
| Equity attributable to equity holders of the Company: | | | | |
| Share capital | 2,115,240 | 1,891,080 | 2,115,240 | 1,891,080 |
| Treasury shares | (180) | - | (180) | - |
| Other reserves | 604,670 | 435,976 | 1,938,083 | 1,769,389 |
| Retained earnings/(Accumulated losses) | (928,293) | (157,253) | (1,398,915) | (308,962) |
| Minority interests | 387,177 | 500,908 | - | - |
| Total equity | <u>2,178,614</u> | <u>2,670,711</u> | <u>2,654,228</u> | <u>3,351,507</u> |

Balance Sheets as at 31 December 2008 (continued)

| (In RMB'000) | Group | | Company | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2008 | 31 December 2007 | 31 December 2008 | 31 December 2007 |
| Non-current liabilities | | | | |
| High yield notes | 550,835 | - | 550,835 | - |
| Deferred income from sale of golf club membership | 591,165 | 487,224 | - | - |
| Deferred tax liabilities | - | 103,788 | - | - |
| | <u>1,142,000</u> | <u>591,012</u> | <u>550,835</u> | <u>-</u> |
| Current liabilities | | | | |
| Trade payables | 1,036,291 | 832,167 | - | - |
| Other payables and accruals | 269,591 | 105,458 | 29,313 | 8,966 |
| Amounts due to related parties | 117,437 | 1,017 | 7,591 | - |
| Advances from customers | 89,161 | 2,571 | - | - |
| Interest-bearing bank borrowings | 1,137,000 | 1,640,000 | - | - |
| Other borrowings | - | 350,000 | - | - |
| Deferred income arising from construction of ancillary public facilities | 271,443 | 141,849 | - | - |
| Convertible bonds - host debts | - | 1,101,860 | - | 1,101,860 |
| Convertible bonds - embedded derivatives | - | 10,900 | - | 10,900 |
| Current income tax liabilities | 261,165 | 176,673 | - | - |
| Total current liabilities | <u>3,182,088</u> | <u>4,362,495</u> | <u>36,904</u> | <u>1,121,726</u> |
| Total liabilities | <u>4,324,088</u> | <u>4,953,507</u> | <u>587,739</u> | <u>1,121,726</u> |
| Total equity and liabilities | <u>6,502,702</u> | <u>7,624,218</u> | <u>3,241,967</u> | <u>4,473,233</u> |

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

i) Borrowings

| Group | 31 December 2008 | 31 December 2007 |
|-----------------------------|---------------------|---------------------|
| | RMB'000 | RMB'000 |
| Bank loans – collateralised | 1,137,000 | 1,640,000 |
| Bank loans – guaranteed | - | - |
| Bank loans – unsecured | - | - |
| | <u>1,137,000</u> | <u>1,640,000</u> |

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

The bank borrowings are repayable as follows:

| 31 December 2008 | 31 December 2007 |
|-----------------------------|-----------------------------|
| RMB'000 | RMB'000 |
| 1,137,000 | 1,640,000 |
| ===== | ===== |

b) Amount repayable after one year

Nil

c) Whether the amounts are secured or unsecured.

See table above.

d) Details of any collateral.

As at 31 December 2008, bank borrowings of RMB1,137 million were collateralised by pledges of the Group's property, plant and equipment, investment properties and prepaid land lease payments, whose net carrying amounts at 31 December 2008 were RMB716 million, RMB420 million and RMB306 million, respectively.

Principal of RMB503 million of the outstanding bank borrowings was repaid during 2008.

ii) Convertible bonds

| (In RMB'000) | As at 31 December 2007 CB2 |
|---|---------------------------------------|
| Embedded derivatives (at fair value through profit or loss) | 10,900 |
| Host debts (carried at amortised cost) | 1,101,860 |
| | <u>1,112,760</u> |

Notes:

CB2 RMB1,239,600,000 aggregate principal amount 5.0% U.S.Dollar settled convertible bonds due on 13 February 2010 was fully repurchased on 12 September 2008.

The movements of the carrying amounts of host debts in CB2 for year ended 31 December 2008 are as follows:

| (In RMB'000) | Year ended 31 December 2008 CB2 |
|--|--|
| Carrying amount of host debt at beginning of year | 1,101,860 |
| Interest expense | 167,704 |
| Interest paid | <u>(61,140)</u> |
| Carrying amounts of host debts at end of 12 September 2008 | 1,208,424 |
| Repurchase of CB2 | <u>(1,208,424)</u> |
| Carrying amounts of host debts at end of 31 December 2008 | <u>-</u> |

The fair value movements for derivatives embedded in CB2 for year ended 31 December 2008 are as follows:

| | Year ended 31 December 2008 | CB2 |
|----------------------------|------------------------------------|------------|
| (In RMB'000) | | |
| At beginning of year | | 10,900 |
| Increase in fair value | | 312,851 |
| Repurchase of CB2 | | (323,751) |
| At end of 31 December 2008 | | <u>-</u> |

On 31 July 2008, the Company entered into agreements with all the bondholders of RMB1,239,600,000 5% USD settled convertible bonds issued on 13 February 2007 ("CB2 Bondholders"), to exchange all the outstanding principal for a combination of: a) US Dollar equivalent of RMB639,495,000 in cash; b) a 17.75% high yield note with a principal amount of RMB 593,300,000 together with a grant of 80 million shares of the Company; and c) 525 million shares ("Exchange Shares") of the Company. In connection with such agreements, SRE Investment Holdings Limited ("SRE Investment"), controlling shareholder of SRE Group Limited, a controlling shareholder of the Company, will issue to the bondholders a top-up arrangement, under which the bondholders may request SRE Investment or such related entity to purchase the Exchange Shares at Singapore Dollar 0.165 per share on the third anniversary of the issuance of the Exchange Shares. The repurchase of CB2 was completed on 12 September 2008.

iii) **High yield notes**

| | As at 31 December 2008 | As at 31 December 2007 |
|---|-----------------------------------|-----------------------------------|
| (In RMB'000) | | |
| Carrying amount on initial recognition upon issuance(fair value) | 514,078 | - |
| Interest expense (amortized upon effective interest rate of 25.75%) | 36,757 | - |
| High yield notes | <u>550,835</u> | <u>-</u> |

On 12 September 2008, the Company issued a 17.75% senior secured guaranteed notes in aggregate principal amount of RMB 593,300,000 due 2011 and settled in US\$. An Interest Reserve Account of USD6.75million was set up. The interest reserve in the account will be maintained throughout the tenor of the Senior Notes.

The Company pledged all of its interest in the shares of its current and future non-PRC subsidiaries and created a charge over the Interest Reserve Account.

1(c)(i) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow Statement

| | Year ended 31 December 2008 | Year ended 31 December 2007 |
|--|--------------------------------|--------------------------------|
| | RMB'000 | RMB'000 |
| Cash flows from operating activities | | |
| Profit/(Loss) before tax | (996,492) | (290,783) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 65,849 | 57,750 |
| Amortisation of prepaid land lease payments | 8,843 | 8,330 |
| Gain on disposal of investment properties | - | (338) |
| Loss on disposal of property, plant and equipment | - | 207 |
| Fair value loss/(gain) on investment properties | 488,160 | (38,948) |
| Loss on convertible bonds other than interest cost, net | 287,826 | 79,445 |
| Transaction costs of CB2 Repurchase | 29,739 | - |
| Foreign exchange loss | 34,264 | 44,012 |
| Interest income | (14,601) | (26,052) |
| Interest expense | 193,696 | 293,564 |
| Share options granted | 16,884 | 8,516 |
| | 114,168 | 135,703 |
| Increase in restricted bank deposits | (55) | (25) |
| Increase in land infrastructure under development for sale | (730,734) | (1,113,051) |
| (Increase)/Decrease in inventories | 322 | (891) |
| (Increase)/Decrease in amounts due from related parties | (2) | 1,491 |
| Increase in prepayments and other current assets | (9,874) | (21,748) |
| (Increase)/Decrease in trade receivables | 217,620 | 132,624 |
| (Increase)/Decrease in deferred income | 103,941 | 3,454 |
| Increase/(Decrease) in trade and other payables | 477,271 | 363,842 |
| Increase/(Decrease) in amounts due to related parties | 116,420 | (39,668) |
| Net cash inflow/(outflow) from operating activities | 289,077 | (538,269) |
| Cash flows from investing activities | | |
| Purchases/constructions of property, plant and equipment | (177,498) | (123,334) |
| Proceeds from disposal of property, plant and equipment | 128 | 674 |
| Refund of land use right | 10,317 | - |
| Payment for properties under development for long-term investments/investment properties | (8,984) | (153,589) |
| Interest received | 14,601 | 26,052 |
| Net cash outflow from investing activities | (161,436) | (250,197) |

Consolidated Cash Flow Statement (Continued)

| | Year ended 31 December 2008 | Year ended 31 December 2007 |
|---|--------------------------------|--------------------------------|
| Cash flows from financing activities | | |
| Proceeds from public listing | - | 1,376,290 |
| Payment of transaction cost for new shares | 22,349 | (87,287) |
| Issue of shares in subsidiaries to minority shareholders | - | 175,883 |
| Proceeds from issuance of convertible bonds | - | 1,165,457 |
| Repurchase of convertible bonds | (646,405) | - |
| Repurchase of shares | (180) | - |
| Repayment of borrowings | (503,000) | (450,000) |
| Repayment /Loans from related parties | (350,000) | 350,000 |
| Restricted cash for convertible bonds coupon | (14,461) | (31,673) |
| Interest paid | (184,839) | (114,838) |
| | <hr/> | <hr/> |
| Net cash (outflow)/inflow from financing activities | (1,676,536) | 2,383,832 |
| | <hr/> | <hr/> |
| Net (decrease)/increase in cash and cash equivalents | (1,548,895) | 1,595,366 |
| Net foreign exchange difference | (31,624) | (46,019) |
| Cash and cash equivalents at beginning of year | 1,718,495 | 169,148 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of year | 137,976 | 1,718,495 |
| | <hr/> <hr/> | <hr/> <hr/> |

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Statements of changes in equity

Group

Year ended 31 December 2007

| (In RMB'000) | Equity attributable to equity holders of the Company | | | | | |
|---|--|----------------|--|------------------|--------------------|------------------|
| | Share Capital | Other reserves | Retained earnings /(accumulated losses) | Total | Minority interests | Total equity |
| Balance as at 1 January 2007 | 78 | 224,032 | 130,100 | 354,210 | 309,683 | 663,893 |
| Loss for the year | - | - | (287,353) | (287,353) | 15,342 | (272,011) |
| Increase in share capital from shares issued at initial public offering of Company, net of IPO issuance costs | 1,288,498 | - | - | 1,288,498 | - | 1,288,498 |
| Imputed equity contribution upon CB1 conversion | 469,828 | (396,900) | - | 72,928 | - | 72,928 |
| Imputed equity contribution upon CB2 conversion | 132,676 | (20,572) | - | 112,104 | - | 112,104 |
| Grant of equity-settled share options to management | - | 8,516 | - | 8,516 | - | 8,516 |
| Convertible bonds-equity components | - | 620,900 | - | 620,900 | - | 620,900 |
| Issue of shares to minority shareholders | - | - | - | - | 175,883 | 175,883 |
| Balance as at 31 December 2007 | <u>1,891,080</u> | <u>435,976</u> | <u>(157,253)</u> | <u>2,169,803</u> | <u>500,908</u> | <u>2,670,711</u> |

Year ended 31 December 2008

| (In RMB'000) | Equity attributable to equity holders of the Company | | | | | | |
|--|--|-----------------|----------------|---|------------------|--------------------|------------------|
| | Share Capital | Treasury shares | Other reserves | Retained earnings (accumulated losses) | Total | Minority interests | Total equity |
| Balance as at 1 January 2008 | 1,891,080 | - | 435,976 | (157,253) | 2,169,803 | 500,908 | 2,670,711 |
| Loss for the year | - | - | - | (771,040) | (771,040) | (113,731) | (884,771) |
| Grant of equity-settled share options to management | - | - | 16,884 | - | 16,884 | - | 16,884 |
| Decrease of conversion option due to convertible bonds buyback | - | - | (11,623) | - | (11,623) | - | (11,623) |
| Shares replacement due from convertible bonds buyback | 175,125 | - | - | - | 175,125 | - | 175,125 |
| Equity-granted shares due from senior notes issuance | 26,686 | - | - | - | 26,686 | - | 26,686 |
| Refund of excessive issuance costs for IPO | 22,349 | - | - | - | 22,349 | - | 22,349 |
| Imputed equity contribution upon convertible bonds buyback | - | - | 163,433 | - | 163,433 | - | 163,433 |
| Repurchase of shares | - | (180) | - | - | (180) | - | (180) |
| Balance as at 31 December 2008 | <u>2,115,240</u> | <u>(180)</u> | <u>604,670</u> | <u>(928,293)</u> | <u>1,791,437</u> | <u>387,177</u> | <u>2,178,614</u> |

Statements of changes in equity (continued)

The Company

Year ended 31 December 2007

| | Share capital | Other reserves | Accumulated losses | Total |
|---|------------------|------------------|--------------------|------------------|
| Balance as at 1 January 2007 | 78 | 1,557,445 | (539) | 1,556,984 |
| Loss for the year | - | - | (308,423) | (308,423) |
| Increase in share capital from shares issued at initial public offering of Company, net of IPO issuance costs | 1,288,498 | - | - | 1,288,498 |
| Imputed equity contribution upon CB1 conversion | 469,828 | (396,900) | - | 72,928 |
| Imputed equity contribution upon CB2 conversion | 132,676 | (20,572) | - | 112,104 |
| Grant of equity-settled share options to management | - | 8,516 | - | 8,516 |
| Convertible bonds-equity components | - | 620,900 | - | 620,900 |
| Balance as at 31 December 2007 | <u>1,891,080</u> | <u>1,769,389</u> | <u>(308,962)</u> | <u>3,351,507</u> |

Year ended 31 December 2008

| | Share capital | Treasury shares | Other reserves | Accumulated losses | Total |
|--|------------------|-----------------|------------------|--------------------|------------------|
| Balance as at 1 January 2008 | 1,891,090 | - | 1,769,389 | (308,962) | 3,351,507 |
| Loss for the year | - | - | - | (1,089,953) | (1,089,953) |
| Grant of equity-settled share options to management | - | - | 16,884 | - | 16,884 |
| Decrease of conversion option due to convertible bonds buyback | - | - | (11,623) | - | (11,623) |
| Shares replacement due from convertible bonds buyback | 175,125 | - | - | - | 175,125 |
| Equity-granted shares due from senior notes issuance | 26,686 | - | - | - | 26,686 |
| Refund of excessive issuance costs for IPO | 22,349 | - | - | - | 22,349 |
| Imputed equity contribution upon convertible bonds buyback | - | - | 163,433 | - | 163,433 |
| Repurchase of shares | - | (180) | - | - | (180) |
| Balance as at 31 December 2008 | <u>2,115,240</u> | <u>(180)</u> | <u>1,938,083</u> | <u>(1,398,915)</u> | <u>2,654,228</u> |

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

On 12 September 2008, the Company has issued 525,000,000 shares and equity grant of 80,000,000 shares for the repurchase of CB2. For details, please refer to Note 1b(ii)(ii).

Besides, the Company has repurchased 600,000 shares from the open market during the period concerned. These shares are held as treasury shares of the Company.

The numbers of shares (after adjusting for the sub-division of one existing share into 75,000 shares (the "Share Split") upon IPO) that may be issued on conversion of all the outstanding convertibles as at 31 December 2008 and as at 31 December 2007 are as follows:

| | As at | As at |
|--|------------------|------------------|
| | 31 December 2008 | 31 December 2007 |
| | No. of Shares | No. of Shares |
| Shares issued pursuant to the full conversion of the CB1 (Note A) | - | 265,125,000 |
| Shares to be issued pursuant to the full conversion of the CB2 (Note B) | - | 681,075,000 |
| Shares to be issued pursuant to the release of all the awards granted under the management grant | 28,850,000 | 28,850,000 |
| Total | 28,850,000 | 975,050,000 |

Notes

A: On 20 December 2006, the Company issued CB1 to Sinopower Investment Limited ("Sinopower"). On 13 November 2007, the Company had allotted and issued 265,125,000 shares (after adjusting for the Share Split) to Sinopower pursuant to the conversion of the CB1.

B: On 13 February 2007, the Company issued CB2 to various third-party investors. On 5 November 2007, the Company had allotted and issued 62,550,000 shares (after adjusting for the Share Split) to one of the investors pursuant to the partial conversion of the CB2. On 12 September 2008, the Company has fully repurchased the CB2. Please see note 1(b)(ii)(ii) for details.

For further details on the CB1, CB2 and management grant, please refer to the Company's prospectus dated 5 November 2007 and Annual Report 2007.

Except the management grant, the Company has no other outstanding convertibles as at 31 December 2008.

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

| | As at 31 December 2008 | As at 31 December 2007 |
|---|---------------------------|---------------------------|
| | No. of Shares | No. of Shares |
| Total number of issued shares excluding treasury shares as at the beginning of the period | 1,401,025,000 | 10 |
| Share split | - | 750,000 |
| Issue of new shares | 605,000,000 | 323,350 |
| No. of treasury shares | (600,000) | - |
| Ordinary shares converted from CB1 | - | 265,125 |
| Ordinary shares converted from CB2 | - | 62,550 |
| Total number of issued shares excluding treasury shares as at the end of the period | 2,005,425,000 | 1,401,025,000 |

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

In September 2008, the Company repurchased 600,000 shares from open market and these shares are being held as treasury 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 a matter).

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the most recently audited financial statements for the financial year ended 31 December 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.

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

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

| | | Group | |
|---|--|--------------------------------|--------------------------------|
| Earning per ordinary share for the year based on profit attributable to shareholders after deducting any provision for preference dividends | | Year ended 31 December 2008 | Year ended 31 December 2007 |
| (i) | Based on the weighted average number of ordinary shares on issue (RMB) | (0.4865) | (0.3430) |
| (ii) | On a fully diluted basis (RMB) | (0.4865) | (0.3430) |

The calculation of basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the Company for the period ended 31 December 2008 and the period ended 31 December 2007.

A diluted earnings per share amounts 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 following reflects the income and share data used in the basic and diluted earnings per share computations:

| | Year ended 31 December 2008 | Year ended 31 December 2007 |
|--|--------------------------------|--------------------------------|
| | RMB'000 | RMB'000 |
| Loss attributable to | | |
| ordinary equity holders of the Company | (771,040) | (287,353) |
| Add/(Less): Exchange gain and change in fair value of the embedded derivative, net of interest expenses of the dilutive convertible bond | - | - |
| Loss attributable to ordinary equity holders of the parent adjusted for effect of dilutive convertible bond | (771,040) | (287,353) |
| Weighted average number of ordinary shares outstanding | 1,584,838,699 | 837,882,945 |
| Add: Weighted average number of ordinary shares resulting from conversion of the dilutive convertible bond(3Q2007)/stock option(3Q2008) | - | - |
| Number of ordinary shares used to calculate the diluted earnings per share | 1,584,838,699 | 837,882,945 |

The Management Share Option Plan is treated as options and outstanding from the date of grant. Since it is anti-dilutive, then it has not been included in the dilutive loss per share calculation.

In April 2008, the Company has resolved to adopt CNTD Stock Option Scheme ("Scheme") and CNTD Performance Share Plan ("Plan"). The Scheme and Plan are to provide an opportunity for the eligible employees to participate the Company's financial success. The vesting of shares is contingent upon certain performance targets and conditions, which are so determined to ensure alignment of interests with shareholders. During 2008, there has been no vesting of shares pursuant to the Scheme and Plan.

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

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 31 December 2008 | 31 December 2007 | 31 December 2008 | 31 December 2007 |
| Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer as at the end of the period reported on (RMB, after share split) | 1.0864 | 1.9063 | 1.3235 | 2.3922 |

- 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.**

Operating Results

Our results of operations are primarily driven by the frequency and achieved selling prices of public auction of land use rights.

During 2008, we have handed over three residential plots from our Shanghai project in January, June and August respectively and three residential plots from our Shenyang project in March and October for public listing. These six plots contributed a total of RMB662million of revenue to the Group.

In October 2008, the Shanghai City Government released new Administrative Measures with retrospective effective from 1 January 2007, Under which the City Government and to a lesser extent, all municipal governments increased taxes and levies on land sale proceeds. As a result, the net revenue sharing ratio of the Luodian project was reduced to 64%. The revenues for the year ended 31 December 2008 were offset by write-off of RMB165million to reflect the reduction in the Group's share of the proceed from sale in land use rights from Luodian in 2007.

During the same period concerned, the net finance costs were reduced by 22% from the Q4 and 34% for the year 2008 as a result of increasing capitalization of interest expenses in line with increasing construction. The extent of capitalization will rise further over time as more funds are put to construction works.

In addition, based on the valuation assessed by DTZ Debenham Tie Leung Limited ("DTZ"), a professional independent valuer, the Group has recognized for 2008 a revaluation loss for the investment properties of Rmb488 million in view of the worsening retail rental market in which we operate.

Further, the Company has suffered from the mark-to-market revaluation of the 5% U.S. Dollar Settled Convertible Bonds (in principal amount of RMB1,239.6million) of RMB287.3million prior to the repurchase transaction completed on 12 September 2008. This loss was non-recurring in nature as the Convertible Bonds have been extinguished on the said date.

Liquidity

During the year, we have repaid Rmb503 million of the Shanghai project loan reducing the principal from RMB1.6 billion to RMB1.1billion. We have also made arrangement with the Agricultural Bank of China (sole lender to the Shanghai project), to renew the principal annually. Further, we have obtained a RMB 96,000,000 working capital loan facility in January 2009 from Bank of Communications for the Wuxi project.

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

As mentioned in Q3 results announcement and profit warning announcement, the management estimated a revaluation loss on investment properties of RMB400million. However, due to the continued weakening retail rental, the revaluation loss was further revised by DTZ, to be RMB 488M as at 31 December 2008.

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.

The PRC government has introduced various stimulating measures in recent months to maintain the stability of economy. More importantly, in October 2008, the PRC government unmistakably abolished various nationwide austerity measures by reducing transaction costs to home buyers, introducing temporary exemption of land appreciation tax, etc. As far as the property developers are concerned, various major cities have officially allowed for instalment payment of land use rights. All these points to the State Councils determination to revitalize the property sector. Our near business outlook depends on the ability of renewing and lengthening the maturity of the RMB1.13billion Agricultural Bank loan, the conclusion of the expected land sales during the year and possible additional funding from the stakeholders. However, the Management cautions that an imminent across-the-board recovery is unlikely unless there is significant change in general lending policies by the major commercial banks. Meanwhile, it will likely take some time for the economic benefits to feed through especially to the first tier land development sector. The business environment the Group is operating in will continue to remain uncertain and difficult.

11 Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

Not applicable

(d) Date payable

Not applicable

(e) Books closure date

Not applicable

12 If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the year ended 31 December 2008.

13 Proceeds from initial public listing (“IPO”)

In Q4 2008, the Company partially repaid the Luodian project loan out of the proceeds from the IPO. Since listing, the Company has fully utilized the IPO proceeds to fund the acquisition of 3 projects and partially repaid the Luodian project loan. The Group's other capital expenditures were funded from internal resources.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14 Segmented revenue and results for business or geographical segments (of group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

| | Year ended 31 December 2008 | | | | | Total |
|---|--|---------------------|---------------------|------------------------------|-----------|-----------|
| | Development of land infrastructure | Property leasing | Hotel operations | Golf course operations | Others | |
| Segment results | | | | | | |
| Total segment sales | 466,446 | 558 | 32,194 | 61,210 | 10,240 | 570,648 |
| Intersegment sales | - | - | - | - | (6,552) | (6,552) |
| External sales | 466,446 | 558 | 32,194 | 61,210 | 3,688 | 564,096 |
| Operating profit/(loss) / segment | | | | | | |
| profit/(loss) | 51,515 | (407,305) | (49,102) | (10,720) | (387,184) | (802,796) |
| Finance costs | | | | | | (193,696) |
| Loss before tax | | | | | | (996,492) |
| Income tax | | | | | | 111,721 |
| Loss for the year | | | | | | (884,771) |
| Other segment items included in the income statement | | | | | | |
| Depreciation | (5,461) | - | (34,450) | (24,548) | (1,390) | (65,849) |
| Amortisation | (513) | - | (3,028) | (5,302) | - | (8,843) |
| Loss on convertible bonds other than interest cost, net | - | - | - | - | (287,826) | (287,826) |
| Fair value loss on investment properties | - | (488,160) | - | - | - | (488,160) |

| | | | | | | |
|---------------------------------------|-----------|---------|---------|---------|---------|------------------|
| Segment assets and liabilities | | | | | | |
| Segment assets | 3,429,983 | 538,507 | 766,426 | 841,162 | 830,801 | 6,406,879 |
| Investments in associated companies | | | | | | 200 |
| Deferred tax assets | | | | | | 95,623 |
| Total assets | | | | | | <u>6,502,702</u> |
| Segment liabilities | 1,466,748 | 137,504 | 53,024 | 675,515 | 593,132 | 2,925,923 |
| Deferred income tax liabilities | | | | | | - |
| Unallocated liabilities | | | | | | 1,398,165 |
| Total liabilities | | | | | | <u>4,324,088</u> |
| Capital expenditure | 28,108 | 94,574 | 39,643 | 107,685 | 9,507 | 279,517 |

Year ended 31 December 2007

| | Development | | | | | Total |
|---|---------------------------|---------------------|---------------------|---------------------------|-----------|------------------|
| | of land infrastructure | Property leasing | Hotel operations | Golf course operations | Others | |
| Segment results | | | | | | |
| Total segment sales | 267,454 | 5,255 | 32,546 | 57,008 | 4,312 | 366,575 |
| Intersegment sales | - | - | (281) | (119) | (2,981) | (3,381) |
| External sales | 267,454 | 5,255 | 32,265 | 56,889 | 1,331 | 363,194 |
| Operating profit/(loss) / segment profit/(loss) | 154,281 | 46,535 | (51,087) | (1,552) | (145,396) | 2,781 |
| Finance costs | | | | | | (293,564) |
| Loss before tax | | | | | | (290,783) |
| Income tax | | | | | | 18,772 |
| Loss for the year | | | | | | <u>(272,011)</u> |
| Other segment items included in the income statement | | | | | | |
| Depreciation | (1,914) | - | (33,749) | (21,206) | (881) | (57,750) |
| Amortisation | - | - | (3,028) | (5,302) | - | (8,330) |
| Loss on convertible bonds other than interest cost, net | - | - | - | - | (79,445) | (79,445) |
| Fair value gain on investment properties | - | 38,948 | - | - | - | 38,948 |

Segment assets and liabilities

| | | | | | | |
|-------------------------------------|-----------|---------|---------|---------|-----------|------------------|
| Segment assets | 3,755,142 | 942,265 | 744,131 | 729,962 | 1,449,361 | 7,620,861 |
| Investments in associated companies | | | | | | 200 |
| Deferred tax assets | | | | | | 3,157 |
| Total assets | | | | | | 7,624,218 |
| Segment liabilities | 877,000 | 52,681 | 38,186 | 587,666 | 1,127,513 | 2,683,046 |
| Deferred income tax liabilities | | | | | | 103,788 |
| Unallocated liabilities | | | | | | 2,166,673 |
| Total liabilities | | | | | | 4,953,507 |
| Capital expenditure | 30,626 | 113,739 | 62,093 | 20,285 | 711 | 227,454 |

15 In the review of performance, the factors, leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

During 2008, the Shanghai project accounted for most of revenue while that from the Wuxi and Shenyang projects relatively insignificant. Thus, an analysis by geographical segment is not meaningful. The decrease in operating profits from development of land infrastructure was mainly owing to the revision of the land proceeds sharing ratio for the Luodian project as stated in Note 8. In addition, the Group recognised revaluation loss of RMB488million for the investment properties, which also contributed to the operating loss from the investment properties. Furthermore, the Other Operating Loss included an one-off loss arising from the repurchase of convertible bond of RMB287million. The hotel operation, however, remained stable during the year concerned.

16 A breakdown of sales

| | Year ended 31 December 2008 Group RMB'000 | Year ended 31 December 2007 Group RMB'000 | Increase/ (Decrease) % |
|---|--|--|---------------------------------------|
| Sales reported for first half year | 481,320 | 360,341 | 34% |
| Operating profit/loss after tax before deducting minority interests reported for first half year | 33,449 | 130,219 | (74%) |
| Sales reported for second half year | 133,561 | 38,579 | 246% |
| Operating profit/loss after tax before deducting minority interests reported for second half year | (918,220) | (205,542) | (348%) |

17 A breakdown of the total annual dividend (in Singapore dollar value) for the issuer's latest full year and its previous full year.

No dividends were declared during relevant periods stated above.

18 Interested Persons Transactions ("IPTs")

The following are details of the IPTs entered into by the Group in financial year ended 31 December 2008:

| Name of interested person | Year ended 31 December 2008 | |
|------------------------------|--|--|
| | 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 shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (RMB'000) |
| Sinopower Investment Limited | 7,590 | - |

19 Subsequent Events

In January 2009, Wuxi Hongshan New Town Development Co., Ltd has obtained a one-year working capital loan facility of RMB96million from the Bank of Communications. The loan bears an annual interest rate of 5.31% flat secured by the 88,903.4sq.m land and shopping mall, which is completed and wholly owned by the Wuxi Hongshan New Town Development Co., Ltd. (which in turn is 90% owned by CNTD). As at the date of the announcement, loan proceed of RMB80 million has been drawn down so as to effect payments for continued resettlement and construction of public facilities.

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

Cheng Wai Ho
Chief Executive Officer/ Executive Director

24 February 2009