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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)

(Hong Kong Stock Code: 1278)

(Singapore Stock Code: D4N)

UNAUDITED 2010 THIRD QUARTERLY RESULTS

This announcement is made pursuant to the disclosure obligation under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEx”). This announcement is originally prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.

This quarterly report is prepared in accordance with relevant regulations of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Financial information set out in this report has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and has not been audited nor reviewed by auditors. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

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.

**UNAUDITED THIRD QUARTER AND FIRST NINE MONTHS FINANCIAL STATEMENTS
for the Financial Period Ended 30 September 2010**

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

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

1(a)(i) Statement of comprehensive income for the third quarter and nine months ended 30 September 2010

(In RMB'000)

Group	3Q 2010 1 July 2010 to 30 September 2010	3Q 2009 1 July 2009 to 30 September 2009	Increase (Decrease) %	9 months ended 30 September 2010	9 months ended 30 September 2009	Increase (Decrease) %
Revenue	1,075,759	838,572	28	1,251,962	1,175,656	6
Cost of sales	(295,090)	(212,012)	39	(437,795)	(382,892)	14
Gross profit	780,669	626,560	25	814,167	792,764	3
Other income	1,729	177	877	7,285	7,086	3
Selling and distribution costs	(10,894)	(88,235)	(88)	(34,171)	(112,279)	(70)
Administrative expenses	(50,367)	(34,088)	48	(136,992)	(94,053)	46
Other expenses	(1,337)	(315)	324	(11,969)	(809)	1,379
Gain on the repurchase of Senior Notes	–	24,744	(100)	–	24,744	(100)
Impairment loss of property, plant and equipment	–	–	NA	–	(6,810)	(100)
Fair value loss on completed investment properties	–	–	NA	(613)	(25,690)	(98)
Fair value (loss)/gain on investment properties under construction	–	–	NA	(146)	40,687	(100)
Operating profit/(loss)	719,800	528,843	36	637,561	625,640	2
Finance costs	(21,058)	(17,296)	22	(68,721)	(74,420)	(8)
Profit/(loss) before tax	698,742	511,547	37	568,840	551,220	3
Income tax	(177,667)	(125,531)	42	(165,415)	(144,711)	14
Profit/(loss) after tax	521,075	386,016	35	403,425	406,509	(1)
Other comprehensive income	–	–	NA	–	–	NA
Total comprehensive income for the period.	521,075	386,016	35	403,425	406,509	(1)
Profit attributable to:						
Owners of the parent	370,772	283,802	31	278,491	292,573	(5)
Non-controlling interests	150,303	102,214	47	124,934	113,936	10
	<u>521,075</u>	<u>386,016</u>	<u>35</u>	<u>403,425</u>	<u>406,509</u>	<u>(1)</u>
Total comprehensive income for the period						
Attributable to:						
Owners of the parent	370,772	283,802	31	278,491	292,573	(5)
Non-controlling interests	150,303	102,214	47	124,934	113,936	10
	<u>521,075</u>	<u>386,016</u>	<u>35</u>	<u>403,425</u>	<u>406,509</u>	<u>(1)</u>

1(a)(ii) Notes to the statement of comprehensive income

a) Revenue, other income and other expenses

Revenue

(In RMB'000)

	3Q 2010 1 July 2010 to 30 September 2010	3Q 2009 1 July 2009 to 30 September 2009	Increase (Decrease) %	9 months ended 30 September 2010	9 months ended 30 September 2009	Increase (Decrease) %
Land development	1,105,038	857,941	29	1,241,400	1,169,207	6
Hotel operations	15,456	7,765	99	41,152	21,473	92
Golf operations	13,008	16,378	(21)	43,387	46,228	(6)
Investment property leasing	997	911	9	3,216	4,046	(21)
Others	265	2,141	(88)	2,702	4,475	(40)
Less: Business tax and surcharges	(59,005)	(46,564)	(27)	(79,895)	(69,773)	15
	<u>1,075,759</u>	<u>838,572</u>	<u>28</u>	<u>1,251,962</u>	<u>1,175,656</u>	<u>6</u>

Other income

(In RMB'000)

	3Q 2010 1 July 2010 to 30 September 2010	3Q 2009 1 July 2009 to 30 September 2009	Increase (Decrease) %	9 months ended 30 September 2010	9 months ended 30 September 2009	Increase (Decrease) %
Foreign exchange gain, net	(93)	(2)	4,550	520	482	8
Interest income	1,541	81	1,802	4,236	400	959
Tax refund	131	–	NA	1,994	5,900	(66)
Others	150	98	53	535	304	76
	<u>1,729</u>	<u>177</u>	<u>877</u>	<u>7,285</u>	<u>7,086</u>	<u>3</u>

Other expenses

(In RMB'000)

	3Q 2010 1 July 2010 to 30 September 2010	3Q 2009 1 July 2009 to 30 September 2009	Increase (Decrease) %	9 months ended 30 September 2010	9 months ended 30 September 2009	Increase (Decrease) %
Bank charges	204	245	(17)	682	739	(8)
Donations	–	–	NA	5,000	–	NA
Loss on disposals of property, plant and equipment	–	–	NA	4,334	–	NA
Loss on disposal of a subsidiary	–	–	NA	636	–	NA
Others	1,141	70	1,530	1,317	70	1,781
	<u>1,345</u>	<u>315</u>	<u>327</u>	<u>11,969</u>	<u>809</u>	<u>1,379</u>

b) Expenses by business units

(In RMB'000)	3Q 2010 1 July 2010 to 30 September 2010	3Q 2009 1 July 2009 to 30 September 2009	Increase (Decrease) %	9 months ended 30 September 2010	9 months ended 30 September 2009	Increase (Decrease) %
Cost of land development	275,060	202,781	36	375,228	333,048	13
Hotel operations	10,755	(3,256)	430	31,832	14,082	126
Golf operations	9,069	10,664	(15)	25,719	30,224	(15)
Others	206	1,823	(89)	5,016	5,538	(9)
	<u>295,090</u>	<u>212,012</u>	<u>39</u>	<u>437,795</u>	<u>382,892</u>	<u>14</u>

c) Finance costs

(In RMB'000)	3Q 2010 1 July 2010 to 30 September 2010	3Q 2009 1 July 2009 to 30 September 2009	Increase (Decrease) %	9 months ended 30 September 2010	9 months ended 30 September 2009	Increase (Decrease) %
Interest on bank and borrowings	31,597	17,048	85	92,459	56,742	63
Interest on Senior Notes	5,038	24,075	(79)	14,636	86,600	(83)
Interest on convertible bonds	–	1,009	(100)	5,561	1,009	451
Less: Interest capitalised	(15,577)	(24,836)	(37)	(43,935)	(69,931)	(37)
	<u>21,058</u>	<u>17,296</u>	<u>22</u>	<u>68,721</u>	<u>74,420</u>	<u>(8)</u>

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

Statement of Financial Position as at 30 September 2010

(In RMB'000)	Group		Company	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Non-current assets				
Investments in subsidiaries	–	–	2,617,549	2,968,699
Investments in associated companies	200	200	–	–
Property, plant and equipment	1,180,607	1,235,292	231	256
Completed Investment properties	476,447	489,000	–	–
Investment Properties under construction	321,372	170,710	–	–
Prepaid land lease payments	386,197	390,823	–	–
Non-current trade receivables	111,411	93,655	–	–
Deferred tax assets	122,989	128,607	–	–
Other assets	48,799	50,652	–	–
	<u>2,648,022</u>	<u>2,558,939</u>	<u>2,617,780</u>	<u>2,968,955</u>

Statement of Financial Position as at 30 September 2010 (continued)

(In RMB'000)	Group		Company	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Current assets				
Land development for sale	3,583,845	3,640,398	–	–
Properties under development for sale	7,667	–	–	–
Prepaid land lease payments	164,791	162,588	–	–
Inventories	5,920	3,820	–	–
Amounts due from subsidiaries	–	–	491,647	252,906
Amounts due from related parties	–	47,003	–	–
Prepayments	39,508	6,155	–	–
Other receivables	346,866	354,983	5	2
Trade receivables	1,395,353	337,168	–	–
Cash and bank balances	912,411	1,509,371	43,802	14,521
Total current assets	<u>6,456,361</u>	<u>6,061,486</u>	<u>535,454</u>	<u>267,429</u>
Total assets	<u>9,104,383</u>	<u>8,620,425</u>	<u>3,153,234</u>	<u>3,236,384</u>
Equity				
Owners of the parent:				
Share capital	2,778,853	2,497,385	2,778,853	2,497,385
Treasury shares	–	(37,294)	–	(37,294)
Other reserves	607,028	749,001	1,940,441	2,082,414
Accumulated losses	(609,956)	(836,166)	(1,652,259)	(1,580,229)
Non-controlling interests	561,665	436,231	–	–
Total equity	<u>3,337,590</u>	<u>2,809,157</u>	<u>3,067,035</u>	<u>2,962,276</u>
Non-current liabilities				
Convertible bonds – host debts	–	142,406	–	142,406
Interest bearing bank borrowings	1,926,990	1,847,000	–	–
Deferred income from sale of golf club membership	542,037	562,675	–	–
Total non-current liabilities	<u>2,469,027</u>	<u>2,552,081</u>	<u>–</u>	<u>142,406</u>
Current liabilities				
Senior Notes	83,504	84,363	83,504	84,363
Interest-bearing bank borrowings	280,000	310,000	–	–
Trade payables	1,079,174	1,265,252	–	–
Other payables and accruals	516,100	596,434	2,695	47,339
Amounts due to related parties	–	12	–	–
Advances from customers	4,068	4,568	–	–
Deferred income arising from land development	816,300	639,940	–	–
Current income tax liabilities	518,620	358,618	–	–
Total current liabilities	<u>3,297,766</u>	<u>3,259,187</u>	<u>86,199</u>	<u>131,702</u>
Total liabilities	<u>5,766,793</u>	<u>5,811,268</u>	<u>86,199</u>	<u>274,108</u>
Total equity and liabilities	<u>9,104,383</u>	<u>8,620,425</u>	<u>3,153,234</u>	<u>3,236,384</u>
Net current assets	<u>3,158,595</u>	<u>2,802,299</u>	<u>449,255</u>	<u>135,727</u>
Total assets less current liabilities	<u>5,806,617</u>	<u>5,361,238</u>	<u>3,067,035</u>	<u>3,104,682</u>

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.**i) Borrowings**(In RMB'000)
Group**30 September
2010****31 December
2009**

Bank loans – collateralised

2,206,990

2,157,000

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

The bank borrowings are repayable as follows:

(In RMB'000)

**30 September
2010****31 December
2009**

Bank loan-collateralised

280,000

310,000

b) Amount repayable after one year

(In RMB'000)

**30 September
2010****31 December
2009**

Bank loan-collateralised

1,926,990

1,847,000

c) Whether the amounts are secured or unsecured

See table above.

d) Details of any collateral

As at 30 September 2010, bank borrowings of RMB2,206.99 million were collateralised by pledges of the Group's property, plant and equipment, completed investment properties and investment properties under construction, and prepaid land lease payments, whose net carrying amounts as at 30 September 2010 were RMB519.22 million, RMB646.96 million and RMB292.16 million, respectively.

ii) Senior notes

(In RMB'000)

**30 September
2010****31 December
2009**

At the beginning of the period/year

84,363

550,835

Interest expense (amortised upon effective
interest rate of 25.75%)

14,636

91,335

Interest paid

(15,495)

(60,409)

Repurchase

–

(497,398)

Carrying amount at end of period/year

83,504

84,363

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 Dollar.

The Company repurchased principal amount of RMB 123,130,000 and RMB 382,810,000 of same Senior Notes in July 2009 and September 2009 respectively, the outstanding principal of RMB 87,360,000 Senior Notes remained unchanged since September 2009.

On 30 April 2010 and 9 August 2010, the Company was granted waiver from Forum Asian Realty Income II, L.P. (the “Noteholder”) respectively. The Noteholder provided a one-time waiver to the issuer for the breaches. As a result, the Noteholder would not require immediate repayment of the outstanding principal and accrued and unpaid interest based on the breaches happened during 2009 and 9 months ended 30 September 2010.

iii) Convertible Bonds

(In RMB'000)	30 September 2010	31 December 2009
Equity component	–	137,415
Host debts (at amortized cost)	–	144,115
	<u>–</u>	<u>144,115</u>
(In RMB'000)	30 September 2010	31 December 2009
Carrying amount of host debt at beginning of period/year	144,115	138,579
Interest expense recognized using the effective interest rate	5,560	5,536
Interest paid	(3,394)	–
Conversion	(146,281)	–
	<u>–</u>	<u>–</u>
Carrying amount of host debt at end of period/year	–	144,115
Less: current portion – accrued coupon interest	–	(1,709)
Non-current portion at end of year	–	142,406
	<u>–</u>	<u>142,406</u>

In September 2009, the Company issued principal amount of RMB 275,994,230 convertible bonds to Sinopower Investment Limited (“Sinopower”) (“CB3”) (See Company circular dated 13 August 2009). The CB3 bearing annual coupon of 2% due 2016 has been converted into 754,145,894 new ordinary shares at conversion price of SGD 0.07872 per share (equivalent to RMB0.3660 per share).

On 20 April 2010, the Company allotted and issued 754,145,894 shares to Sinopower in relation to the conversion of CB3. The carrying amount of liability and equity components of CB3 was transferred to share capital from liability and other reserves respectively.

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

Consolidated Statement of Cash Flow

(In RMB'000)

	3Q 2010 1 July 2010 to 30 September 2010	3Q 2009 1 July 2009 to 30 September 2009	9 months ended 30 September 2010	9 months ended 30 September 2009
Cash flows from operating activities				
Profit/(Loss) before tax	698,742	511,547	568,840	551,220
Adjustments for:				
Depreciation of property, plant and equipment	14,730	8,112	46,113	41,266
Amortization of prepaid land lease payments	2,138	2,546	7,096	6,821
Gain on repurchase of senior notes	–	(24,744)	–	–
Loss on disposal of property, plant and equipment	–	–	–	–
Impairment loss of property, plant and equipment	–	–	4,334	6,810
Fair value loss on completed investment properties	–	–	613	25,690
Fair value loss/(gain) on investment properties under construction	–	–	146	(40,687)
Loss on disposal of subsidiary	–	–	636	–
Foreign exchange (gain)/loss, net	(49)	2	(52)	2
Management share option expense	2,158	3,794	9,400	–
Interest income	(1,541)	(81)	(4,236)	(400)
Interest expense	21,058	17,026	68,721	74,420
	<u>737,236</u>	<u>514,408</u>	<u>696,005</u>	<u>674,542</u>
(Increase)/decrease in land development for sale	203,282	112,141	96,745	108,506
(Increase) in property under development for sale	(2,579)	–	(7,237)	–
(Increase)/decrease in inventories	(2,019)	564	(2,154)	(87)
Decrease/(increase) in amounts due from related parties	–	(319)	47,003	(413)
(Increase)/decrease in prepayments, other receivables and assets	89,090	(7,688)	6,850	(9,760)
(Increase)/decrease in trade receivables	(1,172,817)	(680,330)	(1,075,993)	(816,554)
Decrease/(increase) in deferred income for sale of golf club membership and land development	109,678	21,522	155,722	94,293
Increase/(decrease) in trade and other payables	7,391	185,604	(275,317)	74,594
(Decrease) in advances from customers	(46)	(1,009)	(181)	(1,480)
Increase/(decrease) in amounts due to related parties	(3,728)	(615)	(3,516)	(533)
	<u>(34,512)</u>	<u>144,278</u>	<u>(362,073)</u>	<u>123,108</u>
Net cash (outflow)/inflow from operating activities	<u>(34,512)</u>	<u>144,278</u>	<u>(362,073)</u>	<u>123,108</u>

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

Consolidated Statement of Cash Flow (Continued)

(In RMB'000)

	3Q 2010 1 July 2010 to 30 September 2010	3Q 2009 1 July 2009 to 30 September 2009	9 months ended 30 September 2010	9 months ended 30 September 2009
Cash flows from investing activities				
Purchase of property, plant and equipment	(15,031)	(16,861)	(26,942)	(54,181)
Proceeds from disposal of property, plant and equipment	108	–	796	–
Payment for leasehold land	–	–	–	(5,189)
Payment for investment properties	(33,798)	(7,638)	(126,218)	(27,478)
Disposal of a subsidiary	3,040	–	(336)	–
Interest received	1,541	81	4,236	400
Net cash outflow from investing activities	(44,140)	(24,418)	(148,464)	(86,448)
Cash flows from financing activities				
Payments for expenses incurred for the repurchase of CB2	–	–	–	(22,785)
Cash proceeds from issuance of new shares of the Company	–	83,926	–	127,624
Cash proceeds from sale of treasury shares	26,714	–	26,714	–
Proceeds from issuance of convertible bonds	–	275,994	–	275,994
Repurchase of high yield notes	–	(332,395)	–	(332,395)
Capital contributions from non-controlling shareholders of subsidiaries	–	–	–	500
Loans from bank	150,000	–	150,000	80,000
Repayment of borrowings	(10)	–	(100,010)	(26,000)
Transaction costs for new shares	–	–	–	(860)
Repayment of loans to related parties	–	–	–	–
Restricted cash for senior notes coupon	–	(7,753)	–	38,524
Interest paid	(38,025)	(32,742)	(110,896)	(124,632)
Dividends paid	–	–	(52,281)	–
Net cash inflow/(outflow) from financing activities	138,679	(12,970)	(86,473)	15,970
Net increase/(decrease) in cash and cash equivalents	60,027	106,890	(597,010)	52,630
Net foreign exchange difference	–	–	–	–
Cash and cash equivalents at beginning of period	808,575	83,716	1,465,612	137,976
Cash and cash equivalents at end of period	868,602	190,606	868,602	190,606

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

9 months ended 30 September 2009

(In RMB'000)

	Owners of the parent				Total	Non-controlling interests	Total equity
	Share Capital	Treasury shares	Other reserves	Retained earnings (accumulated losses)			
Balance as at 1 January 2009	2,115,240	(180)	604,670	(1,002,796)	1,716,934	359,101	2,076,035
Total comprehensive income for the period	–	–	–	292,573	292,573	113,936	406,509
Equity-settled share options to management	–	–	9,400	–	9,400	–	9,400
Shares issued upon exercise of management share options granted under the MSOP	5,569	–	(5,569)	–	–	–	–
Capital contributions from non-controlling interests of subsidiaries	–	–	–	–	–	500	500
Equity component of convertible bonds	–	–	137,415	–	137,415	–	137,415
Shares issued upon private placement	244,252	–	–	–	244,252	–	244,252
Shares issued upon the repurchase of Senior Notes	132,324	–	–	–	132,324	–	132,324
Balance as at 30 September 2009	<u>2,497,385</u>	<u>(180)</u>	<u>745,916</u>	<u>(710,223)</u>	<u>2,532,898</u>	<u>473,537</u>	<u>3,006,435</u>

9 months ended 30 September 2010

(In RMB'000)

	Owners of the parent				Total	Non-controlling interests	Total equity
	Share Capital	Treasury shares	Other reserves	Retained earnings (accumulated losses)			
Balance as at 1 January 2010	2,497,385	(37,294)	749,001	(836,166)	2,372,926	436,231	2,809,157
Total comprehensive income for the period	–	–	–	278,491	278,491	124,934	403,425
Equity-settled share options to management	–	–	3,795	–	3,795	–	3,795
Shares issued and treasury shares used upon exercise of management share options granted under the MSOP	5,592	2,761	(8,353)	–	–	–	–
Sales of treasury shares	(7,820)	34,533	–	–	26,713	–	26,713
Change in capital contribution of non-controlling interests due to disposal of a subsidiary	–	–	–	–	–	500	500
Imputed equity contribution upon CB3 conversion	283,696	–	(137,415)	–	146,281	–	146,281
Dividends	–	–	–	(52,281)	(52,281)	–	(52,281)
Balance as at 30 September 2010	<u>2,778,853</u>	<u>–</u>	<u>607,028</u>	<u>(609,956)</u>	<u>2,775,925</u>	<u>561,665</u>	<u>3,337,590</u>

The Company

9 months ended 30 September 2009

	Share capital	Treasury shares	Other reserves	Accumulated losses	Total
Balance as at 1 January 2009	2,115,240	(180)	1,938,083	(1,549,915)	2,503,228
Total comprehensive income for the period	–	–	–	(13,418)	(13,418)
Equity-settled share options to management	–	–	9,400	–	9,400
Shares issued upon exercise of management share options granted under the MSOP	5,569	–	(5,569)	–	–
Shares issued upon private placement	244,252	–	–	–	244,252
Shares issued upon the repurchase of Senior Notes	132,324	–	–	–	132,324
Equity component of convertible bonds	–	–	137,415	–	137,415
Balance as at 30 September 2009	<u>2,497,385</u>	<u>(180)</u>	<u>2,079,329</u>	<u>(1,563,333)</u>	<u>3,013,201</u>

9 months ended 30 September 2010

	Share capital	Treasury shares	Other reserves	Accumulated losses	Total
Balance as at 1 January 2010	2,497,385	(37,294)	2,082,414	(1,580,229)	2,962,276
Total comprehensive income for the period	–	–	–	(19,749)	(19,749)
Equity-settled share options to management	–	–	3,795	–	3,795
Shares issued and treasury shares used upon exercise of management share options granted under the MSOP	5,592	2,761	(8,353)	–	–
Sales of treasury shares	(7,820)	34,533	–	–	26,713
Imputed equity contribution upon CB3 conversion	283,696	–	(137,415)	–	146,281
Dividends	–	–	–	(52,281)	(52,281)
Balance as at 30 September 2010	<u>2,778,853</u>	<u>–</u>	<u>1,940,441</u>	<u>(1,652,259)</u>	<u>3,067,035</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.

Sale of treasury shares

On 7 July 2010, the Company sold the total number of 51,639,250 treasury shares in open market in compliance with the requirements of the Stock Exchange of Hong Kong Limited in relation to the for proposed dual listing by way of introduction.

The number of shares that may be issued on conversion of all the outstanding convertibles (including the number of shares held as treasury shares, if any) and against the total number of issued shares excluding treasury shares as at 30 September 2010 and as at 30 September 2009 are set out below:

	As at 30 September 2010 No. of Shares	As at 30 September 2009 No. of Shares
Treasury shares	–	600,000
Shares to be issued pursuant to the full conversion of the CB3	–	754,145,894
Shares to be issued pursuant to the release of all the awards granted under the management grant	18,393,750	24,772,500
Total number of issued shares excluding treasury shares as at the end of the period	3,894,804,926	3,140,059,032

For further details about Management Grant, please refer to the Company's prospectus dated 5 November 2007 and Annual Report 2009.

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

	As at 30 September 2010	As at 30 September 2009
Total number of issued shares	3,894,804,926	3,140,659,032
(Less): Treasury shares	–	(600,000)
Total number of issued shares excluding treasury shares	3,894,804,926	3,140,059,032

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.

On 7 July 2010, the Company sold the total number of 51,639,250 treasury shares in open market in compliance with the requirements of the Stock Exchange of Hong Kong Limited in relation to the proposed dual listing by way of introduction.

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 annual financial statements for the financial year ended 31 December 2009, except that the Group has adopted all the new and amended IFRS and IFRIC interpretations effective in the 9 months ended 30 September 2010.

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.

Earnings per ordinary share for the period based on profit attributable to shareholders after deducting any provision for preference dividends	Group			
	3Q from 1 Jul 2010 to 30 Sep 2010	3Q from 1 Jul 2009 to 30 Sep 2009	9 months ended 30 Sep 2010	9 months ended 30 Sep 2009
(i) Based on the weighted average number of ordinary shares on issue (RMB)	0.0955	0.1042	0.0783	0.1226
(ii) On a fully diluted basis (RMB)	0.0953	0.1024	0.0728	0.1201

The calculation of basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent for the period ended 30 September 2010 and the period ended 30 September 2009.

A diluted earnings/loss per share amount is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting income statement effects of dilutive convertible bonds, if any) 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. Employee share options are treated as options and outstanding from the date of grant, since they are dilutive, they have been included in the dilutive earnings per share calculation for the 9 months ended 30 September 2009 and the 9 months ended 30 September 2010. The calculation of diluted earnings per share for the 9 months ended 30 September 2009 assumes the conversion of CB3 which would have a dilutive effect on the earnings per share.

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

(In RMB'000)	3Q from 1 Jul 2010 to 30 Sep 2010	3Q from 1 Jul 2009 to 30 Sep 2009	9 months ended 30 Sep 2010	9 months ended 30 Sep 2009
Profit attributable to ordinary equity holders of the Company	371,537	283,802	278,491	292,573
Add: Interest expenses of the dilutive convertible bond	–	1,009	2,562	1,009
Profit attributable to ordinary equity holders of the parent adjusted for effect of dilutive convertible bond	<u>371,537</u>	<u>284,811</u>	<u>281,053</u>	<u>293,582</u>
Weighted average number of ordinary shares outstanding	3,891,437,118	2,722,810,756	3,556,875,363	2,386,207,143
Add: Weighted average number of ordinary shares resulting from MSOP and CB3	<u>490,197</u>	<u>57,569,576</u>	<u>303,033,192</u>	<u>57,569,576</u>
Number of ordinary shares used to calculate the diluted earnings per share	<u>3,891,927,315</u>	<u>2,780,380,332</u>	<u>3,859,908,555</u>	<u>2,443,776,719</u>

The Company had on 23 April 2008 adopted the 2008 Share Option Scheme whereby eligible employees of our Group (including executive directors) may be granted options to subscribe for Shares. The 2008 Share Option Scheme had been terminated by shareholders at Extraordinary General Meeting held on 3 September 2010 and on the same date, the proposed New Share Option Scheme had been adopted by the Shareholders, whereby certain eligible persons (including but not limited to any directors, officers and employees of the Group (whether full-time or part-time) may be granted options to subscribe for Shares. No options had been granted under the 2008 Share Option Scheme nor New Share Option Scheme since its adoption until the period ended 30 September 2010.

The Company had on 23 April 2008 adopted the Performance Share Plan whereby eligible key management executives of our Group (including executive directors) may be awarded fully-paid new Shares without any monetary consideration. No awards had been granted since its adoption and the Performance Share Plan had been terminated by shareholders at Extraordinary General Meeting held on 3 September 2010.

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	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
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)	0.8569	0.9106	0.7875	0.9603

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

Total revenue of the quarter amounted to RMB1,075.8 million, which is 28% above the same period last year mainly due to larger size of land plots in terms of site area sold in the quarter.

On 4 August 2010, we handed over the F1-4 and F1-6 from our Luodian Project for public listing. The land parcels were sold at RMB 522.5million and RMB1,377.3 million respectively, which is equivalent to approximately an average of RMB20,948 per square metres in terms of gross floor area. This represents an increase of 129% from the last achieved price of RMB9,128 per square metres in terms of gross floor area in September 2009.

The details of the contracted prices of land sales are summarized as follows:

Project	Site area	Plot ratio	Gross floor area	Contract price (RMB'mil)	Average price by gross floor area (RMB per sqm.)
Luodian, Shanghai	43,326	0.6	25,995	523	20,100
Luodian, Shanghai	107,825	0.6	64,695	1,377	21,289

The unit cost for land development (estimated based on budgeted cost of services over relevant area) stayed the same as last year at RMB2,057 per square metre. As a result, the land sale contributed revenue of approximately RMB1.1 billion and gross profit of RMB781 million to the Company's financial results in Q3 2010.

Revenue from our hotel operations business increased substantially to RMB15.5 million in Q3 2010 as compared to RMB7.8 million in Q3 2009, primarily due to increased business as the effect of the Shanghai World Expo in 2010 and depressed revenue during 2009 that resulted from a temporary closure of the Crowne Plaza Lake Malaren Shanghai hotel for renovation work.

Due to the scheduled golf course renovation for hosting international golf tournaments with IMG (IMG Sports Development (Shanghai) Limited, a sports, entertainment and media company) next year, the golf operations recorded revenue of RMB 13 million compared to RMB 16.4 million in Q3 2009. The renovation is scheduled to be completed in Q2 2011.

Our retail property leasing is kept stable as previous quarters with approximately RMB1 million revenue.

Operating expense

Selling expenses decreased by RMB78 million compared to Q3 2009, mainly due to the one-off commission incurred for land sales transaction amounted to RMB78 million in Q3 2009, while, no such expenses were incurred in Q3 2010.

The administrative expenses increased by RMB16 million compared to Q3 2009, mainly due to the dual listing expenses and fees of RMB15 million incurred in Q3 2010 for the listing of company shares on the main Board of the HKEx.

Financing cost

During the period, we have recorded total net financing costs of RMB21 million, which is comprised of RMB37 million interest expense partially offset by interests capitalized of RMB16 million. This compares with net finance costs of RMB17 million for Q3 2009. The increase was primary resulted from two land parcels sold in Q1 2010 in Wuxi project, which led to less interest capitalized in Q3 2010.

Liquidity

During Q3 2010, the Group has secured new loan facilities from the China Minsheng Bank to further construction and development as disclosed in previous quarter announcement.. During Q3 2010, RMB150 million of the facility has been drawn down.

Gearing ratio (as measured by net debt/total equity holders' capital and net debt) was increased slightly from 24% by the end of 2009 to 29% by the end of Q3 2010.

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.

On October 22 2010, the Company was successfully listed on the Main Board of the HKEx by way of introduction. As a result, the Company is now dual listed on the Main Board of both the SGX-ST and the HKEx. The dual listing can facilitate investment by Hong Kong investors in the Company and enable the Company to gain access to the investor base in Hong Kong's capital markets and to benefit from its exposure to a wider range of private and institutional investors. Management believes in the long run, the dual listing could potentially increase the liquidity and estimated market price of the Shares. Management considers it important for the Company's growth and long-term development, particularly bearing in mind that the Company's operations are principally located in the PRC.

Also in October 2010, China mapped out its next five year plan at the Fifth Plenum of the 17th CPC. The plan specifically mentioned urbanization as the core strategy for achieving long term sustainable economic growth. According to the new five year plan, China targets to increase the current 46% urbanization rate to 50%. The Company directly engages in the urbanization process by building new towns in the suburbs of major economic centers. In all of our new town development projects, we finance the relocation and resettlement of local residents. We also optimize land use through expert planning. Our business model provides suburban land to ease city center's population pressure and property price pressure. Therefore we strongly believe that the Company will benefit from the central government's urbanization strategy and relevant policies. Unlike real estate developers, we are not the target of the recent regulatory tightening aimed at curbing speculative rise of property prices.

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/recommended, a statement to that effect.

No dividend has been declared or recommended for the third quarter ended 30 September 2010.

13 Interest Persons Transactions (“IPT”)

(In RMB'000)	9-months ended 30 September 2010	
	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Name of interested person		
SRE Group Limited	5,647	–

On July 7, 2010, Shanghai Golden Luodian Development Co., Ltd. (“SGLD”) and Shanghai Lake Malaren Property Management Co., Ltd. (“SLMPM”) entered into the Property Management Agreement pursuant to which SLMPM agreed to continue to provide property management services to SGLD in respect of the Luodian New Town for a term from July 1, 2010 to December 31, 2012 at a fixed management fee of RMB869 thousand per month. Under the Property Management Agreement, SGLD provides premises with a GFA of 132.1 sq.m. to SLMPM for use as property management office free of charge. It is expected that the management fee payable by SGLD to Shanghai Lake Malaren Property for the three years ending December 31, 2010, 2011 and 2012 will not exceed RMB9.9 million, RMB10.5 million, and RMB10.5 million respectively.

14 Negative assurance confirmation by the Board of Directors pursuant to Rule 705 (5) of the Listing Manual of the Singapore Exchange Securities Trading Limited

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the interim unaudited financial statements of China New Town Development Company Limited for the third quarter and nine months ended at 30 September 2010 presented in this announcement to be false or misleading in any material aspect.

15 Subsequent event

Not applicable

By order of the Board
Song YiQing
Chief Financial Officer/Executive Director

Singapore and Hong Kong, 08 November 2010

As at the date of this announcement, the executive Directors are Mr. Shi Jian (Chairman), Mr. Li Yao Min, Ms. Gu Biya, Ms. Song Yiqing, Mr. Mao Yiping, Mr. Yang Yonggang and Mr. Shi Janson Bing, the non-independent non-executive Director is Mr. Yue Wai Leung Stan, and the independent non-executive Directors are Mr. Henry Tan Song Kok, Mr. Loh Weng Whye, Mr. Lam Bing Lun Philip and Mr. Kong Siu Chee.