NEW TOWN

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.si

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

The board of directors (the 'Board") of China New Town Development Company Limited (the "Company") is pleased to announce the unaudited interim consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2012 (the "Reporting period") as set out below:

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2012
(Amount expressed in thousands of Renminbi unless otherwise stated)

		Six months ended 30 June	
	Notes	**2012**	2011
Revenue	5	**124,280**	314,833
Cost of sales		**(92,510)**	(135,801)
Gross profit		**31,770**	179,032
Other income	6	**4,453**	8,938
Selling and distribution costs		**(38,796)**	(38,226)
Administrative expenses		**(60,855)**	(76,284)
Other expenses	7	**(2,676)**	(1,066)
Fair value gain/(loss) on completed investment properties		**62,198**	(12,518)
Fair value loss on investment properties under construction		**-**	(4,856)
Operating profit		**(3,906)**	55,020
Finance costs	8	**(35,276)**	(28,717)
Share of gain from jointly-controlled entities		**285**	-
Profit/(Loss) before tax		**(38,897)**	26,303

	Notes	Six months ended 30 June 2012	2011
Income tax	9	**6,274**	(8,985)
Profit/(Loss) after tax		**(32,623)**	17,318
Other comprehensive income		**-**	-
Total comprehensive income		**(32,623)**	17,318
Profit attributable to:			
Owners of the parent		**(30,690)**	5,120
Non-controlling interests		**(1,933)**	12,198
		(32,623)	17,318
Total comprehensive income attributable to:			
Owners of the parent		**(30,690)**	5,120
Non-controlling interests		**(1,933)**	12,198
		(32,623)	17,318
Earnings/(loss) per share attributable to ordinary equity holders of the parent:			
Basic earnings/(loss) per share	11	**(0.0079)**	0.0013
Diluted earnings/(loss) per share	11	**(0.0079)**	0.0013

STATEMENTS OF FINANCIAL POSITION

For the six months ended 30 June 2012
(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	Group 30 June 2012	Group 31 December 2011	Company 30 June 2012	Company 31 December 2011
Non-current assets					
Investment in subsidiaries		**-**	-	**2,591,259**	2,591,259
Investment in an associate		**200**	200	**-**	-
Investments in jointly-controlled entities		**58,894**	39,109	**-**	-
Property, plant and equipment		**1,368,063**	1,324,933	**104**	134
Completed investment properties		**747,031**	684,000	**-**	-
Investment properties 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	13	**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

	Notes	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Current assets					
Land development for sale	12	**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	13	**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					
Equity attributable to 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	15	**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	15	**971,353**	757,243	**166,963**	162,253
Trade payables	14	**2,311,998**	2,086,912	**-**	-
Other payables and accruals		**647,708**	602,570	**1,832**	3,704
Amounts due to related parties	16	**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

	Notes	30 June 2012	31 December 2011	30 June 2012	31 December 2011
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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012
(Amounts expressed in thousands of Renminbi unless otherwise stated)

		Six months ended 30 June 2012	Six months ended 30 June 2011
Cash flows from operating activities			
Profit/(loss) before tax		**(38,897)**	26,303
Adjustments for:			
Depreciation of property, plant and equipment		**23,681**	28,799
Amortization of prepaid land lease payments		**2,079**	4,354
Share of gain from jointly-controlled entities		**(285)**	-
Fair value (gain)/loss on completed investment properties		**(62,198)**	12,518
Fair value loss on investment properties under construction		**-**	4,856
Foreign exchange gain, net		**-**	(3,863)
Management share option expense		**1,382**	2,784
Interest income		**(2,942)**	(5,822)
Interest expense		**35,276**	28,717
		(41,904)	98,646
Decrease/(increase) in land development for sale	12	**23,066**	(293,764)
Increase in properties under development for sale		**(267,652)**	(319,755)
Increase in prepaid land lease payment		**-**	(473,159)
Increase in inventories		**(416)**	(306)
Decrease/(increase) in prepayments, other receivables and assets		**(17,447)**	124,645
Decrease in trade receivables	13	2,576	341,989
Increase/(decrease) in deferred income for sale of golf club membership and land development		**467**	(17,956)
Increase/(decrease) in advances from customers		**108,684**	(1,975)
Increase in trade and other payables	14	**42,328**	16,142
Decrease in amounts due to related parties	16	**(1,121)**	-
Net cash outflow from operating activities		**(151,419)**	(525,493)
Cash flows from investing activities			
Purchase/construction of property, plant and		**(50,630)**	(45,494)

	Note	**Six months ended 30 June 2012**	Six months ended 30 June 2011
equipment			
Proceeds from disposal of property, plant and equipment		**-**	164
Investments in jointly-controlled entities		**(19,500)**	(40,000)
Payment for investment properties		**(863)**	(47,912)
Payments for amounts paid for land use rights		**(21,752)**	-
Interest received		**2,942**	3,738
Net cash outflow from investing activities		**(89,803)**	(129,504)
Cash flows from financing activities			
Proceeds/(repayment) borrowings from related parties		**(9,747)**	148,441
Capital contributions from non-controlling shareholders of subsidiaries		**2,000**	16,259
Proceeds from bank borrowings		**301,410**	371,000
Repayment of bank borrowings	15	**(20,200)**	(20,000)
Interest paid	15	**(127,746)**	(64,323)
Dividend paid	10	**-**	(61,960)
Payments of expenses incurred for the listing of existing shares		**-**	(3,843)
Restricted cash amounts relating to bank borrowings		**(5,398)**	-
Net cash inflow from financing activities		**140,319**	385,574
Net decrease in cash and cash equivalents		**(100,903)**	(269,423)
Cash and cash equivalents at beginning of period		**347,387**	1,167,049
Cash and cash equivalents at end of period		**246,484**	897,626

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012
(Amounts expressed in thousands of Renminbi unless otherwise stated)

Group

Six months ended 30 June 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	-	-		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 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	2,788,776	-	601,669	(698,493)	2,691,952	579,976	3,271,928

Six months ended 30 June 2012

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 2012	**2,801,180**	**-**	**591,731**	**(904,340)**	**2,488,571**	**537,075**	**3,025,646**
Total comprehensive income for the period	**-**	**-**	**-**	**(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	**2,801,180**	**-**	**593,113**	**(935,030)**	**2,459,263**	**537,142**	**2,996,405**

Company

Six 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 Management Grant	9,923	-	(9,922)	-	1
Dividends	-	-	-	(61,960)	(61,960)
Balance as at 30 June 2011	2,788,776	-	1,935,082	(1,752,761)	2,971,097

Six 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 for the period	**-**	**-**	**-**	**(13,170)**	**(13,170)**
Equity-settled share options to management	**-**	**-**	**1,382**	**-**	**1,382**
Balance as at 30 June 2012	**2,801,180**	**-**	**1,926,526**	**(1,950,872)**	**2,776,834**

Notes to Financial Statements
(All amounts expressed in thousands of Renminbi unless otherwise stated)

1. GENERAL INFORMATION

Corporate information

The Company was incorporated on 4 January 2006 in the British Virgin Islands ("BVI") by one shareholder. After a series of reorganisations, on 14 November 2007, the Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 22 October 2010, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx") by way of introduction. As a result, the Company is dual listed on the Main Board of both the SGX-ST and the HKEx.

The Group is a new town developer in the Mainland China and is principally engaged in planning and developing large-scale new towns in China's largest cities of which the activities include designing the master plan, relocating and resettling incumbent residents and businesses, clearing and preparing the land and installing infrastructure. Land use rights to the residential parcels in the new towns developed by the Group are then sold by the relevant land authorities to real estate property developers, the proceeds of which are apportioned to the Group on specified bases. The Group also develops or manages some residential and commercial properties in those new towns.

In the opinion of the directors of the Company ("Directors"), the Company's ultimate holding company is SRE Group Limited ("SRE"), a company incorporated in Bermuda. As the Company has become a subsidiary of SRE since September 2009 after a series of share placement and convertible bond issuance, the Company ceased to be an associate of SRE since then.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis, except for investment properties under construction, certain financial instruments and completed investment properties that have been measured at fair value. The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ('000) unless otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2012. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

Operating cycle

The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of the Group's business, the Group's normal operating cycle is longer than twelve months. The Group's current assets include assets (such as land development for sale and properties under development for sale) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the end of the reporting period, in accordance with IFRSs.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except for the adoption of new and revised standards and interpretations as of 1 January 2012, as described below:

<u>IAS 12 Income Taxes – Recovery of Underlying Assets</u>

The amendment becomes effective for annual periods beginning on or after 1 January 2012. The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Currently, it is expected that the amendment would have no significant impact on the Group's financial statements.

IFRS 1 Amendment: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters

The amendment to IFRS 1 is effective for annual periods beginning on or after 1 July 2011. The amendment introduces a new deemed cost exemption for entities that have been subject to severe hyperinflation. They also remove the fixed dates in IFRS 1 relating to de-recognition and day one gain or loss transactions. The amendment is expected to have no significant impact on the financial statements of the Group.

IFRS 7 Financial Instruments: Disclosures — Enhanced De-recognition Disclosure Requirements

The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

4. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and services and has the following operating segments. The Group's operational assets and operations are located in Mainland China.

- Land and property development segment, which provides land infrastructure development and construction of ancillary public facilities, as well as develops and sells residential and commercial properties;
- Property leasing segment provides property leasing services of investment properties;
- Hotel operations segment provides room, restaurants and conference hall services;
- Golf operations segment provides golf course management services; and
- Others segment provides investment and property management services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit and loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

An analysis by operating segment is as follow:

	For the six months ended 30 June 2012						
	Land development	**Property leasing**	**Hotel operations**	**Golf operations**	**Others**	**Adjustments and eliminations**	**Total**
Segment results							
External sales	**55,798**	**5,264**	**29,241**	**32,789**	**1,188**	**-**	**124,280**
Intersegment sales	**-**	**-**	**763**	**-**	**20,086**	**(20,849)[1]**	**-**
Total segment sales	**55,798**	**5,264**	**30,004**	**32,789**	**21,274**	**(20,849)**	**124,280**
Segment profit/(loss)	**(58,509)**	**67,462**	**(11,512)**	**10,837**	**(12,184)**		**(3,906)**
Finance cost						**(35,276)[2]**	**(35,276)**
Share of profit from jointly-controlled entities						**285**	**285**
Profit before income tax							**(38,897)**

[1] Intersegment sales are eliminated on consolidation.
[2] Profit/(Loss) for each operating segment does not include finance costs (RMB 35,276 thousand) and share of profit from jointly-controlled entities (RMB 285 thousand).

	For the six months ended 30 June 2011						
	Land development	Property leasing	Hotel operations	Golf operations	Others	Adjustments and eliminations	Total
Segment results							
External sales	269,489	3,204	20,092	21,491	557	-	314,833
Intersegment sales	-	-	-	-	750	(750)[1]	-
Total segment sales	269,489	3,204	20,092	21,491	1,307	(750)	314,833
Segment profit/(loss)	113,576	(14,184)	(16,540)	(16,449)	(11,383)		55,020
Finance cost						(28,717)[2]	(28,717)
Profit before income tax							26,303

[1] Intersegment sales are eliminated on consolidation.
[2] Loss for each operating segment does not include finance costs (RMB28,717 thousand).

5. REVENUE

	Six months ended 30 June 2012	Six months ended 30 June 2011
Land development	**58,926**	284,757
Hotel operations	**30,936**	21,296
Golf operations	**39,237**	26,912
Investment property leasing	**5,264**	3,397
Others	**1,225**	628
Less: Business tax and surcharges	**(11,308)**	(22,157)
	124,280	314,833

6. OTHER INCOME

	Six months ended 30 June 2012	Six months ended 30 June 2011
Foreign exchange gain, net	**151**	3,014
Interest income	**2,942**	5,822
Government subsidies	**810**	-
Others	**550**	102
	4,453	8,938

7. OTHER EXPENSES

	Six months ended 30 June 2012	Six months ended 30 June 2011
Bank charges	**1,648**	838
Others	**1,028**	228
	2,676	1,066

8. FINANCE COSTS

	Six months ended 30 June 2012	Six months ended 30 June 2011
Interest on bank and borrowings	**128,296**	64,923
Less: Interest capitalised	**(93,020)**	(36,206)
	35,276	28,717

The borrowing costs have been capitalised at weighted average rates of 8.32% and 5.84% per annum for the first half of 2012 and first half of 2011, respectively.

9. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

The Company is a tax-exempted company incorporated in the British Virgin Islands.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the reporting period.

The principal operating subsidiaries of the Company were subject to income tax at the rate of 25% on their taxable income according to the Income Tax Law of the People’s Republic of China (“the PRC’).

The major components of income tax are:

	Six months ended 30 June 2012	Six months ended 30 June 2011
Income tax charge:		
Current income tax	**13**	5,714
Deferred tax	**(6,287)**	468
Withholding tax	**-**	2,803
Income tax charge as reported in profit or loss	**(6,274)**	8,985

10. DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2012 (2011: Nil).

11. EARNINGS PER SHARE

The calculation of the basic earnings/(loss) per share amount is based on the profit or loss attributable to ordinary equity holders of the parent for the six months ended 30 June 2011 and the six months ended 30 June 2012.

The diluted earnings/(loss) per share amounts are calculated by dividing the profit or loss attributable to ordinary equity holders of the parent (after adjusting profit or loss effects of dilutive employee share options, if any) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Employee share options are treated as options and outstanding from the date of grant, since they are dilutive, they have been included in the dilutive earnings per share calculation for the six months ended 30 June 2011.

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

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

	Six months ended 30 June 2012	Six months ended 30 June 2011
Profit attributable to ordinary equity holders of the parent	**(30,690)**	5,120
Weighted average number of ordinary shares outstanding	**3,905,841,176**	3,897,135,552
Add: Net effect of dilutive potential ordinary shares of employee share options	**-**	4,118,903
Number of ordinary shares used to calculate the diluted earnings per share	**3,905,841,176**	3,901,254,455
Basic earnings/(loss) per share (RMB)	**(0.0079)**	0.0013
Diluted earnings/(loss) per share (RMB)	**(0.0079)**	0.0013

For the transaction involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statement, please refer note 18 "subsequent event".

12. LAND DEVELOPMENT FOR SALE

Group	**30 June 2012**	31 December 2011
At cost:		
Mainland China	**5,017,013**	4,998,936

13. TRADE RECEIVABLE

Group	**30 June 2012**	31 December 2011
Receivables from land development for sale	**125,106**	128,503
Receivables from the sale of golf club membership	**3,616**	3,616
Others	**4,035**	3,216
	132,757	135,335

An aged analysis of the trade receivables is as follows:

	30 June 2012	31 December 2011
Within 6 months	**3,486**	2,666
6 months to 1 year	**331**	6,552
1 year to 2 years	**50,744**	43,531
2 years to 3 years	**37,477**	36,353
Over 3 years	**40,719**	46,233
	132,757	135,335

The above balances are unsecured and interest-free. The fair values of the trade receivables as at the end of each reporting period approximate to their carrying amounts. No trade receivables were written off as of 30 June 2012 (31 December 2011: nil).

14. ACCOUNT PAYABLE

Group	**30 June 2012**	31 December 2011
Trade payables	**2,311,998**	2,086,912
	2,311,998	2,086,912

Trade payables are non-interest-bearing and are normally settled within one year.

An aged analysis of the Group's trade payables as at the reporting dates is as follows:

	30 June 2012	31 December 2011
Within one year	**1,930,673**	1,705,800
1 to 2 years	**134,930**	134,717
Over 2 years	**246,395**	246,395
	2,311,998	2,086,912

15. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

The interest-bearing bank loans and other borrowings which were all denominated in RMB (except a HK$200,140 thousand loan) are as follows:

	Group		Company	
	30 June 2012	31 December 2011	**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	**166,963**	162,253
	3,422,103	3,140,343	**166,963**	162,253

The bank loans and other borrowings are repayable as follows:

	Group		Company	
	30 June 2012	31 December 2011	**30 June 2012**	31 December 2011
Within 6 months	**741,853**	182,253	**166,963**	162,253
6 months to 9 months	**35,000**	54,990	**-**	-
9 months to 12 months	**194,500**	520,000		-
1 year to 2 years	**876,400**	891,400		-
2 years to 5 years	**1,111,300**	1,009,200		-
Over 5 years	**463,050**	482,500		-
	3,422,103	3,140,343	**166,963**	162,253

The Group's bank loans and other borrowings bore interest at floating rates ranging from 5.90% to 12.65% and 6.35% to 9.31% per annum for 30 June 2012 and the years ended 31 December 2011, respectively.

Long-term and short-term bank loans and other borrowings

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.

16. AMOUNTS DUE TO RELATED PARTIES

Group	**30 June 2012**	31 December 2011
Amounts due to related parties:		
SRE Group Limited	**42,680**	53,458
	42,680	53,458

On 7 July 2010, 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 Shanghai Luodian New Town for a term from 1 July2010 to 31 December 2012 at a fixed management fee of RMB 869 thousand per month. Under the Property Management Agreement, SGLD provides premises with a gross floor area ("GFA") of 132.1 sq.m. to SLMPM for use as property management office free of charge. The management fee of first half of 2012 was RMB5,214 thousand.

Balances as at 30 June 2012 represented a loan from SRE, which was interest-free, unsecured and repayable on demand.

17. CAPITAL COMMITMENTS AND COMMITMENTS IN RESPECT OF LAND OR PROPERTY DEVELOPMENT FOR SALE AND INVESTMENT

As at the end of each reporting period, the Group had capital commitments and commitments in respect of land development or properties under development for sale as follows:

Group	**30 June 2012**	31 December 2011
Commitments in respect of land development for sale:		
Contracted but not provided for	**1,187,094**	1,226,264
Authorised but not contracted for	**4,677,419**	4,685,811
Commitments in respect of properties under development for sale:		
Contracted but not provided for	**155,195**	461,979
Authorised but not contracted for	**-**	-
Investment properties under construction:		
Contracted but not provided for	**8,062**	8,076
Authorised but not contracted for	**155,916**	155,916
Property, plant and equipment and leasehold land:		
Contracted but not provided for	**1,538,395**	1,542,836
Authorised but not contracted for	**2,646,648**	2,701,317
Total	**10,368,729**	10,782,199

The Group had significant commitments as it had entered into three township development projects in Shanghai, Wuxi and Shenyang and such commitments are quantified based on contracts, feasibility studies and detailed plans for the respective projects. As a result, the Group prepares cash flow budgets for major project companies annually and updates the cash flow budgets regularly.

18. 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.

19. FINANCIAL REVIEW/HIGHLIGHTS

Fair review of development of business of the Company and its subsidiaries during financial period and of their financial position at the end of the period

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 first half of 2012, revenue and operating profit of the Group have decreased 61% and 107% respectively compared with the same period of 2011. The decrease was a net effect due to a lower unit price per mu in terms of site area sold the first quarter of 2012, though the progress in the construction slightly increased in our Shanghai project.

On 5 March 2012, we handed over the land parcel XDG(XQ) from our Wuxi Project for public auction. The land parcel was sold at RMB75 million to a jointly-controlled entity Wuxi New District Xinrui Hospital Management Company Limited. The details of the contracted prices of land sales are summarized as follows:

Project	Site area (sqm.)	Plot ratio	Month	Gross floor area	Contract price (RMB'mil)	Average price by gross floor area (RMB per sqm.)
Hongshan, Wuxi	62,145	1.8	March	111,862	75.07	1,208

Please also refer to Announcement dated 23 March 2012 for detail information.

On the cost side, the unit cost for land development (allocated based on budgeted cost of services over relevant area) of the first half of 2012 was kept unchanged compared to 2011 for Wuxi project.

Pursuant to an agreement reached with local government in December 2011, the Group needed to increase its estimated relocation compensation costs (to incumbent residents) by RMB600 million in Shanghai Luodian New Town. As a result, the unit cost for land development (estimated based on budgeted cost of services over relevant area) in Shanghai New Town was increased from RMB2,057 to RMB2,845 per square metre prospectively since December 2011. Please also refer to 2011 annual report for detail information.

The hotel operations and golf courses in the first half of 2012 recorded revenues of RMB31 million and RMB39 million, respectively, which were up by 45% and 46% compared with the corresponding period of 2011, with recorded revenues of RMB21 million and RMB27 million. The encouraging performance benefited from the successful hosting of the 2011 Lake Malaren Masters Golf tournament ("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 expenses for golf operations decreased substantially compared to the corresponding period of 2011.

Operating expense

In the first half of 2012, selling and distributing costs kept consistent with the same period of 2011 of RMB38 million. Compared with the same period of 2011, the selling expense incurred during the period comprised of an increased selling expenses of RMB9 million in relation to the property development projects and a reduced cost of RMB9 million in relation to the Tournament. It should be noted that with BMW's sponsorship on the Tournament, the selling expense would be substantially reduced this year. Please refer to Announcement dated 23 April 2012 for detailed information.

In the first half of 2012, administrative expenses decreased by RMB15 million compared to the corresponding period of 2011. The decrease was mainly due to RMB6 million of consulting fees incurred in relation to the borrowings via bank credit in the second quarter of 2011, while no such expense was incurred in the second quarter of 2012. On the other hand, given the current property market situation, the Group carried out a cost saving policy in order to effectively control cost and improve operation of activities.

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

Pursuant to the valuation result prepared 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 first half of 2012, we recorded total net finance costs of RMB35 million due to an increase in interest expense amounted to RMB128 million, partially offset by interests capitalized of RMB93 million. This compares with net financing costs of RMB29 million for the same period of 2011.

Statement of Financial Position

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 property and investment properties under construction

The balance as at 30 June 2012 mainly represented an appreciation in value of the properties. Please refer to note 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 as 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 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 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 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.

Business Analysis and Outlook

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.

b) Details of important events affecting the Group which have occurred since the end of the financial period

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.

c) An indication of likely future development in the business of the Group for the financial period

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 second half of 2012 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.

20. APPRECIATION STATEMENT

It is the Board's privilege to express our gratitude to our strategic investors and shareholders for their trust and support and to offer our heartfelt thanks to all directors, executives and staff members in the Group for their team spirit and loyalty.

21. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2012.

22. MOVEMENTS IN SECURITIES

There is no movement in securities in the first half of 2012. The total number of issued shares of the Company as at the end of the period was 3,905,841,176 shares.

23. CORPORATE GOVERNANCE

The Company subscribes to best practice on corporate governance, and has complied with the principles and guidelines of the Code of Corporate Governance 2005 issued by the Corporate Governance Committee in Singapore (the "**Singapore Code**") and the code provisions of the Corporate Governance Code and Corporate Governance Report (the "**HK Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the HKEX (the " **HKEX Listing Rules**") throughout the period except for the HK Code C.1.2 monthly performance updates to directors which implemented on 1 April 2012 for the reasons that, after careful consideration, the Management considered that quarterly updates by way of a detailed financial results announcement under the Listing Manual of the Singapore Exchange Trading Limited. ("**SGX Listing Manual**") is sufficient for directors to understand and well noted business performance, position and prospects of the Company. Further, the Company has a unique business model with major revenues arise from land sales. Such sales are expected to be executed in relatively long spans of time given the application of land auctions is required to be in line with the government's land grant quota and schedule. Details of each land sales together with its implication on the Company's performance would be timely communicated to the directors at early stage and announcements in relation to land auctions will be published immediately after listing and completion of sale of land use rights.

In addition, the Company temporally failed to comply with the Code Guidelines 2.1 of the Singapore Code due to the retirement of Mr. Loh Weng Whye as an independent non-executive director on 30 April 2012 and hence, the Nominating Committee of the Company no longer comprises minimum of three members as required under the Guideline 4.1 of the CG Code. The Board noted that following the retirement of Mr. Loh, the Company was unable to meet the requirement of Rule 221 of the SGX Listing Manual. The Company had subsequently appointed Mr. E Hock Yap as an independent non-executive director and the chairman of the Nominating Committee on 29 May 2012, and hence complied with the Singapore Code on the date.

24. EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2012, there were 1,178 (2011: 1,175) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

25. CONTINGENT LIABILITIES

As at 30 June 2012, the Group had no contingent liabilities (2011:Nil) in respect of guarantees to assist home buyers to obtain mortgage loans from banks and complete mortgage procedures.

26. DIRECTORS' COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made of all Directors, who have confirmed that they complied with required standard set out in the Model Code.

27. AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The Group's unaudited consolidated financial statements for the six months ended 30 June 2012 have been reviewed by the Audit Committee.

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

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.