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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 FULL YEAR RESULTS

This announcement is made pursuant to the disclosure obligation under Rule 13.09 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 announcement 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 land development and 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 Full Year Financial Statements for the Financial Period Ended 31 December 2010

PART I 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 financial year ("FY") ended 31 December 2010

RMB'000	Year ended 31 December 2010	Year ended 31 December 2009	Increase (Decrease) (%)
Group			
Revenue	1,479,889	1,087,355	36
Cost of sales	(567,278)	(435,048)	30
Gross profit	912,611	652,307	40
Other income	13,130	8,419	56
Selling and distribution costs	(65,223)	(119,669)	(45)
Administrative expenses	(196,734)	(133,523)	47
Other expenses	(26,034)	(1,720)	1,414
(Loss)/gain on the repurchase of Senior Notes	(4,177)	24,744	(117)
Impairment loss of property, plant and equipment	-	(8,810)	(100)
Fair value gain/(loss) on completed investment properties	16,168	(14,163)	(214)
Fair value gain/(loss) on investment properties under construction	(1,723)	39,036	(104)
Operating profit	648,018	446,621	45
Finance costs	(97,861)	(104,352)	(6)
Profit before tax	550,157	342,269	61
Income tax	(188,575)	(98,809)	91
Profit after tax	361,582	243,460	49
Other comprehensive income	-	-	-
Total comprehensive income	361,582	243,460	49
Profit attributable to:			
Owners of the parent	246,794	166,630	48
Non-controlling interests	114,788	76,830	49
	361,582	243,460	49
Total comprehensive income			
Attributable to:			
Owners of the parent	246,794	166,630	48
Non-controlling interests	114,788	76,830	49
	361,582	243,460	49

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

a) Revenue, other income and other expenses

Revenue RMB'000	Year ended 31 December 2010	Year ended 31 December 2009	Increase (Decrease) (%)
Land development	1,456,241	1,043,097	40
Hotel operations	53,318	31,325	70
Golf operations	60,030	72,380	(17)
Investment property leasing	3,884	6,384	(39)
Others	3,372	4,613	(27)
Less: Business tax and surcharges	(96,956)	(70,444)	38
	1,479,889	1,087,355	36

Other income			
RMB'000	Year ended	Year ended	Increase
	31 December 2010	31 December 2009	(Decrease)
			(%)
Foreign exchange gain, net	-	300	(100)
Interest income	9,752	1,237	688
Tax refund	1,863	5,900	(68)
Others	1,515	982	54
	13,130	8,419	56

Other expenses			
RMB'000	Year ended	Year ended	Increase
	31 December 2010	31 December 2009	(Decrease)
			(%)
Foreign exchange loss, net	152	-	100
Bank charges	883	1,099	(20)
Donations	5,000	-	100
Loss on disposal of property, plant and equipment	17,317	-	100
Loss on disposal of a subsidiary	636	-	100
Others	2,046	621	229
	26,034	1,720	1,414

b) Cost of sales by business units

RMB'000	Year ended	Year ended	Increase
	31 December 2010	31 December 2009	(Decrease)
			(%)
Development of land infrastructure	483,234	351,785	37
Hotel operations	43,572	35,324	23
Golf operations	35,150	40,682	(14)
Others	5,322	7,257	(27)
	567,278	435,048	30

c) Finance costs

RMB'000	Year ended	Year ended	Increase
	31 December 2010	31 December 2009	(Decrease)
			(%)
Interest on bank and borrowings	124,753	84,802	47
Interest on Senior Notes	17,287	91,335	(81)
Interest on convertible bonds	5,560	5,536	-
Less: Interest capitalised	(49,739)	(77,321)	(36)
	97,861	104,352	(6)

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 31 December 2010

RMB'000	Group		Company	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Non-current assets				
Investments in subsidiaries	-	-	2,617,549	2,968,699
Investment in an associate	200	200	-	-
Property, plant and equipment	1,175,322	1,235,292	198	256
Completed Investment properties	679,000	489,000	-	-
Investment Properties under construction	95,000	170,710	-	-
Prepaid land lease payments	236,285	390,823	-	-
Non-current trade receivables	93,257	93,655	-	-
Deferred tax assets	120,010	128,607	-	-
Other assets	48,476	50,652	-	-
Total non-current assets	2,447,550	2,558,939	2,617,747	2,968,955
Current assets				
Land development for sale	3,590,414	3,640,398	-	-
Properties under development for sale	74,094	-	-	-
Prepaid land lease payments	326,232	162,588	-	-
Inventories	4,032	3,820	-	-
Amounts due from subsidiaries	-	-	496,312	252,906
Amounts due from related parties	-	47,003	-	-
Prepayments	254,155	6,155	-	-
Other receivables	368,434	354,983	4	2
Trade receivables	485,890	337,168	26	-
Cash and bank balances	1,381,049	1,509,371	102,730	14,521
Total current assets	6,484,300	6,061,486	599,072	267,429
Total assets	8,931,850	8,620,425	3,216,819	3,236,384
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	608,807	749,001	1,942,220	2,082,414
Accumulated losses	(641,653)	(836,166)	(1,679,381)	(1,580,229)
	2,746,007	2,372,926	3,041,692	2,962,276
Non-controlling interests	551,519	436,231	-	-
Total equity	3,297,526	2,809,157	3,041,692	2,962,276
Non-current liabilities				
Convertible bonds – host debts	-	142,406	-	142,406
Interest bearing bank borrowings	1,698,300	1,847,000	-	-
Deferred income from sale of golf club membership	538,176	562,675	-	-
Deferred tax liabilities	19,625	-	-	-
Total non-current liabilities	2,256,101	2,552,081	-	142,406
Current liabilities				
Senior Notes	-	84,363	-	84,363
Interest-bearing bank borrowings	470,289	310,000	170,299	-
Trade payables	917,806	1,265,252	-	-
Other payables and accruals	569,771	596,434	4,828	47,339
Amounts due to related parties	-	12	-	-
Advances from customers	5,523	4,568	-	-
Deferred income arising from land development	895,670	639,940	-	-
Current income tax liabilities	519,164	358,618	-	-
Total current liabilities	3,378,223	3,259,187	175,127	131,702

RMB'000	Group		Company	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Total liabilities	5,634,324	5,811,268	175,127	274,108
Total equity and liabilities	8,931,850	8,620,425	3,216,819	3,236,384
Net current assets	3,106,077	2,802,299	423,945	135,727
Total assets less current liabilities	5,553,627	5,361,238	3,041,692	3,104,682

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

i) **Borrowings**

RMB'000	31 December 2010	31 December 2009
Bank loans – secured	2,168,589	2,157,000

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

RMB'000	31 December 2010	31 December 2009
Bank loan - secured	470,289	310,000

b) **Amount repayable after one year**

RMB'000	31 December 2010	31 December 2009
Bank loan - secured	1,698,300	1,847,000

c) **Whether the amounts are secured or unsecured**

See table above.

d) **Details of any collateral**

As of 31 December 2010, bank borrowings of RMB2,168,589 thousand were collateralised by pledges of the Group's property, plant and equipment, completed investment properties and investment properties under construction, prepaid land lease payments and restricted cash, with net carrying amounts as of 31 December 2010 at RMB516,437 thousand (2009: RMB558,978 thousand), RMB610,000 thousand (2009: RMB584,000 thousand), RMB391,573 thousand (2009: RMB298,410 thousand), and RMB178,000 thousand (2009: nil) respectively. Also, a long term loan with principal of RMB149,990 thousand (2009:nil) were guaranteed by Mr. Shi Jian, the Chairman of the Company.

ii) **Senior notes**

RMB'000	31 December 2010	31 December 2009
At the beginning of the year	84,363	550,835
Interest expense (recognised used effective interest rate of 25.75% per annum)	17,287	91,335
Interest paid	(15,495)	(60,409)
Repurchase	(86,155)	(497,398)
Carrying amount at end of year	-	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 RMB123.13 million, RMB382.81 million and RMB87.36 million of same Senior Notes in July 2009, September 2009 and November 2010 respectively.

iii) **Convertible bonds**

RMB'000	31 December 2010	31 December 2009
Equity component	-	137,415
Host debts (at amortized cost)	-	144,115

RMB'000	31 December 2010	31 December 2009
Carrying amount of host debt on initial recognition upon issuance (fair value upon issuance)		138,579
Carrying amount of host debt at beginning of year	144,115	
Interest expense recognized using the effective interest rate of 13.49% per annum	5,560	5,536
Interest paid	(3,394)	-
Conversion	(146,281)	-
Carrying amount of host debt at end of year	-	144,115
Less: current portion – accrued coupon interest	-	(1,709)
Non-current portion at end of year	-	142,406

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

RMB'000	Year ended 31 December 2010	Year ended 31 December 2009
Cash flows from operating activities		
Profit before tax	550,157	342,269
Adjustments for:		
Depreciation of property, plant and equipment	60,181	65,475
Amortization of prepaid land lease payments	9,246	8,550
Impairment loss of property, plant and equipment	-	8,810
Loss on disposal of property, plant and equipment	17,317	-
Fair value (gain)/loss on completed investment properties	(16,168)	14,163
Fair value loss/(gain) on investment properties under construction	1,723	(39,036)
Loss on disposal of a subsidiary	636	-
Loss/(gain) on the repurchase of Senior Notes	4,177	(24,744)
Management share option expense	5,574	12,485
Expenses incurred for the listing of existing shares	32,058	-
Interest income	(9,752)	(1,237)
Interest expense	97,861	104,352
	753,010	491,087
Decrease/(increase) in land development for sale	83,147	(160,033)
Increase in properties under development for sale	(68,459)	-
Increase in prepaid land lease payments	(17,112)	-
Increase in inventories	(266)	(361)
Decrease/(increase) in amounts due from related parties	47,003	(45,246)
(Increase)/decrease in prepayments	(248,000)	487
Decrease/(increase) in other receivables and assets	15,000	(494,479)
(Increase)/decrease in trade receivables	(149,370)	76,951
Decrease in deferred income from sale of golf club membership	(24,499)	(28,490)
Increase in deferred income arising from land development	255,730	368,497
Increase/(decrease) in advances from customers	1,274	(84,593)

Consolidated Statement of Cash Flow (Continued)

RMB'000	Year ended 31 December 2010	Year ended 31 December 2009
(Decrease)/increase in trade and other payables	(326,695)	587,678
(Decrease)/increase in amounts due to related parties	(12)	63
Net cash inflow from operating activities	320,751	711,561
Cash flows from investing activities		
Purchase/construction of property, plant and equipment	(58,020)	(95,890)
Proceeds from disposal of property, plant and equipment	785	173
Payment for land use rights	(232)	(102,869)
Payment for investment properties	(121,985)	(69,379)
Disposal of a subsidiary	(336)	-
Interest received	6,109	1,237
Net cash outflow from investing activities	(173,679)	(266,728)
Cash flows from financing activities		
Sale/(purchase) of treasury shares	26,713	(37,114)
Cash proceeds from issuance of new shares of the Company	-	127,624
Capital contributions from non-controlling shareholders of subsidiaries	-	300
Proceeds from bank borrowings	320,299	1,090,000
Repayment of bank borrowings	(310,010)	(70,000)
Cash paid for the repurchase of Senior Notes	(90,332)	(340,329)
Proceeds from issuance of convertible bonds	-	275,994
Payments for expenses incurred for the repurchase of CB2	-	(22,785)
Cash released from deposits restricted in relation to coupon interest payments for Senior Notes/convertible bonds	7,759	38,518
Cash placed as restricted deposits in relation to interest payments for bank borrowings	(178,000)	(36,000)
Interest paid	(141,877)	(142,545)
Dividend paid	(52,281)	-
Payments of expenses incurred for the listing of existing shares	(27,906)	-
Payment of transaction costs for new shares	-	(860)
Net cash (outflow)/inflow from financing activities	(445,635)	882,803
Net (decrease)/increase in cash and cash equivalents	(298,563)	1,327,636
Cash and cash equivalents at beginning of year	1,465,612	137,976
Cash and cash equivalents at end of year	1,167,049	1,465,612

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 2009

RMB'000	Owners of the parent						
	Share Capital	Treasury shares	Other reserves	Equity attributable to accumulated losses	Total	Non-controlling interests	Total equity
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	-	-	-	166,630	166,630	76,830	243,460
Equity-settled share options to management	-	-	12,485	-	12,485	-	12,485
Shares issued upon exercise of management share options granted under the MSOP	5,569	-	(5,569)	-	-	-	-
Capital contributions from non-controlling interests of subsidiaries	-	-	-	-	-	300	300
Equity component of CB3	-	-	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
Treasury Shares	-	(37,114)	-	-	(37,114)	-	(37,114)
Balance as at 31 December 2009	<u>2,497,385</u>	<u>(37,294)</u>	<u>749,001</u>	<u>(836,166)</u>	<u>2,372,926</u>	<u>436,231</u>	<u>2,809,157</u>

Year ended 31 December 2010

RMB'000	Owners of the parent						
	Share Capital	Treasury shares	Other reserves	Equity attributable to accumulated losses	Total	Non-controlling interests	Total equity
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	-	-	-	246,794	246,794	114,788	361,582
Equity-settled share options to management	-	-	5,574	-	5,574	-	5,574
Shares issued upon exercise of management share options granted under the MSOP	5,592	2,761	(8,353)	-	-	-	-
Changes in non-controlling interests due to disposal of a subsidiary	-	-	-	-	-	500	500
Shares issued upon CB3 conversion	283,696	-	(137,415)	-	146,281	-	146,281
Dividends	-	-	-	(52,281)	(52,281)	-	(52,281)
Sales of treasury shares	(7,820)	34,533	-	-	26,713	-	26,713
Balance as at 31 December 2010	<u>2,778,853</u>	<u>-</u>	<u>608,807</u>	<u>(641,653)</u>	<u>2,746,007</u>	<u>551,519</u>	<u>3,297,526</u>

Statements of changes in equity (Continued)

The Company

Year ended 31 December 2009

RMB'000	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	-	-	-	(30,314)	(30,314)
Equity-settled share options to management	-	-	12,485	-	12,485
Shares issued upon exercise of management share options granted under the MSOP	5,569	-	(5,569)	-	-
Share issued upon private placement	244,252	-	-	-	244,252
Subscription Shares issued upon repurchase of Senior Notes	132,324	-	-	-	132,324
Equity components of CB3	-	-	137,415	-	137,415
Treasury Shares	-	(37,114)	-	-	(37,114)
Balance as at 31 December 2009	2,497,385	(37,294)	2,082,414	(1,580,229)	2,962,276

Year ended 31 December 2010

RMB'000	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	-	-	-	(46,871)	(46,871)
Equity-settled share options to management	-	-	5,574	-	5,574
Shares issued upon exercise of management share options granted under the MSOP	5,592	2,761	(8,353)	-	-
Shares issued CB3 conversion	283,696	-	(137,415)	-	146,281
Sale of treasury shares	(7,820)	34,533	-	-	26,713
Dividends	-	-	-	(52,281)	(52,281)
Balance as at 31 December 2010	2,778,853	-	1,942,220	(1,679,381)	3,041,692

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.**

Exercise of share options

On 7 April 2010, the Company transferred 4,128,750 treasury shares to entitled persons who exercised the 2nd tranche share options under the Management Grant implemented on 5 July 2007.

Conversion of convertible bonds

On 20 April 2010, the Company issued and allotted 754,145,894 new ordinary shares to Sinopower Investment Limited in connection with the Convertible Bonds in aggregate amount of RMB275,994,230 2% due 2016 has been exercised by Sinopower in full the conversion rights attached thereof.

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 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 31 December 2009 and as at 31 December 2010 are set out below:

	As at 31 December 2010	As at 31 December 2009
	No. of Shares	No. of Shares
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	3,084,891,032

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

Except the management share options granted under the MSOP, the Company has no other outstanding convertible instruments as at 31 December 2010.

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 2010	As at 31 December 2009
	No. of Shares	No. of Shares
Total number of issued shares excluding treasury shares as at the beginning of the period	3,084,891,032	2,005,425,000
Issue of new shares	754,145,894	1,131,881,532
Exercise of Management Options	4,128,750	2,752,500
Add/(Less) : Treasury shares	51,639,250	(55,168,000)
Total number of issued shares excluding treasury shares as at the end of the period	3,894,804,926	3,084,891,032

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 April 2010, the Company transferred 4,128,750 treasury shares to entitled persons who exercised the 2nd tranche share options under the Management Grant implemented on 5 July 2007.

On 7 July 2010, the Company sold the total number of 51,639,250 treasury shares in the 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 financial year ended 31 December 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.**

		Group	
Earnings per ordinary share for the period based on profit attributable to shareholders after deducting any provision for preference dividends		Year ended 31 December 2010	Year ended 31 December 2009
(a)	Based on the weighted average number of ordinary shares on issue (RMB)	0.0678	0.0640
(b)	On a fully diluted basis (RMB)	0.0644	0.0597

The calculation of basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent for the years ended 31 December 2010 and 2009.

A diluted earnings 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 year ended 31 December 2010 and the year ended 31 December 2009. The calculation of diluted earnings per share for the years ended 31 December 2010 and 2009 also 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:

RMB'000	Year ended 31 December 2010	Year ended 31 December 2009
Profit attributable to ordinary equity holders of the Company	246,794	166,630
Add: Net effect of the dilutive convertible bond	2,562	2,943
Profit attributable to ordinary equity holders of the parent adjusted for effect of dilutive convertible bond	249,356	169,573
Weighted average number of ordinary shares outstanding	3,642,052,148	2,603,796,888
Add: net effect of dilutive potential ordinary shares of Management Grant	1,896,763	994,897
Add: net effect of dilutive potential ordinary shares of the convertible bonds	225,210,723	235,541,457
Number of ordinary shares used to calculate the diluted earnings per share	3,869,159,634	2,840,333,242

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.

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.**

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)	Group		Company	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
	0.8466	0.9106	0.7810	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

The Company has substantially benefited from the maturity of the Shanghai project. During the financial year, revenue and operating profit of the Company have increased 36% and 45% respectively compared to 2009.

In 2010, revenue arising from sale of two land plots from our Shanghai project and three land plots from the Wuxi project was recognized. In particular, the land plots from Shanghai project sold in 2010 achieved a historical record average price of RMB21,289 per square meter in terms of gross floor area for our project, which represents 133% increase from the sale in 2009.

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

Project	Site area (sqm.)	Plot ratio	Month	Gross floor area	Contract price (RMB'mil)	Average price by gross floor area (RMB per sqm.)
Luodian, Shanghai	43,326	0.6	August	25,995	523	20,100
Luodian, Shanghai	107,825	0.6	August	64,695	1,377	21,289
Hongshan, Wuxi	53,769	1.05	February	56,457	108	1,913
Hongshan, Wuxi	65,911	1.20	February	79,093	136	1,719
Hongshan, Wuxi	127,637	1.60	December	204,219	382	1,871

On the cost side, the unit cost for land development (allocated based on budgeted cost of services over relevant area) of 2010 was kept unchanged compared to 2009 in all of the 3 projects.

Revenue from our hotel operations increased substantially to RMB53.3 million in 2010 from RMB31.3 million in 2009, primarily due to increased business as the effect of the Shanghai World Expo in 2010 and depressed revenue during 2009 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 60 million compared to RMB 72.4 million in 2009. The renovation is scheduled to be completed in Q2 2011.

Operating expense

During the course of the year, selling and distributing costs decreased by RMB54.4 million compared to 2009, which is primarily due to the commission incurred for land sales decreased from RMB78 million in 2009 to RMB18 million in 2010.

During the financial year, administrative expenses increased by RMB63.2 million compared to 2009, mainly due to:

- i> The dual listing expenses and fees of RMB32 million incurred in 2010 for the listing of company shares on the main Board of the HKEx;
- ii> The provision of RMB18.5 million against the long aged subsidy receivable in Shanghai project incurred in 2010; and
- iii> The scheduled renovation for retail street and convention center of RMB10 million incurred in 2010.

There were no such expenses incurred in 2009.

Non-operating activities

Our reported earnings is helped by an increase in fair value of completed investment properties totalling RMB16.2 million mainly attributable to the Wuxi retail street Phase 1 and Shanghai shopping mall.

This, however, are partially offset by

- i> Loss from disposal of property, plant and equipment of RMB13 million arising from clearing the land for developing low-density commercial offices;
- ii> Write-off of property, plant and equipment amounting to RMB 4.3 million due to confiscation of property from Liaoning Department of Land and Resources in relation to an alleged occupation of a portion of agricultural land on which a sports and recreation park and club facility were built;
- iii> Net revaluation loss of RMB1.7 million mainly attributable to the Wuxi retail street Phase 2; and
- iv> The donation made to Shanghai Senior Citizens Foundation in relation to Yushu earthquake amounting to RMB 5 million.

Financing cost

As indicated in previous circulars, after the completion of the repurchase of the Senior Notes (see Note 1b (ii)), interest expenses have been reduced. During the year, we have recorded total net financing costs of RMB97.9 million, which comprised of RMB147.6 million interest expenses arising from various debt instruments, partially offset by interests capitalized of RMB49.7 million. This compares with net finance costs of RMB104.4 million for 2009.

Taxation

The Company recorded the income tax of RMB188.6 million in 2010, which is comprised of income tax of RMB 169 million arising from net profit before tax of RMB550.2 million and withholding tax of RMB19.6 million due to the accumulative gain during past three years since 2008 in Shanghai and Wuxi project.

Liquidity

The significant increase in revenue resulted in a corresponding increase of approximately RMB320.8million worth of operating cash, from which our Shanghai project utilized RMB214.5 million to acquire land use rights of a residential plot in Chengdu for property development. Overall, cash and bank balance is stable over the year resulting in a balance of RMB1.4billion from RMB1.5 billion as at the end of last year.

During 2010, the Group has secured new loan facilities of RMB200 million from the China Minsheng Bank for further construction and development. RMB150 million of the facility has been drawn down.

Gearing ratio (as measured by net debt / total equity holders' capital and net debt) decreased from 24% as at 2009 to 19% as at end 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.

In October 2010, the 17th Plenary Meeting of the PRC Communist Party passed the Twelfth Five-Year Plan for National Development (the "Twelfth Five-Year Plan"), outlining the macro directions for national economic and social development between 2011 and 2015. The Twelfth Five-Year Plan underscored expanding domestic consumption and steadily increasing the level of national urbanization as top priorities in restructuring the national economy. The Twelfth Five-Year Plan also set the target of raising the national urbanization rate from 47% in the end of 2009 to 50% by 2015. Rapid urbanization on in China, now on the national agenda, will create strong demand for urban land resources. This presents CNTD, a leading private new town developer with proven track record, with enormous business opportunities.

While domestic economy is recovering strongly, the real estate industry is increasingly exposed to policy pressure. After the financial tsunami, price and volume for commercial properties nationwide have recorded sharp rise, raising the Central Government's concern on the emergence of an asset bubble. In April 2010, the Central Government introduced policies to strictly curb the speculations of real estate (alias "Ten Measures of the State Council" (「国

十条」), imposing clear and stringent restriction on the purchase of real estate and housing loans. On 26 January 2011, the Central Government introduced “Eight New Measures of the State Council”(「新国八条」), which not only further restricted second and third home buying, but also, held local government promptly accountable for property price control. And in less than a day later of the introduction of such policies, it was also announced that Shanghai and Chongqing would launch pilot tests for imposing property tax. On the other hand, the People’s Bank of China decisively announced credit tightening measures, including the hiking capital adequacy ratio for eight consecutive times and lifting benchmark interest rate for three times. While policy control would likely continue for a certain period, house purchasers would shift to a prudent approach. Nevertheless, from a long-term prospective, these policies are constructive to the healthy development of the real estate industry.

As the business model of CNTD is significantly different from traditional real estate developers, we are in a position to leverage our distinctive model in such environment. Firstly, to control domestic property price, abundant supply of land resources to the market is of utmost importance, especially land from those land lots surrounding the city with an affordable price. CNTD has a substantial amount of such land resources and would be in a position to benefit from the national policies. In addition, as the Shanghai Luodian Project is increasingly established, it could provide the Group with steady cash flow, while the steady growth in new town projects in Wuxi and Shenyang would enhance the Group’s financial position in the long term. CNTD will strengthen its management on cash flow and continue its stringent costs control, while actively promoting its brand and maintaining reputation in quality to get itself ready for the future opportunities arising in the real estate market.

While extending our value chain, we are constantly reinforcing our business of land development. One of the areas is we have been particularly focusing on bringing the best healthcare brand names into our new towns. For example, we considering the feasibility of introducing the International Peace Maternity & Child Health Hospital (国际妇幼保健院) in our Shanghai Luodian project. Shanghai Ruijin Hospital (上海瑞金醫院) in our wuxi project, which are the most famous hospitals in Shanghai. In a time of rapid household wealth growth and ever growing need of quality healthcare, we foresee a strong demand for brand name healthcare providers in our new towns and their vicinities and believe that such addition will have a long term significant upside support on our land value.

11 Dividend

(a) **Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes

Amount per share: SGD 0.308 cents; HKD 1.880 cents

Source: Bloomberg as of 25 February 2011

(b) **Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Previous corresponding period: SGD 0.278 cents

(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)**

A BVI business company is exempt from all provisions of the Income Tax Ordinance of the BVI (including with respect to all dividends, interests, rents, royalties, compensations and other amounts payable by the company to persons who are not resident in the BVI). Capital gains realized with respect to any shares, debt obligations or other securities of the company by persons who are not resident in the BVI are also exempt from all provisions of the Income Tax Ordinance of the BVI.

No estate, inheritance, succession or gift tax is payable by persons who are not resident in the BVI with respect to any shares, debt obligations or other securities of the company, save for interest payable to or for the benefit of an individual resident in the European Union.

(d) **Date payable**

The proposed Dividend shall be paid on 24 May 2011 subject to the approval of the shareholders at the forthcoming Annual General Meeting.

(e) **Books closure date**

The Share Transfer Books and the Register of Members of the Company will be closed on 12 May 2011 for the purposes of determining shareholders' entitlements to the proposed final dividend.

In order to qualify for the proposed final dividend, all duly completed transfer documents accompanied by the relevant share certificates should be lodged with the Company's Share Transfer Agent, Tricor Barbinder Share Registration Services, at 8 Cross Street #11-00 PWC Building Singapore 048424 by 5.00 p.m. on 11 May 2011 (for B.V.I. Register) and the Hong Kong Branch Share Registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4.30 p.m. on 11 May 2011 (for Hong Kong Branch Register).

In order to qualify for the proposed final dividend, any request for removal of shares between the principal register in the British Virgin Islands and the branch register in Hong Kong has to be submitted by shareholders by no later than 5:00 pm on 3 May 2011.

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

Not applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 **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.**

RMB'000	Year ended 31 December 2010						Total
	Development of land infrastructure	Property leasing	Hotel operations	Golf operations	Others	Adjustments and eliminations	
Segment results							
External sales	1,382,783	3,668	50,564	39,989	2,885	-	1,479,889
Inter-segment sales	-	-	1,213	-	6,018	(7,231) ¹	-
Total segment sales	<u>1,382,783</u>	<u>3,668</u>	<u>51,777</u>	<u>39,989</u>	<u>8,903</u>	<u>(7,231)</u>	<u>1,479,889</u>
Other segment items included in the income statements							
Depreciation	(8,072)	-	(28,992)	(22,111)	(1,006)	-	(60,181)
Amortisation	(233)	-	(3,711)	(5,302)	-	-	(9,246)
Loss on the Repurchase of Senior Notes	-	-	-	-	(4,177)	-	(4,177)
Fair value gain on completed investment properties	-	16,168	-	-	-	-	16,168
Fair value loss on investment properties under construction	-	(1,723)	-	-	-	-	(1,723)
Segment profit/(loss)	<u>733,839</u>	<u>13,448</u>	<u>(37,171)</u>	<u>(26,879)</u>	<u>(35,219)</u>	<u>(97,861)²</u>	<u>550,157</u>
Segment assets	<u>5,513,204</u>	<u>875,493</u>	<u>629,031</u>	<u>824,381</u>	<u>969,531</u>	<u>120,210³</u>	<u>8,931,850</u>
Segment liabilities	<u>2,197,590</u>	<u>64,403</u>	<u>42,782</u>	<u>615,992</u>	<u>6,179</u>	<u>2,707,378⁴</u>	<u>5,634,324</u>
Other disclosures							
Capital expenditure ⁵	<u>6,279</u>	<u>99,844</u>	<u>12,759</u>	<u>29,797</u>	<u>75</u>	<u>-</u>	<u>148,754</u>

1. Inter-segment sales are eliminated on consolidation.

2. Profit for each operating segment does not include finance costs (RMB97,861 thousand).

3. Segment assets do not include investments in associated companies (RMB200 thousand) and deferred tax assets (RMB120,010 thousand) as these assets are managed on a group basis.

4. Segment liabilities do not include current income tax payables (RMB519,164 thousand), loans (RMB2,168,589 thousand), and deferred tax liabilities (RMB19,625 thousand) as these liabilities are managed on a group basis.

5. Capital expenditure consists of additions of prepaid land lease payment (non-current portion), property, plant and equipment, completed investment properties and investment properties under construction.

RMB'000	Year ended 31 December 2009						Total
	Development of land infrastructure	Property leasing	Hotel operations	Golf operations	Others	Adjustments and eliminations	
Segment results							
External sales	991,132	6,061	29,744	56,176	4,242	-	1,087,355
Inter-segment sales	-	-	-	-	5,533	(5,533) ¹	-
Total segment sales	<u>991,132</u>	<u>6,061</u>	<u>29,744</u>	<u>56,176</u>	<u>9,775</u>	<u>(5,533)</u>	<u>1,087,355</u>
Other segment items included in the income statements							
Depreciation	(8,082)	-	(29,901)	(26,032)	(1,460)	-	(65,475)
Amortisation	(220)	-	(3,028)	(5,302)	-	-	(8,550)
Gain on the Repurchase of Senior Notes	-	-	-	-	24,744	-	24,744
Impairment loss on property, plant and equipment	-	-	(8,810)	-	-	-	(8,810)
Fair value loss on completed investment properties	-	(14,163)	-	-	-	-	(14,163)
Fair value gain on investment properties under construction	-	39,036	-	-	-	-	39,036
Segment profit/(loss)	<u>519,357</u>	<u>(13,334)</u>	<u>(45,829)</u>	<u>(10,779)</u>	<u>(2,794)</u>	<u>(104,352)²</u>	<u>342,269</u>
Segment assets	<u>5,160,670</u>	<u>748,192</u>	<u>726,764</u>	<u>867,069</u>	<u>988,923</u>	<u>128,807³</u>	<u>8,620,425</u>
Segment liabilities	<u>2,250,744</u>	<u>91,299</u>	<u>38,258</u>	<u>635,983</u>	<u>279,366</u>	<u>2,515,618⁴</u>	<u>5,811,268</u>
Other disclosures							
Capital expenditure ⁵	<u>8,760</u>	<u>98,087</u>	<u>97,099</u>	<u>51,941</u>	<u>85</u>	<u>-</u>	<u>255,972</u>

- Inter-segment sales are eliminated on consolidation.
- Profit for each operating segment does not include finance costs (RMB104,352 thousand).
- Segment assets do not include investments in associated companies (RMB200 thousand) and deferred tax assets (RMB128,607 thousand) as these assets are managed on a group basis.
- Segment liabilities do not include current income tax payables (RMB358,622 thousand), loans (RMB2,157,000 thousand) as these liabilities are managed on a group basis.
- Capital expenditure consists of additions of prepaid land lease payment (non-current portion), property, plant and equipment, completed investment properties and investment properties under construction.

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

In 2010, the Shanghai Luodian new town continued to be the key earning driver for the Company. In addition, we also have achieved revenue through the sale of three land plots from the Wuxi project. The achieved average price in Wuxi was RMB1,892 per square meter in terms of site area and contributed revenue of RMB260.7 million. As the Wuxi project steadily develops, it will bring in operating cash flow for further development and help geographically diversify earnings of the Company.

The master plan of the Shenyang project remains in the process of modifications, and as a result, the project is only expected to make some revenue contribution in the next couple of years.

The operating results of the commercial assets in Shanghai, namely hotel and golf courses were largely in line with last year. The Company does not expect any significant changes in the near future.

In the past financial year, the Company has taken a strategic initiative to expand our value chain beyond land development and enter the property development space. Extending our presence to property market and pursuing an integrated business model of primary (land) and secondary (property) development is a sound strategy for the Company in the long term. We plan to start with four property development initiatives. The largest is the Lake Malaren Silicon Valley Project, for which we are currently in the process of obtaining all relevant permits. It is located within our Shanghai Luodian project and benefits from the luxury view of Lake Malaren Golf Course. It will be developed into low-density commercial offices available for use as corporate headquarters. The Company owns the land use rights of the land. Along with the commencement of the golf tournament at PGA standards, jointly organized by the Group and IMG on the Lake Malaren Golf Course in the next five years, the properties will be gradually released to the market, providing the Company with a new and substantial source of revenue stream (The total GFA of the project is 97,000 square metres, and the land cost booked in the financial statement is RMB147.78 million as of end of 2010). Another

property development project also located in Shanghai Luodian, the SOHO Project on top of the metroline transportation hub will be fully commenced in 2011. (The total GFA of the project is 39,317 square metres, and the land cost booked in the financial statement is RMB101.49 million as of end of 2010.)

We have a third property development project in Wuxi, which is still in the early stage of obtaining permits. (The total GFA of the project is 83,055 square meters, and the land cost booked in the financial statement is RMB76.96 million as of end of 2010).

Apart from the above, the Company also successfully bid a land parcel in Pi County in Chengdu, the provincial capital of Sichuan, for the development of residential properties. Apart from being our first secondary market project outside of CNTD's own new towns, establishing the business presence in Chengdu, the centre of Southwest China, marks an important step for the Company's future development in the region. (The total GFA of the project is 215,202 square metres. The Company has already pre-paid RMB214.53 million as 50% of the land cost, the remaining will be paid in the 1st half of 2011.)

We believe there are strong complementarities and synergies between our primary and secondary market operations. Going forward, the Company will fully utilize its in-depth knowledge and extensive connections on a local level. This includes a high level of familiarity with local political and economic environments, as well as unique insights on the potential of real estate projects within our new towns. At the same time, as the Company is devoted to enhancing the long term value of land in our new towns, it will also greatly increase the value appreciation potential of secondary projects within new towns. Furthermore, secondary development business will complement our primary development operations with their steady cash flow and shorter investment cycles.

15 A breakdown of sales

RMB'000	Year ended	Year ended	Increase/ (Decrease) %
	31 December 2010	31 December 2009	
	Group	Group	
Net sales (after business tax) reported for first half year	176,203	337,084	(48)
Profit/loss after tax before deducting non-controlling interests reported for first half year	(117,649)	20,493	(674)
Net sales (after business tax) reported for second half year	1,303,686	750,271	74
Profit/loss after tax before deducting non-controlling interests reported for second half year	479,231	222,967	115

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

The Directors are pleased to announce a proposed final dividend of SGD 0.308 cents per share and HKD 1.880 cents per share in Singapore and Hong Kong for the financial year ended 31December 2010, respectively.

	31 December 2010	31 December 2009
Name of dividend	Final	Final
Type of dividend	Cash	Cash
Dividend per share	SGD 0.308 cents; HKD 1.880 cents	SGD 0.278 cents
Proposed annual dividend (RMB'000)	61,698.5	41,684

Source: Bloomberg as of 25 February 2011

17 **Interest Persons Transactions (“IPT”)**

RMB'000	Financial year ended 31 December 2010	
Name of interested person	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)
SRE Group Limited	8,602	-

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 SLMPM 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.

18 **Subsequent event**

Not applicable.

By order of the Board
China New Town Development Company Limited
Song YiQing
Chief Financial Officer / Executive Director

Singapore and Hong Kong, 27 February 2011

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.