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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
UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

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 59.20% owned subsidiary of SRE Group Limited, has on 13 August 2012 released to the SGX-ST an announcement (the “Announcement”) in relation to unaudited second quarter financial statements for the financial period ended 30 June 2012. 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 2012

As at the date hereof, the Board comprises seven executive directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong, Mr. Shi Pin Ren, Mr. Zhang Hongfei and Mr. Shi Lizhou; two non-executive directors, namely Mr. Cheung Wing Yui and Mr. Jin Bing Rong and four independent non-executive directors, namely Mr. Jiang Xie Fu, Mr. Zhuo Fumin, Mr. Yuan Pu and Mr. Chan, Charles Sheung Wai.

* For identification purpose only

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The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained, or opinions expressed in this announcement.



China New Town Development Company Limited

中國新城鎮發展有限公司

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

(Hong Kong Stock Code: 1278)

(Singapore Stock Code: D4N.sj)

UNAUDITED 2012 SECOND 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 or 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 Second Quarter Financial Statements for the Financial Period Ended 30 June 2012

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 second quarter and first half year ended 30 June 2012**

RMB'000 Group	From 1 April to 30 June		Increase (Decrease) (%)	6 months ended 30 June		Increase (Decrease) (%)
	2012	2011		2012	2011	
Revenue	56,394	26,428	113	124,280	314,833	(61)
Cost of sales	(23,491)	(20,193)	16	(92,510)	(135,801)	(32)
Gross profit	32,903	6,235	428	31,770	179,032	(82)
Other income	1,838	6,137	(70)	4,453	8,938	(50)
Selling and distribution costs	(19,540)	(28,541)	(32)	(38,796)	(38,226)	1
Administrative expenses	(32,374)	(40,746)	(21)	(60,855)	(76,284)	(20)
Other expenses	(1,941)	(894)	117	(2,676)	(1,066)	151
Fair value gain/(loss) on completed investment properties	62,198	(7,563)	(922)	62,198	(12,518)	(597)
Fair value loss on investment properties under construction	-	(2,401)	(100)	-	(4,856)	(100)
Operating profit/(loss)	43,084	(67,773)	(164)	(3,906)	55,020	(107)
Finance costs	(17,975)	(13,013)	38	(35,276)	(28,717)	23
Share of gain/(loss) from jointly-controlled entities	(28)	-	(100)	285	-	100
Profit / (loss) before tax	25,081	(80,786)	(131)	(38,897)	26,303	(248)
Income tax	(7,575)	23,520	(132)	6,274	(8,985)	(170)
Profit / (loss) after tax	17,506	(57,266)	(131)	(32,623)	17,318	(288)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	17,506	(57,266)	(131)	(32,623)	17,318	(288)
Profit attributable to:						
Owners of the parent	6,558	(45,077)	(115)	(30,690)	5,120	(699)
Non-controlling interests	10,948	(12,189)	(190)	(1,933)	12,198	(116)
	17,506	(57,266)	(131)	(32,623)	17,318	(288)
Total comprehensive income attributable to:						
Owners of the parent	6,558	(45,077)	(115)	(30,690)	5,120	(699)
Non-controlling interests	10,948	(12,189)	(190)	(1,933)	12,198	(116)
	17,506	(57,266)	(131)	(32,623)	17,318	(288)

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

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

RMB'000	From 1 April to 30 June		Increase (Decrease) (%)	6 months ended 30 June		Increase (Decrease) (%)
	2012	2011		2012	2011	
Revenue						
Land development	24,273	4,325	461	58,926	284,757	(79)
Hotel operations	14,042	7,808	80	30,936	21,296	45

Golf operations	23,827	17,262	38	39,237	26,912	46
Investment property leasing	1,622	2,024	(20)	5,264	3,397	55
Others	380	82	363	1,225	628	95
Less: Business tax and surcharges	(7,750)	(5,073)	53	(11,308)	(22,157)	(49)
	<u>56,394</u>	<u>26,428</u>	<u>113</u>	<u>124,280</u>	<u>314,833</u>	<u>(61)</u>

Other income

RMB'000	From 1 April to 30 June		Increase (Decrease) (%)	6 months ended 30 June		Increase (Decrease) (%)
	2012	2011		2012	2011	
Foreign exchange gain, net	80	2,215	(96)	151	3,014	(95)
Interest income	1,410	3,880	(64)	2,942	5,822	(49)
Government subsidies	126	-	100	810	-	100
Others	222	42	429	550	102	439
	<u>1,838</u>	<u>6,137</u>	<u>(70)</u>	<u>4,453</u>	<u>8,938</u>	<u>(50)</u>

Other expenses

RMB'000	From 1 April to 30 June		Increase (Decrease) (%)	6 months ended 30 June		Increase (Decrease) (%)
	2012	2011		2012	2011	
Bank charges	918	766	20	1,648	838	97
Others	1,023	128	699	1,028	228	351
	<u>1,941</u>	<u>894</u>	<u>117</u>	<u>2,676</u>	<u>1,066</u>	<u>151</u>

b) Cost of sales by business units

RMB'000	From 1 April to 30 June		Increase (Decrease) (%)	6 months ended 30 June		Increase (Decrease) (%)
	2012	2011		2012	2011	
Land development	6,090	4,598	32	56,758	101,681	(44)
Hotel operations	7,906	9,693	(18)	18,284	19,221	(5)
Golf operations	9,438	5,591	69	17,141	14,433	19
Others	57	311	(82)	327	466	(30)
	<u>23,491</u>	<u>20,193</u>	<u>16</u>	<u>92,510</u>	<u>135,801</u>	<u>(32)</u>

c) Finance costs

RMB'000	From 1 April to 30 June		Increase (Decrease) (%)	6 months ended 30 June		Increase (Decrease) (%)
	2012	2011		2012	2011	
Interest on bank and borrowings	64,923	32,794	98	128,296	64,923	98
Less: Interest capitalised	(46,948)	(19,781)	137	(93,020)	(36,206)	157
	<u>17,975</u>	<u>13,013</u>	<u>38</u>	<u>35,276</u>	<u>28,717</u>	<u>23</u>

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

Statement of Financial Position as at 30 June 2012

RMB'000	Group		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Non-current assets				
Investments in subsidiaries	-	-	2,591,259	2,591,259
Investment in an associate	200	200	-	-
Investment in jointly-controlled entities	58,894	39,109	-	-
Property, plant and equipment	1,368,063	1,324,933	104	134
Completed investment property	747,031	684,000	-	-
Investment property under construction	100,030	100,000	-	-
Prepaid land lease payments	258,114	239,555	-	-
Non-current prepayments	500,000	510,000	-	-
Non-current trade receivables	54,417	69,903	-	-
Deferred tax assets	138,110	131,823	-	-
Other assets	46,536	47,475	-	-
Total non-current assets	3,271,395	3,146,998	2,591,363	2,591,393
Current assets				
Land development for sale	5,017,013	4,998,936	-	-
Properties under development for sale	1,528,025	994,202	-	-
Prepaid land lease payments	787,567	796,890	-	-
Inventories	5,338	4,922	-	-
Amounts due from subsidiaries	-	-	398,545	398,545
Prepayments	53,715	38,668	-	-
Other receivables	50,981	32,595	3	2
Trade receivables	78,340	65,432	-	-
Cash and bank balances	441,882	537,387	10,159	9,349
Total current assets	7,962,861	7,469,032	408,707	407,896
Total assets	11,234,256	10,616,030	3,000,070	2,999,289
Equity				
Owners of the parent:				
Share capital	2,801,180	2,801,180	2,801,180	2,801,180
Other reserves	593,113	591,731	1,926,526	1,925,144
Accumulated losses	(935,030)	(904,340)	(1,950,872)	(1,937,702)
	2,459,263	2,488,571	2,776,834	2,788,622
Non-controlling interests	537,142	537,075	-	-
Total equity	2,996,405	3,025,646	2,776,834	2,788,622
Non-current liabilities				
Interest bearing bank and other borrowings	2,450,750	2,383,100	-	-
Deferred income from sale of golf club membership	513,842	521,885	-	-
Deferred tax liabilities	21,151	21,151	-	-
Total non-current liabilities	2,985,743	2,926,136	-	-
Current liabilities				
Interest bearing bank and other borrowings	971,353	757,243	166,963	162,253
Trade payables	2,311,998	2,086,912	-	-
Other payables and accruals	647,708	602,570	1,832	3,704

RMB'000	Group		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Amounts due to related parties	42,680	53,548	54,441	44,710
Advances from customers	155,590	46,906	-	-
Deferred income arising from land development	603,478	594,968	-	-
Current income tax liabilities	519,301	522,101	-	-
Total current liabilities	5,252,108	4,664,248	223,236	210,667
Total liabilities	8,237,851	7,590,384	223,236	210,667
Total equity and liabilities	11,234,256	10,616,030	3,000,070	2,999,289
Net current assets	2,710,753	2,804,784	185,471	197,229
Total assets less current liabilities	5,982,148	5,951,782	2,776,834	2,788,622

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

i) **Borrowings**

RMB'000	30 June 2012	31 December 2011
Bank loans and other borrowings – unsecured	20,000	-
Bank loans and other borrowings – secured	3,402,103	3,140,343
Total	3,422,103	3,140,343

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

RMB'000	30 June 2012	31 December 2011
Bank loans and other borrowings – unsecured	20,000	-
Bank loans and other borrowings – secured	951,353	757,243
Total	971,353	757,243

b) **Amount repayable after one year**

RMB'000	30 June 2012	31 December 2011
Bank loans and other borrowings – secured	2,450,750	2,383,100

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

See table above.

d) **Details of any collateral**

As at 30 June 2012, bank borrowings of RMB2,771 million (2011: RMB2,509 million) were pledged by the Group's certain properties, property, plant and equipment, completed investment properties, properties under development for sale, prepaid land lease payments as well as bank deposits, whose net carrying amounts at 30 June 2012 were RMB470 million (2011: RMB486 million), RMB673 million (2011: RMB610 million), RMB1,495 million (2011: 766 million), RMB604 million (2011:

RMB383 million), and RMB175 million (2011: RMB170 million), respectively. Also, as at 30 June 2012, a long-term bank loan with principal of RMB100 million (2011: RMB100 million) was guaranteed by Mr. Shi Jian, the Executive Chairman of the Company. The unsecured short-term borrowing of RMB20 million was an entrusted loan from a subsidiary of the Group (2011: nil).

As at 30 June 2012, bank borrowings of RMB844 million were also secured by part of future property pre-sale proceeds. For each unit sold of Silicon Valley project, an amount of RMB8 million of the pre-sale proceeds, and for each square meter sold of UHO project, an amount of RMB14.2 thousand of the pre-sale proceeds, will also be transferred to restricted bank accounts, until the balance of such restricted bank accounts reached the outstanding balance of such loans.

As at 30 June 2012, other borrowing of RMB631 million is a loan from a third party trust fund which is secured by pledge of the Group's 72.63% equity interest in SGLD, and entitlement to certain economic benefits (right to dividends, if any, etc.) in the equity interest of SGLD, use rights of two pieces of land and the title to the properties thereon (whose net carrying amounts at 30 June 2012 were RMB277 million (2011:RMB276 million)). The loan is also guaranteed by Mr. Shi Jian, the Executive Chairman of the Company. The Group has the right to repay the loan (the outstanding balance of principal and interest thereon) in full, at any time prior to expiry of the term of the loan.

The Group had undrawn credit facilities of RMB586 million as at 30 June 2012.

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	2Q 2012 1 Apr 2012 to 30 Jun 2012	2Q 2011 1 Apr 2011 to 30 Jun 2011	6 months ended 30 June 2012	6 months ended 30 June 2011
Cash flows from operating activities				
Profit/(Loss) before tax	25,081	(80,786)	(38,897)	26,303
Adjustments for:				
Depreciation of property, plant and equipment	10,061	14,737	23,681	28,799
Amortization of prepaid land lease payments	1,053	2,177	2,079	4,354
Share of loss/(gain) from jointly-controlled entities	28	-	(285)	-
Fair value (gain)/loss on completed investment properties	(62,198)	7,563	(62,198)	12,518
Fair value loss on investment properties under construction	-	2,401	-	4,856
Management share option expense	691	1,397	1,382	2,784
Interest income	(1,410)	(3,880)	(2,942)	(5,822)
Interest expense	17,975	13,013	35,276	28,717
Foreign exchange (gain)/loss, net	-	(2,142)	-	(3,863)
	(8,719)	(45,520)	(41,904)	98,646
(Increase)/decrease in land development for sale	(20,269)	(77,528)	23,066	(293,764)
Increase in properties under development for sale	(70,168)	(177,487)	(267,652)	(319,755)
Increase in prepaid land lease payment	-	(473,159)	-	(473,159)
(Increase)/decrease in inventories	(192)	2,628	(416)	(306)
(Increase)/decrease in prepayments, other receivables and assets	(13,888)	323,563	(17,447)	124,645
Decrease in trade receivables	61,305	246,129	2,576	341,989
Increase/(decrease) in deferred income for sale of golf club membership and land development	(17,168)	(10,940)	467	(17,956)
Increase/(decrease) in advances from customers	59,792	27	108,684	(1,975)

RMB'000	2Q 2012 1 Apr 2012 to 30 Jun 2012	2Q 2011 1 Apr 2011 to 30 Jun 2011	6 months ended 30 June 2012	6 months ended 30 June 2011
Increase/(decrease) in trade and other payables	39,754	(23,480)	42,328	16,142
Decrease in amounts due to related party	(1,121)	-	(1,121)	-
Net cash inflow/(outflow) from operating activities	29,326	(235,767)	(151,419)	(525,493)
Cash flows from investing activities				
Purchase/construction of property, plant and equipment	(56,460)	(22,687)	(50,630)	(45,494)
Proceeds from disposal of property, plant and equipment	-	164	-	164
Investments in associated and jointly-controlled companies	-	(40,000)	(19,500)	(40,000)
Payment for investment properties	(392)	(14,587)	(863)	(47,912)
Investment in a joint venture	-	-	-	-
Payments for amounts paid for land use rights	-	-	(21,752)	-
Interest received	1,410	1,796	2,942	3,738
Net cash outflow from investing activities	(55,442)	(75,314)	(89,803)	(129,504)
Cash flows from financing activities				
Repayment of bank borrowings	(20,200)	(20,000)	(20,200)	(20,000)
Proceeds/(repayment) borrowings from related parties	9,856	148,441	(9,747)	148,441
Capital contributions from non-controlling shareholders of subsidiaries	2,000	16,259	2,000	16,259
Proceeds from bank borrowings	198,910	371,000	301,410	371,000
Interest paid	(64,373)	(32,194)	(127,746)	(64,323)
Dividends paid	-	(61,960)	-	(61,960)
Payments of expenses incurred for the listing of existing shares	-	(2,253)	-	(3,843)
Restricted cash amounts relating to bank borrowings	2,602	-	(5,398)	-
Net cash inflow from financing activities	128,795	419,293	140,319	385,574
Net increase/(decrease) in cash and cash equivalents	102,680,797	108,212	(100,903)	(269,423)
Cash and cash equivalents at beginning of the period	143,805	789,414	347,387	1,167,049
Cash and cash equivalents at end of the period	246,484	897,626	246,484	897,626

- 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 2012

RMB'000	<u>Equity attributable to Owners of the parent</u>						
	Share Capital	Treasury shares	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
Balance as at 1 January 2012	2,801,180	-	591,731	(904,340)	2,488,571	537,075	3,025,646
Total comprehensive income	-	-	-	(30,690)	(30,690)	(1,933)	(32,623)
Equity-settled share options to management	-	-	1,382	-	1,382	-	1,382
Capital contribution from non-controlling interests of a subsidiary	-	-	-	-	-	2,000	2,000
Balance as at 30 June 2012	<u>2,801,180</u>	<u>-</u>	<u>593,113</u>	<u>(935,030)</u>	<u>2,459,263</u>	<u>537,142</u>	<u>2,996,405</u>

6 months ended 30 June 2011

RMB'000	<u>Equity attributable to Owners of the parent</u>						
	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	-	-	-	5,120	5,120	12,198	17,318
Equity-settled share options to management	-	-	2,784	-	2,784	-	2,784
Shares issued used upon exercise of management share options granted under the Management Grant	9,923	-	(9,922)	-	1	-	1
Dividends	-	-	-	(61,960)	(61,960)	-	(61,960)
Capital contribution from non-controlling interests of a subsidiary	-	-	-	-	-	16,259	16,259
Balance as at 30 June 2011	<u>2,788,776</u>	<u>-</u>	<u>601,669</u>	<u>(698,493)</u>	<u>2,691,952</u>	<u>579,976</u>	<u>3,271,928</u>

The Company

6 months ended 30 June 2012

RMB'000	Share Capital	Treasury shares	Other reserves	Accumulated losses	Total
Balance as at 1 January 2012	2,801,180	-	1,925,144	(1,937,702)	2,788,622
Total comprehensive income	-	-	-	(13,170)	(13,170)
Equity-settled share options to management	-	-	1,382	-	1,382
Balance as at 30 June 2012	<u>2,801,180</u>	<u>-</u>	<u>1,926,526</u>	<u>(1,950,872)</u>	<u>2,776,834</u>

6 months ended 30 June 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	-	-	-	(11,420)	(11,420)
Equity-settled share options to management	-	-	2,784	-	2,784
Shares issued upon exercise of management share options granted under the Management Grant	9,923	-	(9,922)	-	1
Dividends	-	-	-	(61,960)	(61,960)
Balance as at 30 June 2011	<u>2,788,776</u>	<u>-</u>	<u>1,935,082</u>	<u>(1,752,761)</u>	<u>2,971,097</u>

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

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 June 2012 and as at 30 June 2011 are set out below:

	As at 30 June 2012	As at 30 June 2011
	No. of Shares	No. of Shares
Shares to be issued pursuant to the release of all the awards granted under the Management Grant	7,357,500	13,488,750
Treasury shares	-	-
Total number of issued shares excluding treasury shares as at the end of the period	3,905,841,176	3,899,709,926

Except for the management share options granted under the Management Grant, the Company has no other outstanding convertible instruments as at 30 June 2012.

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.

	6 months ended 30 June 2012	12 months ended 31 December 2011
	No. of Shares	No. of Shares
Total number of issued shares excluding treasury shares as at the beginning of the period	3,905,841,176	3,894,804,926
Issue of new shares in respect of exercise of the Management Grant	-	11,036,250
Total number of issued shares excluding treasury shares as at the end of the period	3,905,841,176	3,905,841,176

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 June 2012.

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 2011, except that the Group has adopted all the new and amended IFRS and IFRIC interpretations effective in the 6 months ended as at 30 June 2012.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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

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

	Earnings per ordinary share for the year based on profit attributable to shareholders after deducting any provision for preference dividends	Group			
		2Q from 1 Apr 2012 to 30 June 2012	2Q from 1 Apr 2011 to 30 June 2011	6 months ended 30 June 2012	6 months ended 30 June 2011
(i)	Based on the weighted average number of ordinary shares on issue (RMB)	0.0017	(0.0116)	(0.0079)	0.0013
(ii)	On a fully diluted basis (RMB)	0.0017	(0.0116)	(0.0079)	0.0013

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 June 2012 and the period ended 30 June 2011.

Since the company is reporting a net loss, therefore the Stock Options are not dilutive for the second quarter of 2011 and first half of 2012.

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

	2Q from 1 Apr 2012 to 30 June 2012	2Q from 1 Apr 2011 to 30 June 2011	6 months ended 30 June 2012	6 months ended 30 June 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Profit attributable to ordinary equity holders of the parent	6,558	(45,077)	(30,690)	5,120
Weighted average number of ordinary shares outstanding	3,905,841,176	3,895,128,407	3,905,841,176	3,897,135,552
Add: Net effect of dilutive potential ordinary shares of employee share options	1,950,248	-	-	4,118,903
Number of ordinary shares used to calculate the diluted earnings per share	3,907,791,424	3,895,128,407	3,905,841,176	3,901,254,455

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 June 2012	31 December 2011	30 June 2012	31 December 2011
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)	0.7672	0.7746	0.7109	0.7140

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 for land use rights. The frequency and selling prices of public auction are not totally within the control of the Group.

In the second quarter of 2012, total revenue of land development has increased by RMB20 million compared with the same period of 2011. The increase was mainly due to improved progress in the construction of our Shanghai project, thus recorded land development revenue and cost of RMB24 million and RMB6 million.

The hotel operations and golf courses in the second quarter of 2012 recorded revenues of RMB14 million and RMB24 million, respectively, which were up by 80% and 38% compared with the corresponding period of 2011. The encouraging performance benefited from the successful hosting of the 2011 Lake Malaren Masters Golf tournament ("the Tournament") as well as improved service

facility and environment after completion of the hotel and the golf course renovation in the third quarter of 2011.

Pursuant to Circular 131, Hucaishui 2011 announced by the Shanghai Local Taxation Bureau, the business tax rate imposed on golf operations was reduced to 10% from 20% effective from 1 January 2012. As a result, the business tax expense for golf operations decreased substantially compared with the corresponding period of 2011.

Operating expense

Selling and distributing expenses

In the second quarter of 2012, selling and distributing costs decreased by RMB9 million or by 32% compared with the same period of 2011. In the second quarter of 2011, RMB11 million was incurred in relation to the hosting of the Tournament, while such expense had not yet been incurred in this quarter of 2012. It should be noted that with BMW's sponsorship on the event, the selling expense would be substantially reduced this year. Please refer to Announcement dated 23 April 2012 for detailed information.

Administrative expenses

In the second quarter of 2012, administrative expenses decreased by RMB8 million or by 21% compared with the corresponding period of 2011. The decrease was mainly due to RMB6 million of consulting fees incurred in relation to borrowings via bank credit in the second quarter of 2011, while no such expense was incurred in this quarter of 2012.

Fair value gain/loss on completed investment properties and investment properties under construction

Pursuant to the valuation result as at 30 June 2012 provided by DTZ, the value of relevant investment properties had increased by RMB62 million compared with the book value of such properties at the end of 2011 (appreciation in value of 7%). The appreciation in value arose from valuation of the retail street and the transportation hub within our Shanghai Luodian project. The increase was attributable to commercial properties lease market rebound since the second quarter of 2012. Meanwhile, the rental rate of commercial properties has risen along with increasingly improved auxiliary facilities and environment of our new town, which led to an appreciation of those properties within the area. No revaluation was made in the corresponding period.

Financing cost

In the second quarter of 2012, we recorded total net finance costs of RMB18 million due to an increase in interest expense amounted to RMB65 million, partially offset by interests capitalized of RMB47 million. This compares with net financing costs of RMB13 million for the same period of 2011.

Balance sheet

Property, plant and equipment

The balance as at 30 June 2012 increased by RMB43 million as compared with the balance at the end of 2011. The increase was attributable to progress in the construction of the hospital project within our Shanghai Luodian project.

Completed investment properties and investment properties under construction

The balance as at 30 June 2012 increased by RMB62 million as compared with the balance at the end of 2011, which represented an appreciation in value of the properties. Please refer to notes discussed above.

Property under development for sale

The balance as at 31 March 2012 mainly represented the construction of Lake Malaren Silicon Valley project, Lake Malaren UHO project, Chengdu project and Wuxi Hongqing project of RMB900 million,

RMB344 million, RMB251 million and RMB33 million, respectively. The increase was mainly due to progress in the construction.

Prepaid land lease payments (non-current assets)

The balance as at 30 June 2012 increased by RMB19 million as compared with the balance at the end of 2011, which was mainly due to the land use rights of the hospital project in Shanghai New Town obtained by the Group with a total amount of RMB22 million.

Advance from customer

The balance as at 30 June 2012 mainly represented the collection of property development presale revenue, which mainly included RMB107 million from the sale of UHO and RMB25 million from the sale of the Lake Malaren Silicon Valley and RMB19 million from the sale of Chengdu Albany Oasis Garden.

Trade payable

The balance as at 30 June 2012 increased by RMB225 million. The increase was mainly due to progress in the construction.

Liquidity

The Group has been granted the following facilities which had been announced.

- 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: RMB15 million
Total facility withdrawn as at 30 June 2012: RMB519.7 million
- b> For development of UHO Project in our Shanghai Luodian New Town Project:
Principal: RMB 250 million
Facility withdrawn in this quarter: RMB64.5 million
Total facility withdrawn as at 30 June 2012: RMB164.5 million
- c> For development of Hospital Project in our Shanghai Luodian New Town Project:
Principal: RMB 450 million
Facility withdrawn in this quarter: RMB80 million
Total facility withdrawn as at 30 June 2012: RMB80 million
For detail information please refer to the Announcement dated 15 June 2012.

Overall, cash and cash equivalents excluding the restricted cash decreased RMB101 million over the period with a balance of RMB347 million as at 30 June 2012, which was mainly attributable to a decrease of RMB151 million from operating activities and a decrease of RMB90 million from investing activities offset by an increase of RMB140 million from finance activities.

Gearing ratio (as measured by net debt / total equity holders' capital and net debt) increased from 46% for the year ended 31 December 2011 to 50% as at 30 June 2012.

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 the first half of 2012, the PRC real estate industry continued to suffer from macroeconomic curbing policies. In July 2012, Chinese Premier Wen Jiabao commented for the fifth time on curbing the real estate market, saying the government would “firmly continue to promote curbing

the real estate market with a view to facilitating reasonable price returns.” This has displayed the determination of the state to curb the real estate sector. However, with the double reduction in interest rates and the bank reserve ratio being lowered twice by the central bank since 2012, money supply has been gradually relaxed.

According to the National Bureau of Statistics of China, between January and June 2012, a total of 350 million square meters of commodity housing were sold in China, representing a year-on-year decline of 10%, while the decline narrowed for four consecutive months. In June 2012, nationwide commodity housing sales increased by 6.9% year-on-year, making the month the very first with positive year-on-year sales growth. House buyers’ expectations shifted due to growing anticipations of price rebounds. Meanwhile, national high-profile land auctions once again appeared one after another. For instance, Sinobo Group obtained the Wanliu land plot in Beijing for RMB2.63 billion and Sunac Greentown obtained the Tangzhen land plot in Pudong New District for RMB1.64 billion. The Company anticipates that the real estate industry may be in gradual transition to the stage of bottoming out before achieving stability under the pressure of dual policies of “curbing the real estate sector” and “stabilizing growth.”

Chinese Vice Premier Li Keqiang stressed once again the theme of “Urbanization” when visiting Hubei province in July 2012. Urbanization, the greatest potential for driving domestic demand, is an important foundation for economic structural adjustment and has been the focus of research by the central government. Currently, the urban-rural dual structure developing from the PRC’s traditional urbanization process brought about structural imbalances in society, the environment, various industry sectors and the population as a whole. As such, the concept of “New Urbanization” has emerged to lead the PRC down the road of urbanization in the future. After a decade of ups and downs in small town developments under our unique business model, we will continue to advance steadily in the process of new urbanization by capitalizing on our own strengths and advantages.

The Company’s unique business model of planning and developing new town projects helped contribute to make a decisive breakthrough during the period under review. As previously announced, in April, the Company signed a Strategic Cooperation Agreement on Comprehensive Town Development (the “Agreement”) with Beijing Small Town Development Fund (“Beijing Fund”), a fund jointly initiated and founded by the Beijing Municipal Development and Reform Commission and China Development Bank Capital Corporation Ltd. (國開金融有限責任公司). Pursuant to the Agreement, the three parties will form a long-term strategic partnership to participate in the planning, construction and operation of small town developments around Beijing that would be funded by the Beijing Fund, as well as to seek new opportunities for our sustainable development while we are actively responding to the country’s development strategy. In August, the International Peace Maternity and Child Health Hospital in our Shanghai project will enter into completion phase and it is expected to commence operations by next year.

As previously announced, the Company entered into a formal agreement with BMW, a global premium automotive manufacturer, with respect to the Lake Malaren Masters Golf Tournament under the title “BMW Masters” to be held at Lake Malaren Golf Club located in the our Shanghai Luodian New Town. In 2011, along with the Company successful hosting of the “Lake Malaren Shanghai Masters”, the value of all commercial auxiliary facilities located in our Shanghai Luodian New Town such as a golf course, hotel and commercial streets had risen significantly. In the first half of 2012, revenue from golf course operations, hotel operations and retail street rental performance increased by 46%, 45% and 55%, respectively, compared to the last corresponding period. With the increasingly improved auxiliary facilities located in our Shanghai Luodian New Town together with the BMW Masters, the source of the Company’s revenue will become more diversified.

Looking ahead, the Company will continue to apply for land auctions in line with the government’s land grant quota and schedule. In addition, a certain portion of the Company’s secondary real estate development projects will be completed in the 2H2012 and are expected to generate considerable cash inflow. All in all, we believe that our unique business model, prudent cash flow management and involvement in secondary development will lay a solid foundation for the Company’s sustainable development.

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 2012.

13 Interest Persons Transactions (“IPT”)

RMB'000	6 months ended 30 June 2012	
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	5,214	-

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 RMB 869 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 the six months ended 2012 was RMB5.214 million.

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 2012 presented in this announcement to be false or misleading in any material aspect.

15 **Subsequent event**

As previously announced, on 20 June 2012, the Company proposed to place up to 585,000,000 new shares at a price of HK\$0.35 per share. The Placing was completed on 13 July 2012.

Please refer to detail information published in the Announcements dated 20 June 2012 and 13 July 2012, respectively.

By order of the Board
China New Town Development Company Limited
Cai Lijun
Chief Financial Officer

Singapore and Hong Kong, 13 August 2012

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. Lam Bing Lun Philip, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. E Hock Yap.