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SRE GROUP LTD.

SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

China New Town Development Company Limited (“CNTD”), a company listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and a 61.54% owned subsidiary of SRE Group Limited, has on 13 August 2010 released to the SGX-ST an announcement (the “Announcement”) in relation to unaudited second quarter and first half year financial statements for the financial period ended 30 June 2010. The following is a reproduction of the Announcement for information purpose only.

On behalf of the Board of Directors of
SRE Group Limited
Shi Jian
Chairman

Hong Kong, 13 August 2010

As at the date hereof, the Board comprises six executive directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong, Mr. Shi Pin Ren and Mr. Yue Wai Leung, Stan; two non-executive directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong and three independent non-executive directors, namely Mr. Jiang Xie Fu, Mr. E Hock Yap and Mr. Pan Long Qing.

* For identification purpose only

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. No public offer of securities is to be made by China New Town Development Company Limited (the "Company," together with its subsidiaries, the "Group") in the United States.

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

CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

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

(Company Registration Number: 1003373)

Unaudited Second Quarter and First Half Year Financial Statements for the Financial Period Ended 30 June 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 second quarter and first half year ended 30 June 2010

The comparative statement of comprehensive income for 6 months ended 30 June 2009 and 2Q 2009 1 Apr 2009 to 30 June 2009 has been restated. For details, please refer to Note 16 Comparative Figures.

Group	2Q 2010	2Q 2009	Increase (Decrease)	6 months	6 months	Increase (Decrease)
	1 Apr 2010 to 30 June 2010	1 Apr 2009 to 30 June 2009		ended 30 June 2010	ended 30 June 2009	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	59,194	318,807	(81)	176,203	337,084	(48)
Cost of sales	(43,801)	(150,272)	(71)	(142,703)	(170,880)	(16)
Gross profit	15,393	168,535	(91)	33,500	166,204	(80)
Other income	3,680	320	1,050	5,556	6,909	(20)
Selling and distribution costs	(10,156)	(16,067)	(37)	(23,277)	(24,044)	(3)
Administrative expenses	(56,248)	(33,877)	66	(86,625)	(59,965)	44
Other expenses	(10,434)	(309)	3,277	(10,632)	(494)	2,052
Impairment loss of property, plant and equipment	-	(6,810)	(100)	-	(6,810)	(100)
Fair value loss on completed investment	(613)	(25,690)	(98)	(613)	(25,690)	(98)
Fair value loss/(gain) on investment properties under construction	(146)	-	N/A	(146)	40,687	(100)
Operating profit/(loss)	(58,524)	86,102	(168)	(82,237)	96,797	(185)
Finance costs	(26,305)	(36,724)	(28)	(47,663)	(57,124)	(17)
Profit/(loss) before tax	(84,829)	49,378	(272)	(129,900)	39,673	(427)
Income tax	1,684	(7,533)	(122)	12,251	(19,180)	(164)
Profit/(loss) after tax	(83,145)	41,845	(299)	(117,649)	20,493	(674)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period.	(83,145)	41,845	(299)	(117,649)	20,493	(674)
Profit attributable to:						
Owners of the parent	(66,988)	25,963	(358)	(92,281)	8,771	(1,152)
Non-controlling interests	(16,157)	15,882	(202)	(25,368)	11,722	(316)
	(83,145)	41,845	(299)	(117,649)	20,493	(674)
Total comprehensive income for the period						
Attributable to:						
Owners of the parent	(66,988)	25,963	(358)	(92,281)	8,771	(1,152)
Non-controlling interests	(16,157)	15,882	(202)	(25,368)	11,722	(316)
	(83,145)	41,845	(299)	(117,649)	20,493	(674)

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

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

Revenue

	2Q 2010 1 Apr 2010 to 30 June 2010	2Q 2009 1 Apr 2009 to 30 June 2009	Increase (Decrease)	6 months ended 30 June 2010	6 months ended 30 June 2009	Increase (Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Land development	36,530	311,266	(88)	136,363	311,266	(56)
Hotel operations	14,480	5,421	167	25,696	13,708	87
Golf operations	17,605	17,864	(1)	30,379	29,850	2
Investment property leasing	1,409	3,135	(55)	2,219	3,135	(29)
Others	1,310	1,234	6	2,437	2,334	4
Less: Business tax and surcharges	(12,140)	(20,113)	(40)	(20,891)	(23,209)	(10)
	59,194	318,807	(81)	176,203	337,084	(48)

Other income

	2Q 2010 1 Apr 2010 to 30 June 2010	2Q 2009 1 Apr 2009 to 30 June 2009	Increase (Decrease)	6 months ended 30 June 2010	6 months ended 30 June 2009	Increase (Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Foreign exchange gain, net	612	129	374	612	484	26
Interest income	1,101	83	1,227	2,695	319	745
Tax refund	1,863	-	N/A	1,863	5,900	(68)
Others	104	108	(4)	386	206	87
	3,680	320	1,050	5,556	6,909	(20)

Other expenses

	2Q 2010 1 Apr 2010 to 30 June 2010	2Q 2009 1 Apr 2009 to 30 June 2009	Increase (Decrease)	6 months ended 30 June 2010	6 months ended 30 June 2009	Increase (Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Bank charges	303	309	(2)	478	494	(3)
Donations	5,000	-	N/A	5,000	-	N/A
Loss on disposals of property, plant and equipment	4,334	-	N/A	4,334	-	N/A
Loss on disposal of a subsidiary	636	-	N/A	636	-	N/A
Others	161	-	N/A	184	-	N/A
	10,434	309	3,277	10,632	494	2,052

b) **Expenses by business units**

	2Q 2010 1 Apr 2010 to 30 June 2010	2Q 2009 1 Apr 2009 to 30 June 2009	Increase (Decrease)	6 months ended 30 June 2010	6 months ended 30 June 2009	Increase (Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Cost of land development	21,949	130,267	(83)	100,167	130,267	(23)
Hotel operations	10,778	8,399	28	21,077	17,338	22
Golf operations	8,512	9,858	(14)	16,649	19,560	(15)
Others	2,562	1,748	47	4,810	3,715	29
	43,801	150,272	(71)	142,703	170,880	(16)

c) **Finance costs**

	2Q 2010 1 Apr 2010 to 30 June 2010	2Q 2009 1 Apr 2009 to 30 June 2009	Increase (Decrease)	6 months ended 30 June 2010	6 months ended 30 June 2009	Increase (Decrease)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Interest on bank and borrowings	30,096	19,198	57	60,863	39,694	53
Interest on Senior Notes	4,787	31,136	(85)	9,598	62,525	(85)
Interest on convertible bonds	1,014	-	N/A	5,560	-	N/A
Less: Interest capitalised	(9,592)	(13,610)	(30)	(28,358)	(45,095)	(37)
	26,305	36,724	(28)	47,663	57,124	(17)

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 June 2010

(In RMB'000)	Group		Company	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Non-current assets				
Investments in subsidiaries	-	-	2,617,549	2,968,699
Investments in associated companies	200	200	-	-
Property, plant and equipment	1,179,317	1,235,292	243	256
Completed Investment properties	489,000	489,000	-	-
Investment Properties under construction	288,000	170,710	-	-
Prepaid land lease payments	388,782	390,823	-	-
Non-current trade receivables	86,212	93,655	-	-
Deferred tax assets	148,761	128,607	-	-
Other assets	49,533	50,652	-	-
	2,629,805	2,558,939	2,617,792	2,968,955
Current assets				
Land development for sale	3,764,434	3,640,398	-	-
Properties under development for sale	4,904	-	-	-
Prepaid land lease payments	165,515	162,588	-	-
Inventories	3,901	3,820	-	-
Amounts due from subsidiaries	-	-	480,175	252,906
Amounts due from related parties	3,040	47,003	-	-
Prepayments	43,949	6,155	-	-
Other receivables	430,783	354,983	4	2
Trade receivables	247,735	337,168	-	-
Cash and bank balances	852,337	1,509,371	36,723	14,521
	5,516,598	6,061,486	516,902	267,429
Total current assets	5,516,598	6,061,486	516,902	267,429
Total assets	8,146,403	8,620,425	3,134,694	3,236,384
Equity				
Owners of the parent:				
Share capital	2,786,673	2,497,385	2,786,673	2,497,385
Treasury shares	(34,533)	(37,294)	(34,533)	(37,294)
Other reserves	604,869	749,001	1,938,282	2,082,414
Accumulated losses	(980,728)	(836,166)	(1,644,507)	(1,580,229)
Non-controlling interests	411,363	436,231	-	-
	2,787,644	2,809,157	3,045,915	2,962,276
Total equity	2,787,644	2,809,157	3,045,915	2,962,276
Non-current liabilities				
Convertible bonds – host debts	-	142,406	-	142,406
Interest bearing bank borrowings	1,827,000	1,847,000	-	-
Deferred income from sale of golf club membership	548,644	562,675	-	-
	2,375,644	2,552,081	-	142,406
Total non-current liabilities	2,375,644	2,552,081	-	142,406

Statements of Financial Position as at 30 June 2010 (continued)

(In RMB'000)	Group		Company	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Current liabilities				
Senior Notes	86,208	84,363	86,208	84,363
Interest-bearing bank borrowings	230,000	310,000	-	-
Trade payables	1,123,971	1,265,252	-	-
Other payables and accruals	468,349	596,434	2,571	47,339
Amounts due to related parties	3,729	12	-	-
Advances from customers	4,114	4,568	-	-
Deferred income arising from land development	700,015	639,940	-	-
Current income tax liabilities	366,729	358,618	-	-
Total current liabilities	2,983,115	3,259,187	88,779	131,702
Total liabilities	5,358,759	5,811,268	3,134,694	274,108
Total equity and liabilities	8,146,403	8,620,425	3,045,915	3,236,384
Net current assets	2,533,483	2,802,299	428,123	135,727
Total assets less current liabilities	5,163,288	5,361,238	3,045,915	3,104,682

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

i) Borrowings

Group	30 June 2010 RMB'000	31 December 2009 RMB'000
Bank loans – collateralised	2,057,000	2,157,000

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

The bank borrowings are repayable as follows:

	30 June 2010 RMB'000	31 December 2009 RMB'000
Bank loan - collateralised	230,000	310,000

b) Amount repayable after one year

	30 June 2010 RMB'000	31 December 2009 RMB'000
Bank loan - collateralised	1,827,000	1,847,000

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

See table above.

d) **Details of any collateral.**

As at 30 June 2010, bank borrowings of RMB2,057 million were collateralised by pledges of the Group's property, plant and equipment, completed investment properties and investment properties under construction, and prepaid land lease payments, whose net carrying amounts at 30 June 2010 were RMB526.89 million, RMB420 million and RMB294.25 million, respectively.

ii) **Senior notes**

(In RMB'000)	30 June 2010	31 December 2009
At the beginning of the period/ year	84,363	550,835
Interest expense (amortised upon effective interest rate of 25.75%)	9,598	91,335
Interest paid	(7,753)	(60,409)
Repurchase	-	(497,398)
Carrying amount at end of period/year	86,208	84,363

On 12 September 2008, the Company issued a 17.75% senior secured guaranteed notes in aggregate principal amount of RMB 593,300,000 due 2011 and settled in US Dollar.

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

During 2009 and the 1st half of 2010, since the Company has breached certain covenants stated in the contract, the Group classified the Senior Notes as current liability. We have received the waivers for such breaches during the subsequent period. For details, please refer to note 15 subsequent event.

iii) **Convertible Bonds**

(In RMB'000)	30 June 2010	31 December 2009
Equity component	-	137,415
Host debts (at amortised cost)	-	144,115

(In RMB'000)	30 June 2010	31 December 2009
Carrying amount of host debt at beginning of period/year	144,115	138,579
Interest expense recognised using the effective interest rate	5,560	5,536
Interest paid	(3,394)	-
Repurchase	(146,281)	-
Carrying amount of host debt at end of period/year	-	144,115
Less: current portion – accrued coupon interest	-	(1,709)
Non-current portion at end of year	-	142,406

In September 2009, the Company issued principal amount of RMB 275,994,230 convertible bonds to Sinopower (See Company circular dated 13 August 2009). The convertible bonds bearing annual coupon of 2% due 2016 has been converted into 754,145,894 new ordinary shares at conversion price of RMB0.3660 per share (translated from SGD0.07872, translated at exchange rate, fixed in the terms of convertible bonds)

On 20 April 2010, the Company allotted and issued 754,145,894 shares to Sinopower pursuant to the conversion of convertible bonds. 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

The comparative consolidated statement of cash flow for 6 months ended 30 June 2009 and 2Q 2009 1 Apr 2009 to 30 June 2009 has been restated. For details, please refer to Note 16 Comparative Figures.

	2Q 2010 1 Apr 2010 to 30 June 2010	2Q 2009 1 Apr 2009 to 30 June 2009	6 months ended 30 June 2010	6 months ended 30 June 2009
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit/(Loss) before tax	(84,829)	49,378	(129,900)	39,673
Adjustments for:				
Depreciation of property, plant and equipment	17,428	17,649	31,383	33,154
Amortisation of prepaid land lease payments	2,821	1,773	4,958	4,275
Loss on disposal of property, plant and equipment	4,334	-	4,334	-
Impairment loss of property, plant and equipment	-	6,810	-	6,810
Fair value loss on completed investment properties	613	25,690	613	25,690
Fair value loss on investment properties under construction	146	-	146	(40,687)
Loss on disposal of subsidiary	636	-	636	-
Foreign exchange (gain)/loss, net	(3)	355	(3)	-
Management share option expense	1,636	6,314	1,636	6,314
Interest income	(1,102)	(83)	(2,695)	(319)
Interest expense	25,356	36,724	47,663	57,124
	(32,964)	144,610	(41,229)	132,034
(Increase)/decrease in land development for sale	(69,360)	31,710	(106,539)	(3,635)
(Increase) in property under development for sale	(4,658)	-	(4,658)	-
(Increase) in inventories	(144)	(499)	(135)	(651)
(Increase)/decrease in amounts due from related parties	38,216	(26)	47,003	(94)
Decrease/(increase) in prepayments, other receivables and assets	(40,764)	19,451	(82,240)	(2,072)
(Increase)/decrease in trade receivables	203,050	(182,401)	96,824	(136,224)
Increase/(decrease) in deferred income for sale of golf club membership and land development	(46,774)	(28,551)	46,044	(32,779)
Increase/(decrease) in trade and other payables	5,049	84,311	(282,708)	22,769
(Decrease) in advances from customers	(135)	(471)	(135)	(471)
Increase/(decrease) in amounts due to related parties	212	(17,644)	212	82
Net cash (outflow)/inflow from operating activities	51,728	50,490	(327,561)	(21,042)
Cash flows from investing activities				
(Purchase)/refund of property, plant and equipment	(4,621)	(499)	(11,911)	(37,320)
Proceeds from disposal of property, plant and equipment	688	-	688	-
Payment for leasehold land	-	(5,189)	-	(5,189)
Payment for investment properties	(3,350)	(427)	(92,420)	(19,840)
Disposal of a subsidiary	(3,376)	-	(3,376)	-
Interest received	1,438	83	2,695	319
Net cash inflow/(outflow) from investing activities	(9,221)	(6,032)	(104,324)	(62,030)
Cash flows from financing activities				
Payments for expenses incurred for the repurchase of CB2	-	(22,785)	-	(22,785)
Cash proceeds from issuance of new shares of the Company	-	43,698	-	43,698
Capital contributions from non-controlling shareholders of subsidiaries	-	-	-	500
Loans from bank	-	-	-	80,000
Repayment of borrowings	(100,000)	(26,000)	(100,000)	(26,000)
(Payment)/refund of transaction costs for new shares	-	(860)	-	(860)
Repayment of loans to related parties	-	-	-	-
Restricted cash for senior notes coupon	3	143	-	46,277
Interest paid	(34,780)	(26,921)	(72,871)	(91,890)
Dividends paid	(52,281)	-	(52,281)	-
Net cash inflow/(outflow) from financing activities	(187,058)	(32,725)	(225,152)	28,940
Net increase/(decrease) in cash and cash equivalents	(144,551)	11,733	(657,037)	(54,132)
Net foreign exchange difference	-	-	-	-
Cash and cash equivalents at beginning of period	953,126	72,111	1,465,612	137,976
Cash and cash equivalents at end of period	808,575	83,844	808,575	83,844

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

6 months ended 30 June 2009

(In RMB'000)	Owners of the parent				Total	Non-controlling interests	Total equity
	Share Capital	Treasury shares	Other reserves	Retained earnings (accumulated losses)			
Balance as at 1 January 2009	2,115,240	(180)	604,670	(1,002,796)	1,716,934	359,101	2,076,035
Total comprehensive income for the period	-	-	-	8,771	8,771	11,722	20,493
Equity-settled share options to management	-	-	6,314	-	6,314	-	6,314
Shares issued upon exercise of management share options granted under the MSOP	5,569	-	(5,569)	-	-	-	-
Capital contributions from non-controlling interests of subsidiaries	-	-	-	-	-	500	500
Shares issued upon private placement	160,326	-	-	-	160,326	-	160,326
Balance as at 30 June 2009	2,281,135	(180)	605,415	(994,025)	1,892,345	371,323	2,263,668

6 months ended 30 June 2010

(In RMB'000)	Owners of the parent				Total	Non-controlling interests	Total equity
	Share Capital	Treasury shares	Other reserves	Retained earnings (accumulated losses)			
Balance as at 1 January 2010	2,497,385	(37,294)	749,001	(836,166)	2,372,926	436,231	2,809,157
Total comprehensive income for the period	-	-	-	(92,281)	(92,281)	(25,368)	(117,649)
Equity-settled share options to management	-	-	1,636	-	1,636	-	1,636
Shares issued and treasury shares used upon exercise of management share options granted under the MSOP	5,592	2,761	(8,353)	-	-	-	-
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 June 2010	2,786,673	(34,533)	604,869	(980,728)	2,376,281	411,363	2,787,644

The Company

6 months ended 30 June 2009

	Share capital	Treasury shares	Other reserves	Accumulated losses	Total
Balance as at 1 January 2009	2,115,240	(180)	1,938,083	(1,549,915)	2,503,228
Total comprehensive income for the period	-	-	-	(29,843)	(29,843)
Equity-settled share options to management	-	-	6,314	-	6,314
Shares issued upon exercise of management share options granted under the MSOP	5,569	-	(5,569)	-	-
Shares issued upon private placement	160,326	-	-	-	160,326
Balance as at 30 June 2009	2,281,135	(180)	1,938,828	(1,579,758)	2,640,025

6 months ended 30 June 2010

	Share capital	Treasury shares	Other reserves	Accumulated losses	Total
Balance as at 1 January 2010	2,497,385	(37,294)	2,082,414	(1,580,229)	2,962,276
Total comprehensive income for the period	-	-	-	(11,997)	(11,997)
Equity-settled share options to management	-	-	1,636	-	1,636
Shares issued and treasury shares used upon exercise of management share options granted under the MSOP	5,592	2,761	(8,353)	-	-
Imputed equity contribution upon CB3 conversion	283,696	-	(137,415)	-	146,281
Dividends	-	-	-	(52,281)	(52,281)
Balance as at 30 June 2010	2,786,673	(34,533)	1,938,282	(1,644,507)	3,045,915

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.

The numbers of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares and against the total number of issued shares excluding treasury shares as at 30 June 2010 and as at 30 June 2009 are as follows:

	As at 30 June 2010	As at 30 June 2009
	No. of Shares	No. of Shares
Treasury Shares	51,639,250	600,000
Shares to be issued pursuant to the release of all the awards granted under the management grant	18,393,750	24,772,500
Total issued shares excluding treasury shares	3,843,165,676	2,688,177,500

For details on the Management Share Option Plan, please refer to the Company's prospectus dated 5 November 2007 and Annual Report 2009.

Except the Management shares, the Company has no other outstanding convertible instruments as at 30 June 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 30 June 2010	As at 31 December 2009
Total number of issued shares	3,894,804,926	3,140,659,032
(Less) : Treasury shares	(51,639,250)	(55,768,000)
Total number of issued shares excluding treasury shares	3,843,165,676	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.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the most recently audited financial statements for the financial year ended 31 December 2009, except that the Group has adopted all the new and amended IFRS and IFRIC interpretations effective in the 1st half of 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 year based on profit attributable to shareholders after deducting any provision for preference dividends		2Q from 1 Apr 2010 to 30 June 2010	2Q from 1 Apr 2009 to 30 June 2009	6 months ended 30 June 2010	6 months ended 30 June 2009
(i)	Based on the weighted average number of ordinary shares on issue (RMB)	(0.0182)	0.0105	(0.0272)	0.0039
(ii)	On a fully diluted basis (RMB)	(0.0182)	0.0105	(0.0272)	0.0039

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

Since the company is reporting a net loss, therefore the Convertible Bonds and Stock Options are not dilutive for the second quarter of 2010 and first half of 2010.

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

	2Q from 1 Apr 2010 to 30 June 2010	2Q from 1 Apr 2009 to 30 June 2009	6 months ended 30 June 2010	6 months ended 30 June 2009
	RMB'000	RMB'000	RMB'000	RMB'000
Profit/(Loss) attributable to ordinary equity holders of the Company	(66,988)	25,963	(92,281)	8,771
Add/(Less): Exchange gain and change in fair value of the embedded derivative, net of interest expenses of the dilutive convertible bond	-	-	-	-
Profit/ (Loss) attributable to ordinary equity holders of the parent adjusted for effect of dilutive convertible bond	(66,988)	25,963	(92,281)	8,771
Weighted average number of ordinary shares outstanding	3,685,434,418	2,470,204,088	3,386,821,685	2,237,177,860
Add: Weighted average number of ordinary shares resulting from conversion of the dilutive stock option(2Q2009)	-	1,269,711	-	1,989,793
Number of ordinary shares used to calculate the diluted earnings per share	3,685,434,418	2,471,473,799	3,386,821,685	2,239,167,653

In April 2008, the Company has resolved to adopt CNTD Share Option Scheme ("Scheme") and CNTD Performance Share Plan ("Plan"). The Scheme and Plan are to provide an opportunity for the eligible employees to participate the Company's financial success. The vesting of shares is contingent upon certain performance targets and conditions, which are so determined to ensure alignment of interests with shareholders. During 2009 and 1st half of 2010, there has been no vesting of shares pursuant to the Scheme and Plan.

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

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	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	0.7254	0.9106	0.7926	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

Our results of operations are primarily driven by the frequency and achieved selling prices of public auction of land use rights. In Q2 2010, owing to lack of sale of land use rights, we recorded a net loss of RMB83.15 million for the 2nd quarter of 2010. However, revenue from commercial property including hotel and investment property leasing have all improved to a total of RMB 34.80 million for the current quarter compared to RMB 27.65 million for Q2 2009, a 26% increase.

Other income which is mainly tax refund by RMB 1.86 million from Wuxi tax bureau for the stamp duty and deed tax related to acquiring the land use rights; and interest income of RMB 1.1 million compared to RMB 0.08 million of Q2 2009 primarily resulted from our increased cash balance.

On the expense side, we recorded savings in selling and distribution cost of RMB5.9 million for the current quarter from last year due to less golf promotion activities in 2010 Q2 as comparing with 2009 Q2. The promotion fee in 2010 Q2 is about RMB2 million, while it was RMB9 million in 2009 Q2 in order to improve the sale of membership card. The increase of administrative expenses mainly due to the listing fee by RMB15 million, renovation for the hotel by RMB4 million incurred in Q2 2010. The other expense mainly includes:

- a) Write-off of property, plant and equipment by 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; On June 30 2010, Shenyang JV Company received an official letter from Liaoning Department of Land and Resources stating that the case was officially closed;
- b) The donation for Yushu earthquake by RMB 5 million.

The net finance costs increased by 28% from the Q2 2009 and 17% from the first 6 months ended 2009 as a result of less interest capitalized because

- a) The repurchase of senior notes in September 2009 and full conversion of CB3 in April 2010 which leads to the reduction of the interest expense;
- b) Four land parcels were sold in the 2nd half of 2009 and 1st quarter of 2010 in Wuxi project, which leads to less interest capitalized in Q2 2010.

Liquidity

On 20 April 2010, the Company allotted and issued 754,145,894 shares to Sinopower pursuant 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.

On 20 July 2010, Shanghai Golden Luodian Company Limited, Project Company of our Shanghai Luodian New Town has entered into loan agreements with the China Minsheng Bank. See below for details:

Term: 3 year

Expiry date: 22 July 2013

Principal: RMB200 million (we have collected 150 million cash at present.)

Repayment schedule:

<u>Repayment date</u>	<u>Repayment Principal</u> <u>(RMB' Million)</u>
22 July 2011	50
22 July 2012	50
22 July 2013	The remaining portion

Interest rate: currently at 6.21% per annum (115% of People's Bank of China base rate)

During the period, we have repaid Rmb100 million, among of which, RMB20 million was repaid for the Shanghai Luodian project loan with Industrial and Commercial Bank of China ; and RMB80 million was repaid for the Wuxi project loan with Bank of Communications according to the repayment schedule.

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

Not applicable.

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

On June 24th 2010, a speech by Vice Premier Li Keqiang sent a strong signal about the attention and importance that central government gives to urbanization. He identified improving urbanization as a core strategy for rebalancing China's economy. In a post crisis world, China cannot simply follow an export driven or stimulus driven strategy to achieve long term sustainable economic growth. In his speech, he recognized urbanization as the one of the most important catalysts for boosting domestic consumption. Urbanization increases income level, improves education and healthcare. It also benefits a range of industries, including but not limited to construction, consumer products, services and so on.

CNTD is directly engaged in the urbanization process by building new towns in the suburbs of major economic centers. In all of our new town development projects, we have always been helping the relocated locals with housing, social welfare and employment opportunities, at the same time, optimizing land use and providing suburban land to ease the price pressure of city center. Thus we strongly believe that our business model will benefit from central government's urbanization strategy. We are not the target of the recent regulatory tightening.

However, real estate industry as whole has already seen a softened demand and certain price adjustment under recent regulatory tightening policies. We believe that's beneficial for a healthy long term growth of the industry. So far, our business has not been adversely impacted. On 4 August 2010, we successfully auctioned off two plots of land at Luodian project (see note 15 subsequent event section). It's another favorable testament to our business model and our ability to produce quality land recognized by the market.

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 second quarter ended 30 June 2010.

13 Interest Persons Transactions (“IPT”)

Name of interested person	2Q from 1 Apr 2010 to 30 June 2010	
	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	(RMB'000)	(RMB'000)
SRE Group Limited	3,040	--

On June 18, 2010, Shanghai Golden Luodian Development Co., Limited and Shanghai Lake Malaren Golf Club Co., Ltd. completed all the legal formalities relating to the disposal of their respective interest in Shanghai Lake Malaren Property Management to Shanghai SRE Property Management (“SSREPM”), a wholly owned subsidiary of SRE.

The total purchase consideration of RMB3.04 million (the "Consideration") payable in cash by SSREPM for the Disposal was determined on a willing-buyer willing-seller basis and was arrived at based on the net asset value of SLMPM as at 28 March 2010.

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

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

15 Subsequent event

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

On 22 July 2010, Shanghai Golden Luodian Company Limited, project company of our Shanghai Luodian New Town has entered into loan agreements with the China Minsheng Bank. For details, please refer to note 8 Liquidity.

On 4 August 2010, we handed over the F1-4 and F1-6 from our Luodian Project for public listing. The land parcels were sold at RMB 522.5million and RMB1,377.3 million respectively, which is equivalent to approximately RMB20,948 per square metres in terms of gross floor area. This represents an increase of 129% from the last achieved price of RMB9,128 per square metres in September 2009. The land sale is expected to contribute revenue of approximately RMB1.1 billion and gross profit of RMB770 million to the Company's financial results for the third quarter ending 30 September 2010.

On 30 April 2010 and 9 August 2010, the Company signed two waivers with the senior note holder FORUM ASIAN REALTY INCOME II, L.P. (The Holder). The Holder provided a one-time waiver to the issuer for the breaches. As a result, the Holder of the senior notes would not require immediate repayment of the outstanding principal and accrued and unpaid interest based on the breaches happened during 2009 and 1st half of 2010.

16 Comparative Figures

During preparation for listing by way of introduction on the Hong Kong Stock Exchange, the Company re-analyzed the unaudited consolidated financial statements for the six months ended 30 June 2009 and make certain changes relating to the timing differences in accounting entries. For consistency of presentation, the comparatives for this announcement for 6 months ended 30 June 2009 and 2Q ended 30 June 2009 is restated. These restatements do not impact the audited consolidated financial statements for the full year ended 31 December 2009.

By order of the Board

Song YiQing
Chief Financial Officer / Executive Director

13 August 2010