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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 2011 THIRD QUARTER RESULTS

This announcement is made by China New Town Development Company Limited (the “**Company**”) 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 (“**HKE**x”). 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 Third Quarter Financial Statements for the Financial Period Ended 30 September 2011

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 third quarter ended 30 September 2011

RMB'000 Group	From 1 July to 30 September		Increase (Decrease) (%)	9 months ended 30 September		Increase (Decrease) (%)
	2011	2010		2011	2010	
Revenue	60,363	1,075,759	(94)	375,196	1,251,962	(71)
Cost of sales	(52,072)	(295,090)	(82)	(187,873)	(437,795)	(57)
Gross profit	8,291	780,669	(99)	187,323	814,167	(77)
Other income	9,906	1,729	473	18,844	7,285	159
Selling and distribution costs	(32,832)	(10,894)	201	(71,058)	(34,171)	108
Administrative expenses	(52,432)	(50,367)	4	(128,716)	(136,992)	(6)
Other expenses	(255)	(1,337)	(81)	(1,321)	(11,969)	(89)
Fair value loss on completed investment properties	(10,787)	-	-	(23,305)	(613)	3,702
Fair value loss on investment properties under construction	(4,352)	-	-	(9,208)	(146)	6,207
Operating profit/(loss)	(82,461)	719,800	(111)	(27,441)	637,561	(104)
Finance costs	(15,668)	(21,058)	(26)	(44,385)	(68,721)	(35)
Profit / (loss) before tax	(98,129)	698,742	(114)	(71,826)	568,840	(113)
Income tax	25,162	(177,667)	(114)	16,177	(165,415)	(110)
Profit / (loss) after tax	(72,967)	521,075	(114)	(55,649)	403,425	(114)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(72,967)	521,075	(114)	(55,649)	403,425	(114)
Profit attributable to:						
Owners of the parent	(56,096)	370,772	(115)	(50,976)	278,491	(118)
Non-controlling interests	(16,871)	150,303	(111)	(4,673)	124,934	(104)
	(72,967)	521,075	(114)	(55,649)	403,425	(114)
Total comprehensive income attributable to:						
Owners of the parent	(56,096)	370,772	(115)	(50,976)	278,491	(118)
Non-controlling interests	(16,871)	150,303	(111)	(4,673)	124,934	(104)
	(72,967)	521,075	(114)	(55,649)	403,425	(114)

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

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

Revenue

RMB'000	From 1 July to 30 September		Increase (Decrease) (%)	9 months ended 30 September		Increase (Decrease) (%)
	2011	2010		2011	2010	
Land development	41,187	1,105,038	(96)	325,944	1,241,400	(74)
Hotel operations	7,993	15,456	(48)	29,289	41,152	(29)
Golf operations	14,297	13,008	10	41,209	43,387	(5)
Investment property leasing	1,838	997	84	5,235	3,216	63
Others	458	265	73	1,086	2,702	(60)
Less: Business tax and surcharges	(5,410)	(59,005)	(91)	(27,567)	(79,895)	(65)
	60,363	1,075,759	(94)	375,196	1,251,962	(70)

Other income

RMB'000	From 1 July to 30 September		Increase (Decrease) (%)	9 months ended 30 September		Increase (Decrease) (%)
	2011	2010		2011	2010	
Foreign exchange gain/(loss), net	6,713	(93)	(7,318)	9,727	520	1,771
Interest income	3,138	1,541	104	8,960	4,236	112
Tax refund	-	131	-	-	1,994	(100)
Others	55	150	(63)	157	535	(71)
	9,906	1,729	473	18,844	7,285	159

Other expenses

RMB'000	From 1 July to 30 September		Increase (Decrease) (%)	9 months ended 30 September		Increase (Decrease) (%)
	2011	2010		2011	2010	
Bank charges	226	204	11	1,064	682	56
Donations	-	-	-	-	5,000	(100)
Loss on disposals of property, plant and equipment	-	-	-	-	4,334	(100)
Loss on disposal of a subsidiary	-	-	-	-	636	(100)
Others	29	1,133	(97)	257	1,317	(80)
	255	1,337	(81)	1,321	11,969	(89)

b) Cost of sales by business units

RMB'000	From 1 July to 30 September		Increase (Decrease) (%)	9 months ended 30 September		Increase (Decrease) (%)
	2011	2010		2011	2010	
Land development	32,656	275,060	(88)	134,337	375,228	(64)
Hotel operations	9,730	10,755	(10)	28,951	31,832	(9)
Golf operations	9,444	9,069	4	23,877	25,719	(7)
Others	242	206	17	708	5,016	(86)
	52,072	295,090	(82)	187,873	437,795	(57)

c) Finance costs

RMB'000	From 1 July to 30 September		Increase (Decrease) (%)	9 months ended 30 September		Increase (Decrease) (%)
	2011	2010		2011	2010	
Interest on bank and borrowings	40,083	31,597	27	105,006	92,459	14
Interest on Senior Notes	-	5,038	(100)	-	14,636	(100)
Interest on convertible bonds	-	-	-	-	5,561	(100)
Less: Interest capitalised	(24,415)	(15,577)	57	(60,621)	(43,935)	38
	15,668	21,058	(26)	44,385	68,721	(35)

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 2011

RMB'000	Group		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Non-current assets				
Investments in subsidiaries	-	-	2,767,633	2,617,549
Investment in associated and jointly controlled companies	40,200	200	-	-
Property, plant and equipment	1,249,752	1,175,322	150	198
Completed investment properties	679,000	679,000	-	-
Investment properties under construction	95,000	95,000	-	-
Prepaid land lease payments	237,361	236,285	-	-
Non-current trade receivables	68,844	93,257	-	-
Deferred tax assets	140,280	120,010	-	-
Other assets	46,809	48,476	-	-
Total non-current assets	2,557,246	2,447,550	2,767,783	2,617,747
Current assets				
Land development for sale	4,444,762	3,590,414	-	-
Properties under development for sale	548,000	74,094	-	-
Prepaid land lease payments	796,917	326,232	-	-
Inventories	3,867	4,032	-	-
Amounts due from subsidiaries	-	-	396,482	496,312
Prepayments	90,765	254,155	-	-
Other receivables	343,972	368,434	4	4
Trade receivables	118,170	485,890	-	26
Cash and bank balances	712,600	1,381,049	15,078	102,730
Total current assets	7,059,053	6,484,300	411,564	599,072
Total assets	9,616,299	8,931,850	3,179,347	3,216,819
Equity				
Owners of the parent:				
Share capital	2,788,776	2,778,853	2,788,776	2,778,853
Other reserves	603,085	608,807	1,936,498	1,942,220
Accumulated losses	(754, 589)	(641,653)	(1,753,969)	(1,679,381)
	2,637,272	2,746,007	2,971,305	3,041,692
Non-controlling interests	565,105	551,519	-	-
Total equity	3,202,377	3,297,526	2,971,305	3,041,692
Non-current liabilities				
Interest bearing bank borrowings	1,932,700	1,698,300	-	-
Deferred income from sale of golf club membership	525,349	538,176	-	-
Deferred tax liabilities	22,917	19,625	-	-
Total non-current liabilities	2,480,966	2,256,101	-	-
Current liabilities				
Interest bearing bank borrowings	613,182	470,289	163,192	170,299
Trade payables	1,309,122	917,806	-	-
Other payables and accruals	596,372	569,771	1,303	4,828
Amounts due to related parties	43,547	-	43,547	-
Advances from customers	4,708	5,523	-	-
Deferred income arising from land development	846,135	895,670	-	-
Current income tax liabilities	519,890	519,164	-	-
Total current liabilities	3,932,956	3,378,223	208,042	175,127
Total liabilities	6,413,922	5,634,324	208,042	175,127

RMB'000	Group		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Total equity and liabilities	9,616,299	8,931,850	3,179,347	3,216,819
Net current assets	3,126,097	3,106,077	203,522	423,945
Total assets less current liabilities	5,683,343	5,553,627	2,971,305	3,041,692

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

i) **Borrowings**

RMB'000	30 September 2011	31 December 2010
Bank loans – secured	2,545,882	2,168,589

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

RMB'000	30 September 2011	31 December 2010
Bank loan - secured	613,182	470,289

b) **Amount repayable after one year**

RMB'000	30 September 2011	31 December 2010
Bank loan - secured	1,932,700	1,698,300

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

See table above.

d) **Details of any collateral**

As of 30 September 2011, bank borrowings of RMB2,546 million were collateralised by pledges of the Group's property, plant and equipment, completed investment properties, and prepaid land lease payments, properties under development for sale, cash and bank, with net carrying amounts as of 30 September 2011 at RMB485 million, RMB610 million, RMB380 million, RMB527 million and RMB178 million respectively. Also, a long term loan with balance of RMB100 million were guaranteed by Mr. Shi Jian, the Chairman of the Company.

The Group had an undrawn credit facilities of RMB446.5 million as at 30 September 2011 (2010: RMB50 million).

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	3Q 2011 1 July 2011 to 30 September 2011	3Q 2010 1 July 2010 to 30 September 2010	9 months ended 30 September 2011	9 months ended 30 September 2010
Cash flows from operating activities				
Profit/(Loss) before tax	(98,129)	698,742	(71,826)	568,840
Adjustments for:				
Depreciation of property, plant and equipment	13,923	14,730	42,722	46,113
Amortization of prepaid land lease payments	2,176	2,138	6,530	7,096
Impairment loss of property, plant and equipment	-	-	-	4,334
Fair value loss on completed investment properties	10,787	-	23,305	613
Fair value loss on investment properties under construction	4,352	-	9,208	146
Loss on disposal of subsidiary	-	-	-	636

RMB'000	3Q 2011 1 July 2011 to 30 September 2011	3Q 2010 1 July 2010 to 30 September 2010	9 months ended 30 September 2011	9 months ended 30 September 2010
Management share option expense	1,416	2,158	4,200	3,794
Interest income	(3,138)	(1,541)	(8,960)	(4,236)
Interest expense	15,668	21,058	44,385	68,721
Exchange gain	(3,244)	(49)	(7,107)	(52)
	(56,189)	737,236	42,457	696,005
Decrease/(increase) in land development for sale	(531,738)	203,282	(825,502)	96,745
Increase in properties under development for sale	(129,736)	(2,579)	(449,491)	(7,237)
Increase in prepaid land lease payments	(5,244)	-	(478,403)	-
Decrease/(increase) in inventories	471	(2,019)	165	(2,154)
Decrease/(increase) in amounts due from related parties	-	-	-	47,003
Decrease in prepayments, other receivables and assets	64,869	89,090	189,514	6,850
Decrease/(increase) in trade receivables	52,228	(1,172,817)	394,217	(1,075,993)
(Decrease)/increase in deferred income for sale of golf club membership and land development	(44,406)	109,678	(62,362)	155,722
(Decrease)/increase in advances from customers	1,160	(46)	(815)	(181)
(Decrease)/increase in trade and other payables	442,606	7,391	458,748	(275,317)
Decrease in amounts due to related parties	-	(3,728)	-	(3,516)
Net cash outflow from operating activities	(205,979)	(34,512)	(731,472)	(362,073)
Cash flows from investing activities				
Purchase/construction of property, plant and equipment	(71,209)	(15,031)	(116,703)	(26,942)
Proceeds from disposal of property, plant and equipment	363	108	527	796
Payments for amounts paid for land use rights	(23)	-	(23)	-
Investments in jointly-controlled companies	-	-	(40,000)	-
Payment for investment properties	(15,139)	(33,798)	(63,051)	(126,218)
Disposal of a subsidiary	-	3,040	-	(336)
Interest received	3,138	1,541	6,876	4,236
Net cash outflow from investing activities	(82,870)	(44,140)	(212,374)	(148,464)
Cash flows from financing activities				
Cash proceeds from sale of treasury shares	-	26,714	-	26,714
Loan from bank	-	150,000	-	150,000
Repayment of bank borrowings	(50,000)	(10)	(70,000)	(100,010)
Proceeds of borrowings from a related party	(104,894)	-	43,547	-
Capital contributions from non-controlling shareholders of subsidiaries	2,000	-	18,259	-
Proceeds from bank borrowings	82,500	-	453,500	-
Interest paid	(39,783)	(38,025)	(104,106)	(110,896)
Dividends paid	-	-	(61,960)	(52,281)
Payments of expenses incurred for the listing of existing shares	-	-	(3,843)	-
Net cash (outflow)/inflow from financing activities	(110,177)	138,679	275,397	(86,473)
Net (decrease)/increase in cash and cash equivalents	(399,026)	60,027	(668,449)	(597,010)
Cash and cash equivalents at beginning of the period	897,626	808,575	1,167,049	1,465,612
Cash and cash equivalents at end of the period	498,600	868,602	498,600	868,602

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 2011

RMB'000	Equity attributable to Owners of the parent						
	Share Capital	Treasury shares	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
Balance as at 1 January 2011	2,778,853	-	608,807	(641,653)	2,746,007	551,519	3,297,526
Total comprehensive income	-	-	-	(50,976)	(50,976)	(4,673)	(55,649)
Equity-settled share options to management	-	-	4,200	-	4,200	-	4,200
Shares issued upon exercise of management share options granted under Management Grant	9,923	-	(9,922)	-	1	-	1
Dividends	-	-	-	(61,960)	(61,960)	-	(61,960)
Capital contribution from non-controlling interests of a subsidiary	-	-	-	-	-	18,259	18,259
Balance as at 30 September 2011	2,788,776	-	603,085	(754,589)	2,637,272	565,105	3,202,377

9 months ended 30 September 2010

RMB'000	Equity attributable to Owners of the parent						
	Share Capital	Treasury shares	Other reserves	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 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 Management Grant	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	2,778,853	-	607,028	(609,956)	2,775,925	561,665	3,337,590

The Company

9 months ended 30 September 2011

RMB'000	Share Capital	Treasury shares	Other reserves	Accumulated losses	Total
Balance as at 1 January 2011	2,778,853	-	1,942,220	(1,679,381)	3,041,692
Total comprehensive income	-	-	-	(12,628)	(12,628)
Equity-settled share options to management	-	-	4,200	-	4,200
Shares issued upon exercise of management share options granted under Management Grant	9,923	-	(9,922)	-	1
Dividends	-	-	-	(61,960)	(61,960)
Balance as at 30 September 2011	2,788,776	-	1,936,498	(1,753,969)	2,971,305

9 months ended 30 September 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 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 Management Grant	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	2,778,853	-	1,940,441	(1,652,259)	3,067,035

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.

For the period from 1 July 2011 to 30 September 2011, the Company's share capital remained the same as the end of the last quarter reported on.

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 2011 and as at 30 September 2010 are set out below:

	As at 30 September 2011	As at 30 September 2010
	No. of Shares	No. of Shares
Shares to be issued pursuant to the release of all the awards granted under the Management Grant	13,488,750	18,393,750
Treasury Shares	-	-
Total number of issued shares excluding treasury shares as at the end of the period	3,899,709,926	3,894,804,926

Except the management share options granted under the Management Grant, the Company has no other outstanding convertible instruments as at 30 September 2011.

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.

	9 months ended 30 September 2011	12 months ended 31 December 2010
	No. of Shares	No. of Shares
Total number of issued shares excluding treasury shares as at the beginning of the period	3,894,804,926	3,084,891,032
Issue of new shares pursuant to CB3	-	754,145,894
Issue of new shares in respect of exercise of Management Grant	4,905,000	-
Transfer of treasury shares in respect of exercise of Management Grant	-	4,128,750
Add/(Less) : Sale of treasury shares	-	51,639,250
Total number of issued shares excluding treasury shares as at the end of the period	3,899,709,926	3,894,804,926

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.

The Company had no treasury shares in issue as at the end of 30 September 2011.

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 2010, except that the Group has adopted all the new and amended IFRS and IFRIC interpretations effective in the 9 months ended as at 30 September 2011.

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/loss 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			
		3Q from 1 July 2011 to 30 September 2011	3Q from 1 July 2010 to 30 September 2010	9 months ended 30 September 2011	9 months ended 30 September 2010
	Earnings/(loss) per ordinary share for the year based on profit attributable to shareholders after deducting any provision for preference dividends				
(i)	Based on the weighted average number of ordinary shares on issue (RMB)	(0.0144)	0.0955	(0.0131)	0.0783
(ii)	On a fully diluted basis (RMB)	(0.0144)	0.0953	(0.0131)	0.0728

The calculation of basic earnings/loss per share amounts is based on the profit/loss attributable to ordinary equity holders of the parent for the period ended 30 September 2011 and the period ended 30 September 2010.

Since the company is reporting a net loss, therefore the Convertible Bonds and Stock Options are not dilutive for Q3 2011 and 9 months ended 30 September 2011.

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

	3Q from 1 July 2011 to 30 September 2011	3Q from 1 July 2010 to 30 September 2010	9 months ended 30 September 2011	9 months ended 30 September 2010
	RMB'000	RMB'000	RMB'000	RMB'000
Profit/(Loss) attributable to ordinary equity holders of the Company	(56,096)	371,537	(50,976)	278,491
Add/(Less): Exchange gain and change in fair value of the embedded derivative, net of interest expenses of the dilutive convertible bond	-	-	-	2,562
Profit/ (Loss) attributable to ordinary equity holders of the parent adjusted for effect of dilutive convertible bond	(56,096)	371,537	(50,976)	281,053
Weighted average number of ordinary shares outstanding	3,899,709,926	3,891,437,118	3,898,003,058	3,556,875,363
Add: Net effect of dilutive potential ordinary shares of Management grant	-	490,197	-	303,033,192
Number of ordinary shares used to calculate the diluted earnings/loss per share	3,899,709,926	3,891,927,315	3,898,003,058	3,859,908,555

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.

	Group		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
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)	0.8212	0.8466	0.7619	0.7810

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

Operating Results

Our results of operations are primarily driven by the frequency and achieved selling prices of public auction of land use rights. In the third quarter of 2011, as there were no sale of land use rights, we recorded a net loss of RMB73 million.

Due to the scheduled renovation for hosting international golf tournaments with IMG (IMG Sports Development (Shanghai) Limited, a sports, entertainment and media company), the hotel operations recorded revenue of RMB8 million

in this quarter compared to RMB15 million over the same period of 2010. The rebuilt of golf course was drawing to a close except for turf maintenance at the end of 30 September 2011. In October, the golf course was open to the public at the completion of the international golf tournament.

The operating result of golf courses was in line with last year. It is expected that future performance of the golf course will be improved following the renovation of the golf course and successfully hosting of the international golf tournament.

Other income which are mainly derived from foreign exchange gain of RMB7 million and interest income of RMB3 million compared to foreign exchange loss and interest income of RMB10 thousand and RMB1 million in the third quarter of 2010 respectively. The increase primarily resulted from increased USD and HKD cash balance and improved interest rate.

Operating expense

In the third quarter of 2011, selling and distribution costs increased by RMB22 million compared to the same period of 2010 mainly due to the expense of the hosting of the international golf tournament, a ballet performance, and the National Urbanization Forum with amount of RMB14 million, RMB4 million and RMB3 million respectively.

Administrative expenses incurred in this quarter remained at the same level as that of 2010. Administrative expenses incurred in this quarter included finance consulting fee of RMB19 million related to bank loans and trust scheme, while RMB15 million of HK dual listing fee was incurred over the same period of 2010. The finance consulting fees were paid to banks and trust as a usual financing practice.

Non-operating activities

In the third quarter of 2011, the Company recorded fair value losses of completed investment properties of RMB11 million and investment properties under construction of RMB4 million, which is mainly attributable to the Wuxi retail street Phase I&II and Shanghai retail street. The losses were due to additional capital expenditure incurred in this quarter. The Company performs valuation on an annual basis.

Finance cost

As indicated in previous announcements, after the completion of the repurchase of the senior notes and convertible bonds, interest expenses have been reduced. In the third quarter of 2011, we have recorded total net finance costs of RMB16 million, which comprised of RMB40 million interest expenses, partially offset by interests capitalized of RMB24 million. This compares with net finance costs of RMB21 million for the same period of 2010.

Taxation

The Company recorded the income tax benefit of RMB25 million in this quarter, which mainly represent the income tax benefit of RMB25 million arising from loss before tax of RMB98 million.

Balance sheet

Properties under development for sale

The balance as at 30 September 2011 mainly represents the construction cost of Lake Malaren Silicon Valley Project, Lake Malaren SOHO Project, Chengdu project and Wuxi Hongqing project of RMB393 million, RMB114 million, RMB31 million and RMB10 million respectively. The increase was mainly due to progress in the construction.

Prepaid land lease payments

The balance as at 30 September 2011 increased by RMB474 million as compared with the balance at the end of 2010, which was mainly due to the land use rights of the Chengdu project obtained by the Group in the amount of RMB470 million in May 2011. The amount was classified from prepayments to prepaid land lease payments when the land use rights were received by the Group after paying the entire land purchasing cost.

Prepayments

The balance as at 30 September 2011 mainly represents the prepayment of Lake Malaren Silicon Valley Project by RMB23 million. While the balance as the end of 2010 mainly represents the prepayment of partial land cost of the Chengdu project by RMB215 million, which was classified from prepayments to Prepaid land lease payments as stated above.

Trade receivables (including current and non-current)

The balance as at 30 September 2011 decreased by RMB392 million as compared with the balance as at the end of 2010, which was mainly due to the cash collection of RMB668 million from past land sales net off the additional receivable from land sale proceeds by RMB263 million incurred in January 2011.

Liquidity

In this quarter, the Group has been further granted the following amounts pursuant to loan agreements announced in the second quarter.

a> For development of Lake Malaren Silicon Valley Project in our Shanghai Luodian New Town Project:

- Principal: RMB 600 million
- Facility withdrawn in this quarter: RMB67.5 million
- Total facility withdrawn as at 30 September 2011: RMB378.5 million

b> For development of SOHO Project in our Shanghai Luodian New Town Project:

- Principal: RMB 250 million
- Facility withdrawn in this quarter: RMB15 million
- Total facility withdrawn as at 30 September 2011: RMB75 million

For detailed information, please refer to 2011 Q2 Announcement.

The Group entered into a Trust Scheme with China Credit Trust Company Limited in October to finance the infrastructure and ancillary facilities constructions in the Wuxi Hongshan New Town Project. The key scheme are set out below:

- Principal: RMB 751.4 million
- Term: 2 years
- Effective Date: 25 October 2011
- Interest Rate: 12.65% per annum

For detailed information, please refer to the announcement made on 26 October 2011.

Overall, cash and bank balance has decreased RMB668 million over the year with a balance of RMB713 million as at 30 September 2011, which is mainly attributable to a decrease of RMB731 million from operating activities offset by an increase of RMB63 million from finance activities.

Gearing ratio (as measured by net debt / total equity holders' capital and net debt) increased from 19% for the year ended 31 December 2010 to 36% as at 30 September 2011.

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.

Entering the third quarter of the year, operating environment for the real estate sector in China remained challenging. As reiterated by Premier Wen Jiabao in his recent speech, the Government would unswervingly execute its curbing policy on the real estate sector. In the second half of October, several leading real estate enterprises began to lower the sales price of their properties. Under such circumstances, buyers generally held a more prudent approach, which in turn led to a general contraction in commercial housing turnover in major cities in China. As companies continued to face the challenge of tight capital supply, the real estate sector entered a period of reshuffling and consolidation. Weakening secondary real estate market inevitably affected the operating environment of the land market. Since secondary market

property developers were affected by tightened capital supply and uncertain market outlook, land price and land sale volume experienced similar trend of stagnant growth or even decline throughout China during the quarter.

It is expected that China's curbing policy on its real estate sector would continue for some time. However, we believe that the transformation will make the future of the real estate sector healthier and more sustainable. At the same time, with the long term urbanization trend in China, the scarcity of quality land resources will have its benefit fully reflected in the future.

During the third quarter, due to adjustments in the land policies across regions we have not yet managed to complete sale of any land parcels. However, our Luodian project have land plots listed for auction in the fourth quarter. In addition, we have also achieved good progress in the development of our projects. First of all, the Lake Malaren Shanghai Masters, the major golf tournament event to which we devoted much time and efforts, was held at the Lake Malaren Golf Club located at our Luodian Project during 27-30 October 2011. Renovation work of the five-star Crowne Plaza Hotel and the Lake Malaren Golf Course of Luodian New Town was completed in time for our hosting of this event. The tournament featured 30 of the world's best golf players, among which 7 PGA Champions were presented. The event was a world-class, measured by its prize pool and line-up of players. The 4-day event attracted a total audience around 30,000, reaching a peak of almost 20,000 for the Finals day. A nationwide broadcast of the entire tournament was covered by CCTV, greatly enhancing the popularity and reputation of our Luodian New Town. During the course of the tournament, municipal and regional government gave us full endorsement and support, as a number of key government officials from each level attended the tournament. This was solid evidence that Luodian New Town, as a national new town development showcase with fully integrated functions of residence, commerce, sports, tourism, leisure, entertainment and culture, has been highly regarded by the Government. Meanwhile, the promotional activities of our Lake Malaren Silicon Valley Project at the Lake Malaren Golf Course commenced in parallel with the tournament and the tournament contestants participated in promotional activities and show flat exhibitions. Leveraging the opportunities arising from the strong reputation enhancement of Luodian in connection with the Lake Malaren Shanghai Masters, the project is expected to start generating cash flow for the Group in the fourth quarter. Furthermore, we have remained fully dedicated to the installation of value enhancing ancillary facilities for our new town projects. This included the steady progress in preparatory work for the China Welfare Institute International Peace Maternity & Child Health Hospital in our Luodian project, and Shanghai Ruijin Hospital and the 5-star hotel in our Wuxi project. We believe that the establishment of quality residential, medical and commercial ancillary facilities is crucial to the full development of new towns, which lays a solid foundation for the long-term value appreciation of the land resources in our projects.

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 2011.

13 Interest Persons Transactions (“IPT”)

RMB'000	9 months ended 30 September 2011	
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	155,821	-

The above amount of RMB155.82 million include the loan of RMB148 million provided by SRE to the Company and the management fee for 9 months ended 30 September 2011 of RMB7.82 million.

In the second quarter of 2011, SRE provided a loan of RMB148 million to the Company, which was interest-free, unsecured and repayable on demand. The Company had repaid the loan of RMB102 million to SRE as at 30 September 2011.

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. The management fee for 9 months ended 30 September 2011 is RMB 7,821 thousand.

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 significant 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 9 months ended 30 September 2011 presented in this announcement to be false or misleading in any material aspect.

15 Subsequent event

The Group entered into a Trust Scheme with China Credit Trust Company Limited in October to finance the infrastructure and ancillary facilities constructions in the Wuxi Hongshan New Town Project. For detailed information, please refer to the announcement made on 26 October 2011.

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

Singapore and Hong Kong, 9 November 2011

As at the date of this announcement, the executive directors are Mr. Shi Jian (Chairman), Mr. Li Yao Min, Mr. Yue Wai Leung Stan, Mr. Shi Janson Bing, Ms. Gu Biya, Ms. Song Yiqing, Mr. Mao Yiping, Mr. Yang Yonggang and Mr. Qian Yifeng 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.