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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 50.07% owned subsidiary of SRE Group Limited, has on 13 April 2010 released to the SGX-ST announcements (the “Announcements”) in relation to Annual General Meeting, Extraordinary General Meeting, despatch of circular and a circular dated 14 April 2010. The followings are reproduction of the Announcements for information purpose only.

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

Hong Kong, 13 April 2010

As at the date hereof, the Board comprises five executive directors, namely Mr. Shi Jian, Mr. Li Yao Min, Mr. Yu Hai Sheng, Mr. Jiang Xu Dong 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



CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中国新城镇发展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)
(Company Registration Number: 1003373)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Pan Pacific Singapore, Ocean 11, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Friday, 30 April 2010 at 9:15 a.m. for the following purposes:

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2009 and the Auditors' Report thereon. **(Resolution 1)**
2. To declare a final dividend of SGD0.278 cents per ordinary share for the financial year ended 31 December 2009. **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Article 86(1) of the Articles of Association of the Company:
 - (a) Mr Mao Yi Ping **(Resolution 3)**
 - (b) Mr Shi Jian **(Resolution 4)**
 - (c) Mr Li Yao Min **(Resolution 5)**
4. To re-elect the following Directors retiring pursuant to Article 85(7) of the Articles of Association of the Company:
 - (a) Mr Yang Yong Gang **(Resolution 6)**
 - (b) Ms Gu Bi Ya **(Resolution 7)**
5. To approve payment of Director's fee of S\$21,700 for the financial year ended 31 December 2009. **(Resolution 8)**
[See Explanatory Note (i)]
6. To approve payment of Directors' fees of S\$344,600 for the financial year ending 31 December 2010 and the payment thereof on a quarterly basis. **(Resolution 9)**
7. To re-appoint Messrs Ernst & Young as Auditors of the Company to hold office until the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**
8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

Special Business

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

9. Authority to allot and issue shares in the capital of the Company ("**Shares**")

"That authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue Shares whether by way of rights, bonus or otherwise; and/or
(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution 11 may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution 11 was in force,

provided that:

- (A) (1) the aggregate number of Shares to be issued pursuant to this Resolution 11 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 11) (the "**Share Issues**") shall not, save and except as set out in subparagraph (A)(2) below, exceed 50% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 11) shall not exceed 20% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (B)

- below);
- (2) (until 31 December 2010 or such later date as may be determined by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), but in any event subject to sub-paragraph (D) below) the aggregate number of Shares to be issued pursuant to this Resolution 11 by way of a renounceable rights issue on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 11) (the “**Renounceable Rights Issues**”) shall not exceed 100% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (B) below); and
- (3) the number of Shares to be issued pursuant to the Share Issues and the Renounceable Rights Issues shall not, in aggregate, exceed 100% of the total number of the issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (B) below);
- (B) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (A) above, the percentage of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) at the time this Resolution 11 is passed, after adjusting for:
- (1) any new Shares arising from the conversion or exercise of any convertible securities or Share options or vesting of Share awards which are outstanding or subsisting at the time this Resolution 11 is passed; and
- (2) any subsequent bonus issue, consolidation or sub-division of Shares;
- (C) in exercising the authority conferred by this Resolution 11, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements and the Articles of Association for the time being of the Company; and
- (D) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 11 shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”
- [See Explanatory Note (ii)]** **(Resolution 11)**

10. Authority to issue Shares other than on a *pro rata* basis at a discount exceeding 10% but not more than 20% of the weighted average price of the Shares

“That without prejudice to the generality of, and pursuant and subject to the approval of the general mandate to issue Shares set out in Resolution 11, authority be and is hereby given to the Directors of the Company to issue Shares other than on a *pro rata* basis to shareholders of the Company, at a discount to the weighted average price of the Shares for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day), exceeding 10% but not more than 20%, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that:

- (a) in exercising the authority conferred by this Resolution 12, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements and the Articles of Association for the time being of the Company; and
- (b) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 12 shall continue in force until 31 December 2010 or such later date as may be determined by the SGX-ST but in any event not later than the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.” **[See Explanatory Note (iii)]** **(Resolution 12)**

11. Authority to grant options and issue Shares under the CNTD Share Option Scheme

“That the Directors be and are hereby authorised to offer and grant options in accordance with the provisions of the CNTD Share Option Scheme (the “**Scheme**”) and to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of the options under the Scheme provided always that the aggregate number of Shares to be allotted and issued pursuant to the Scheme, the CNTD Performance Share Plan and the CNTD Management Grant shall not exceed 10% of the total number of issued Shares (excluding treasury shares) from time to time.” **[See Explanatory Note (iv)]** **(Resolution 13)**

12. Authority to grant awards and issue Shares under the CNTD Performance Share Plan

“That the Directors be and are hereby authorised to offer and grant awards in accordance with the provisions of the CNTD Performance Share Plan (the “**Plan**”) and to allot and issue from time to time such number of fully-paid Shares as may be required to be allotted and issued pursuant to the vesting of awards under the Plan provided always that the aggregate number of Shares to be issued pursuant to the Plan, the Scheme and the CNTD Management Grant shall not exceed 10% of the total number of issued Shares (excluding treasury shares) from time to time.”

[See Explanatory Note (v)]

Resolution 14)

13. Authority to grant awards and issue Shares under the CNTD Management Grant

“That the Directors be and are hereby authorised to allot and issue from time to time such number of fully-paid Shares as may be required to be allotted and issued pursuant to the vesting of awards under the CNTD Management Grant (the “**Grant**”) provided always that the aggregate number of Shares to be allotted and issued pursuant to the Plan, the Scheme and the Grant shall not exceed 10% of the total number of issued Shares (excluding treasury shares) from time to time.” **[See Explanatory Note (vi)]**

(Resolution 15)

By Order of the Board

Low Siew Tian

Company Secretary

Singapore, 14 April 2010

Explanatory Notes:

(i) Ordinary Resolution 8 is to approve the payment of Director’s fee of S\$21,700 to Mr Yue Wai Leung, Stan for the financial year ended 31 December 2009. Mr Yue Wai Leung, Stan has been re-designated from Executive Director to Non-Independent Non-Executive Director of the Company with effect from 3 June 2009.

(ii) Ordinary Resolution 11 is to empower the Directors, from the date of the passing of Ordinary Resolution 11 to the date of the next Annual General Meeting, to issue Shares and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the total number of issued Shares (excluding treasury shares), with a sub-limit of 20% of the total number of issued Shares (excluding treasury shares) for issues other than on a pro rata basis to shareholders. The foregoing is subject to the exception that where the Company undertakes a renounceable *pro rata* rights issue of Shares (including Shares to be issued pursuant to such instruments), the maximum number of such Shares that can be issued is 100% of the total number of issued Shares (excluding treasury shares), provided that the total number of Shares which may be issued pursuant to the Share Issues and the Renounceable Rights Issues shall not exceed 100% of total number of issued Shares (excluding treasury shares). For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) at the time that Ordinary Resolution 11 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 11 is passed, and (b) any subsequent bonus issue, consolidation or sub-division of Shares. In exercising the authority conferred by Ordinary Resolution 11, the Company shall comply with the requirements of the SGX-ST (unless waived by the SGX-ST), all applicable legal requirements and the Articles of Association of the Company. On 19 February 2009, the SGX-ST released a press release of new measures effective on 20 February 2009 (the “**Press Release**”). The new measures include allowing issuers to issue up to 100% of its issued share capital via a renounceable *pro rata* rights issue, subject to the condition that the issuer makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in its annual report. The Press Release states that this new measure will be in effect until 31 December 2010 and the effectiveness of the new measure will be reviewed by the SGX-ST at the end of the period.

(iii) Ordinary Resolution 12 is to empower the Directors, pursuant to the general mandate to issue Shares set out in Ordinary Resolution 11, to issue Shares other than on a *pro rata* basis to shareholders of the Company, at a discount to the weighted average price of the Shares on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day), exceeding 10% but not more than 20%. In exercising the authority conferred by Ordinary Resolution 12, the Company shall comply with the requirements of the SGX-ST (unless waived by the SGX-ST), all applicable legal requirements and the Articles of Association of the Company. Rule 811(1) of the SGX-ST Listing Manual presently provides that an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day). The Press Release also

included a new measure allowing issuers to undertake placements of new shares using the general mandate to issue shares, priced at discounts of up to 20%, subject to the conditions that the issuer seeks shareholders' approval in a separate resolution at a general meeting to issue new shares on a non *pro rata* basis at a discount exceeding 10% but not more than 20%, and the general share issue mandate resolution is not conditional on this resolution. Ordinary Resolution 12 has been included following this new measure. The Press Release states that this new measure will also be in effect until 31 December 2010 when it will be reviewed by the SGX-ST at the end of the period. (iv) Ordinary Resolution 13 is to empower the Directors to offer and grant options and to allot and issue new Shares pursuant to the Scheme provided that the aggregate number of new Shares to be allotted and issued pursuant to the Scheme, the Plan and the Grant shall not exceed 10% of the total number of issued Shares (excluding treasury shares) from time to time.

(v) Ordinary Resolution 14 is to empower the Directors to offer and grant awards and to allot and issue new Shares pursuant to the Plan provided that the aggregate number of new Shares to be allotted and issued pursuant to the Plan, the Scheme and the Grant shall not exceed 10% of the total number of issued Shares (excluding treasury shares) from time to time.

(vi) Ordinary Resolution 15 is to empower the Directors to allot and issue new Shares pursuant to the Grant provided that the aggregate number of new Shares to be allotted and issued pursuant to the Plan, the Scheme and the Grant shall not exceed 10% of the total number of issued Shares (excluding treasury shares) from time to time.

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. If a Depositor wishes to appoint a proxy or proxies, then the Depositor Proxy Form must be completed, signed and deposited at the office of the Company's Singapore Share Transfer Agent, Tricor Barbinder Share Registration Services, at 8 Cross Street, #11-00, PWC Building, Singapore 048424, not less than 48 hours before the time appointed for holding the Annual General Meeting.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.



CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中国新城镇发展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)
(Company Registration Number: 1003373)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING (“**EGM**”) of CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED (the “**Company**”) will be held at Pan Pacific Singapore, Ocean 11, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Friday, 30 April 2010 at 10:15 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:15 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications the following resolution:

ORDINARY RESOLUTION RELATING TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

That:

(1) pursuant to Article 3A of the Company’s articles of association, the exercise by the directors of the Company (the “**Directors**”) of all the powers of the Company to purchase, redeem or otherwise acquire the ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (a) on-market purchase(s) (“**Market Purchase**”), transacted on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) through the ready market, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) (“**Off-Market Purchase**”) effected pursuant to an equal access scheme, as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all conditions prescribed by the BVI Business Companies Act 2004 (as amended) (the “**BC Act**”), and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the BC Act and listing rules of the SGX-ST (the “**Listing Rules**”) as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

(2) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this ordinary resolution and expiring on:

- (a) the conclusion of the next annual general meeting of the Company (“**AGM**”);
- (b) the date by which the next AGM is required to be held;
- (c) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate have been carried out to the full extent mandated; or
- (d) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting, whichever is the earliest;

(3) in this ordinary resolution:

“**Maximum Limit**” means that number of issued shares representing 10% of the total number of issued ordinary Shares of the Company as at the date of the passing of this ordinary resolution;

“**Maximum Price**”, in relation to a Share to be purchased, redeemed or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (hereinafter defined); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price,

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days (a “**Market Day**” being a day on which the SGX-ST is open for trading in securities) on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five-day period;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the SGX-ST on the market day on which there were trades in the Shares immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an

Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“**Depositor**”, “**Depository**” and “**Depository Agent**” shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act (Chapter 50 of Singapore) or any statutory modification thereof, as the case may be; and “**Shareholder**” means a duly registered holder from time to time of the shares in the capital of the Company; and (4) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this ordinary resolution.

By Order of the Board

Low Siew Tian

Company Secretary

Singapore, 14 April 2010

Notes:

1. A Shareholder of the Company (other than the Depository) entitled to attend and vote at the EGM who is the holder of two (2) or more shares is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a Shareholder of the Company.
2. Depositors whose names appear in the Depository Register (as defined in Section 130A of the Companies Act (Chapter 50 of Singapore)) and who are unable to attend personally but wish to appoint a nominee to attend and vote on their behalf, and such Depositors who are not individuals, should complete the enclosed Depositor Proxy Form and lodge the same at the office of the Company’s Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services, at 8 Cross Street, #11-00 PWC Building, Singapore 048424 not less than 48 hours before the time appointed for the holding of the EGM.
3. If a Shareholder wishes to appoint a proxy or proxies, then the enclosed Shareholder Proxy Form must be completed and deposited at the office of the Company’s Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services, at 8 Cross Street, #11-00 PWC Building, Singapore 048424 not less than 48 hours before the time appointed for the holding of the EGM.
4. Where a Shareholder appoints more than one (1) proxy or more than one (1) appointee as the Depository’s proxies, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy or appointee, as the case may be.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its officer, attorney or other person authorised to sign the same.



CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中国新城镇发展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)
(Company Registration Number: 1003373)

**DESPATCH OF CIRCULAR DATED 14 APRIL 2010 AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

The Board of Directors of China New Town Development Company Limited (the “**Company**”) wishes to announce that the Company will on 14 April 2010 despatch to the shareholders of the Company (the “**Shareholders**”) a circular dated 14 April 2010 (the “**Circular**”) which contains, *inter alia*, a notice for convening an Extraordinary General Meeting (the “**EGM**”) on Friday, 30 April 2010 at 10:15 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:15 a.m. on the same day and at the same place) at Pan Pacific Singapore, Ocean 11, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 for the purposes of seeking Shareholders’ approval on the proposed renewal of the Share Purchase Mandate.

Unless otherwise defined, all capitalised terms used in this Announcement shall bear the respective meanings described thereto in the Circular.

The Notice of EGM and details of the proposals to be tabled at the EGM are set out in the Circular, a copy of which is attached to this Announcement.

Shareholders who do not receive the Circular within a week from the date hereof should contact the Company’s Share Transfer Agent, Tricor Barbinder Share Registration Services, at 8 Cross Street, #11-00, PWC Building, Singapore 048424.

BY ORDER OF THE BOARD

Li Yao Min
Chief Executive Officer
13 April 2010

CIRCULAR DATED 14 April 2010

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares of CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED (the "**Company**"), you should immediately forward this Circular and the enclosed Notice of Extraordinary General Meeting and Proxy Forms to the purchaser or to the bank, stockbroker or other agent through whom you effected the sale for onward transmission to the purchaser.

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



CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中國新城鎮發展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)
(Company Registration Number: 1003373)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

IMPORTANT DATES AND TIMES:

- | | | |
|--|---|---|
| Last date and time for lodgement of Proxy Form | : | Wednesday, 28 April 2010 at 10:15 a.m. |
| Date and time of Extraordinary General Meeting | : | Friday, 30 April 2010 at 10:15 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:15 a.m. on the same day and at the same place). |
| Place of Extraordinary General Meeting | : | Pan Pacific Singapore
Ocean 11, Level 2
7 Raffles Boulevard
Marina Square
Singapore 039595 |

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout where the context admits:

<i>“2009 EGM”</i>	:	The extraordinary general meeting of the Company held on 7 December 2009 to approve the 2009 Share Purchase Mandate.
<i>“2009 Share Purchase Mandate”</i>	:	A general and unconditional mandate given by Shareholders at the 2009 EGM that authorises the Directors to purchase Shares in accordance with the terms set out in the circular dated 20 November 2009 and the rules and regulations set forth in the BC Act and the Listing Manual.
<i>“AGM”</i>	:	The annual general meeting of the Company.
<i>“Articles”</i>	:	The articles of association of the Company, as amended, supplemented or modified from time to time, for the time being.
<i>“BC Act”</i>	:	BVI Business Companies Act 2004, as amended or modified from time to time.
<i>“Board”</i>	:	The Board of Directors.
<i>“BVI”</i>	:	The British Virgin Islands.
<i>“BVS”</i>	:	Book value per Share.
<i>“CDP”</i>	:	The Central Depository (Pte) Limited.
<i>“Circular”</i>	:	This circular dated 14 April 2010.
<i>“CNTD Management Grant”</i>	:	The share incentive scheme implemented by the Company on 5 July 2007 whereby certain key management executives of the Company were granted awards of Shares as an incentive for their continued service to the Company.
<i>“Companies Act”</i>	:	The Companies Act (Chapter 50 of Singapore), as amended or modified from time to time.
<i>“Company”</i>	:	China New Town Development Company Limited.
<i>“Convertible Bonds”</i>	:	2.0% convertible bonds in aggregate principal amount of RMB275,994,230 due 2016 issued on 9 September 2009.
<i>“Depositor Proxy Form”</i>	:	Has the meaning ascribed to it in paragraph 6 of this Circular.
<i>“Directors”</i>	:	The directors of the Company for the time being.

<i>“EGM”</i>	:	Extraordinary General Meeting, notice of which is given on pages 24 to 26 of this Circular.
<i>“EPS”</i>	:	Earnings per Share.
<i>“Group”</i>	:	The Company and its Subsidiaries as at the date of this Circular.
<i>“Latest Practicable Date”</i>	:	The latest practicable date prior to the printing of this Circular, being 5 April 2010.
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST.
<i>“Listing Rules”</i>	:	The listing rules of the SGX-ST as set out in the Listing Manual.
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for securities trading.
<i>“Memorandum”</i>	:	The memorandum of association of the Company, as amended, supplemented or modified from time to time, for the time being.
<i>“NTA”</i>	:	Net tangible assets.
<i>“Proxy Forms”</i>	:	Depositor Proxy Form and Shareholder Proxy Form.
<i>“RMB”</i>	:	Renminbi, the lawful currency of the People’s Republic of China.
<i>“ROE”</i>	:	Return on equity.
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited.
<i>“Share Purchase Mandate”</i>	:	A general and unconditional mandate given by Shareholders (including the subsequent renewal thereof if approved by Shareholders) that authorises the Directors to purchase Shares in accordance with the terms set out in this Circular and the rules and regulations set forth in the BC Act and the Listing Manual.
<i>“Shareholder Proxy Form”</i>	:	Has the meaning ascribed to it in paragraph 6 of this Circular.
<i>“Shareholders”</i>	:	The duly registered holders of the Shares from time to time.
<i>“Shares”</i>	:	Ordinary shares of the Company.
<i>“SIC”</i>	:	Securities Industry Council.
<i>“Subsidiary”</i>	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act.

“Substantial Shareholder”	:	A person who has an interest in not less than five per cent. (5%) of the issued voting shares of the Company.
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers.
“S\$”, “\$” and “cents”	:	Singapore dollars and cents, respectively.
“%”	:	Per centum or percentage.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and the neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the BC Act or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the BC Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancy with the tables in this Circular between the listed amounts and the totals thereof is due to rounding.

Unless otherwise stated, the following exchange rate has been used in this Circular:

S\$1.00: RMB4.88428

The exchange rate as set out above is used for illustration purposes only and should not be construed as a representation that the relevant amounts have been or could be converted at the rate above or at any other rate.

(Source: <http://www.x-rates.com> as at 5 April 2010)

CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中國新城鎮發展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)
(Company Registration Number: 1003373)

LETTER TO SHAREHOLDERS

Directors:

Mr. Shi Jian (*Executive Chairman*)
Mr. Li Yao Min (*Co Vice-Chairman / Chief Executive Officer / Executive Director*)
Mr. Yue Wai Leung, Stan (*Co Vice-Chairman / Non-Independent Non-Executive Director*)
Ms. Gu Bi Ya (*Chief Operating Officer / Executive Director*)
Mr. Mao Yi Ping (*Vice President / Executive Director*)
Mr. Yang Yong Gang (*Vice President / Executive Director*)
Mr. Shi Janson Bing (*Vice President / Executive Director*)
Mr. Henry Tan Song Kok (*Lead Independent Non-Executive Director*)
Mr. Loh Weng Whye (*Independent Non-Executive Director*)
Mr. Lam Bing Lun, Philip (*Independent Non-Executive Director*)
Mr. Kong Siu Chee (*Independent Non-Executive Director*)

Registered Agent and Registered Office:

Tricor Services (BVI) Limited
2/F Palm Grove House
P.O. Box 3340
Road Town, Tortola
British Virgin Islands

14 April 2010

To: The Shareholders of
CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

Dear Sir/Madam

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

The Directors propose to convene an EGM to be held immediately following the forthcoming AGM on 30 April 2010 to seek the approval of the Shareholders for the proposed renewal of the Share Purchase Mandate. The proposed renewal of the Share Purchase Mandate will be on the same terms as the 2009 Share Purchase Mandate.

The purpose of this Circular is to provide the Shareholders with the relevant information relating to, and to seek the Shareholders' approval for, the proposed renewal of the Share Purchase Mandate to be tabled at the EGM.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 The Proposed Renewal of the Share Purchase Mandate

Shareholders had approved the 2009 Share Purchase Mandate at the 2009 EGM on the terms set out in the circular to shareholders dated 20 November 2009 and the resolution set out in the notice of the 2009 EGM. The 2009 Share Purchase Mandate will expire on 30 April 2010, being the date of the next AGM following the approval of the 2009 Share Purchase Mandate.

Shareholders' approval is now sought for the renewal of the Share Purchase Mandate on the same terms as the 2009 Share Purchase Mandate.

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the BC Act, the Memorandum, the Articles, the Listing Rules and such other laws and regulations as may, for the time being, be applicable.

The Articles provide for the purchase, redemption or acquisition of the Shares by the Company. Such purchase, redemption or acquisition shall be exercisable by the Directors upon such terms and subject to such conditions as the Directors think fit, subject to the BC Act, the Memorandum, and for so long as the Shares are listed on a Designated Stock Exchange (defined in the Articles to include the SGX-ST), the rules and regulations of the Designated Stock Exchange. Under Article 3A, if the Company wishes to purchase, redeem or otherwise acquire the Shares, it should obtain the prior approval of the Shareholders, unless such purchase, redemption or acquisition is permitted by the BC Act or any provision of the Memorandum or the Articles to be effected without such prior approval. Accordingly, approval is being sought from Shareholders at the EGM for the renewal of the Share Purchase Mandate to be given for the purchase, redemption or acquisition by the Company of the Shares. A resolution will be proposed as an ordinary resolution pursuant to which the Share Purchase Mandate will be given to the Directors to exercise all powers of the Company to purchase, redeem or otherwise acquire the Shares on the terms of the Share Purchase Mandate.

If approved by Shareholders at the EGM, the authority conferred by the Share Purchase Mandate will take effect from the date of the EGM and continue in force until the conclusion of the next AGM of the Company or the date by which such AGM is required to be held by law or by the Articles, unless prior thereto, purchases of Shares have been carried out to the full extent mandated or the Share Purchase Mandate is revoked or varied in any general meeting of the Company. The authority may be renewed by the Shareholders in any general meeting.

2.2 Rationale for the proposed renewal of the Share Purchase Mandate

The renewal of the Share Purchase Mandate authorising the Company to purchase, redeem or acquire its Shares would give the Company the flexibility to undertake purchases, redemptions or acquisitions of its Shares up to the 10% limit described in paragraph 2.3.1 below at any time, during the period when the Share Purchase Mandate is in force.

The rationale for the Company to undertake the purchase, redemption or acquisition of its issued Shares is as follows:

- (a) In managing the business of the Group, the management of the Company will strive to increase Shareholders' value by improving, *inter alia*, the ROE of the Company. In addition to growth and expansion of the business, purchases of its Shares may be considered as one of the ways through which the ROE of the Company may be enhanced.
- (b) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its funds and maximising returns to Shareholders. To the extent that the Company has surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner by way of purchasing its issued Shares at prices which are viewed as favourable.
- (c) The Share Purchase Mandate will provide the Company the flexibility to undertake purchases of its Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.
- (d) Share purchases may help mitigate short-term market volatility (by way of stabilising the supply and demand of its issued Shares), offset the effects of short-term speculation, support the fundamental value of the issued Shares and bolster Shareholder confidence.

- (e) If the purchased Shares are held as treasury shares, the Company may have the opportunity to realise a potential gain if these Shares are sold at a higher price than the purchase price.
- (f) Purchased Shares which are retained as treasury shares may be distributed to Shareholders in lieu of cash dividends in connection with a scrip dividend scheme, should the Company adopt such a scheme, and in lieu of issuing new Shares pursuant to the CNTD Management Grant and any conversion of the Convertible Bonds, in accordance with the BC Act and the Articles.
- (g) All things being equal, purchases, redemptions or acquisitions of Shares pursuant to the Share Purchase Mandate will result in a lower number of issued Shares being used for the purpose of computing EPS and BVS, if the purchased Shares are subsequently cancelled or during the period such Shares are held as treasury shares. Therefore, share purchases under the Share Purchase Mandate will improve the Company's EPS and BVS, which in turn is expected to have a positive impact on the fundamental value of its issued Shares.

While the Share Purchase Mandate would authorise purchases, redemptions or acquisitions of Shares up to the said 10% limit during the duration referred to in paragraph 2.3.2 below, Shareholders should note that purchases, redemptions or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised and the purchases, redemptions or acquisitions of Shares pursuant to the Share Purchase Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase, redemption or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.3 Authority and Limitations on the Share Purchase Mandate

The authority and limitations placed on purchases, redemptions or acquisitions of its Shares by the Company under the Share Purchase Mandate are summarised below:

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased, redeemed or acquired by the Company. The total number of Shares which may be purchased, redeemed or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company (ascertained as at the date of the forthcoming EGM at which the Share Purchase Mandate is approved). Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 3,084,891,032 Shares in issue (excluding treasury shares) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, not more than 308,489,103 Shares (representing 10% of the total number of issued Shares of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate during the duration referred to in paragraph 2.3.2 below.

2.3.2 Duration of Authority

Purchases, redemptions or acquisitions of Shares pursuant to the Share Purchase Mandate may be made, at any time and from time to time, on and from the date of the forthcoming EGM, at which the renewal of the Share Purchase Mandate is to be approved, up to:

- (a) the conclusion of the next AGM of the Company;

- (b) the date by which the next AGM is required to be held;
- (c) the date on which the purchases, redemptions or acquisitions of Shares pursuant to the Share Purchase Mandate have been carried out to the full extent mandated; or
- (d) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Purchase Mandate to purchase, redeem or acquire Shares may be renewed at the next AGM or an EGM to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases, redemptions or acquisitions of Shares pursuant to the proposed Share Purchase Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2.3.3 Manner of Purchases, Redemptions or Acquisitions of Shares

Purchases, redemptions or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s) ("**Market Purchase**"), transacted on the SGX-ST through the ready market, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme, as may be determined or formulated by the Directors as they consider fit.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Rules and the BC Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase, redemption or acquisition of Shares shall be made to every person who holds Shares to purchase, redeem or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;

- (3) the reasons for the proposed purchase, redemption or acquisition of Shares;
- (4) the consequences, if any, of the purchases, redemptions or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases, redemptions or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST; and
- (6) details of any purchases, redemptions or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases.

2.3.4 Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases, redemptions or acquisitions of Shares by the Company under the Share Purchase Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases, redemptions or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase, redemption or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five (5) Market Days;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of Purchased Shares**

Under the BC Act, a share purchased, redeemed or acquired by a company incorporated in BVI is treated as cancelled immediately on purchase, redemption or acquisition (and all rights and privileges attached to the share will expire on such cancellation) unless the purchased shares are held as treasury shares. A BVI company may hold shares purchased, redeemed or acquired by it as treasury shares if (a) its memorandum of association or articles of association do not prohibit it

from holding treasury shares; (b) its directors resolve that the shares shall be held as treasury shares; and (c) the number of shares purchased, redeemed or otherwise acquired, when aggregated with shares of the same class already held by the company as treasury shares, does not exceed 50% of the shares of that class previously issued by the company, excluding shares that have been cancelled. Accordingly, under BVI law, the maximum number of treasury shares of a certain class that may be held by the Company at any one time is 50% of the shares of that same class previously issued by the Company, excluding shares that have been cancelled.

Under the Articles, the Company is permitted to purchase, redeem or otherwise acquire and hold its own Shares. Such Shares may be cancelled or held by the Company as treasury shares provided that the Directors resolved that the Shares to be purchased, redeemed or otherwise acquired shall be held as treasury shares and that such Shares, when aggregated with Shares of the same class that are already held as treasury shares, do not exceed 50% of the Shares of that class previously issued by the Company, excluding Shares that have been cancelled.

At the time of each purchase, redemption or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased, redeemed or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time.

2.5 Treasury Shares

Under the BC Act, a company may purchase, redeem or otherwise acquire its own shares. Any or all of the shares so purchased, redeemed or acquired are deemed to be cancelled immediately on purchase, redemption or other acquisition (in which event, the number of company's issued shares will be diminished accordingly by the nominal value of those shares) unless the shares are held as treasury shares. Under the laws of BVI, if a company holds shares as treasury shares, the company shall be entered in the register of members as the member holding the shares but all the rights and obligations attaching to the treasury shares are suspended and shall not be exercised by or against the company while it holds the shares as treasury shares.

No purchase, redemption or acquisition by a company of its own shares regardless whether to be held as treasury shares or to be cancelled may be effected unless the directors are satisfied on reasonable grounds, that the company will, immediately after the purchase, redemption or acquisition, satisfy the solvency test. A company satisfies the solvency test if (a) the value of the company's assets exceeds its liabilities; and (b) it is able to pay its debts as they fall due.

Additionally, a company may not acquire its own shares regardless whether to be held as treasury shares or to be cancelled if, as a result of the acquisition, the company will have less than one (1) member.

Treasury shares may be transferred by the Company and the provisions of the BC Act, the Memorandum and the Articles that apply to the issue of shares would apply to the transfer of treasury shares.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "usage"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage and the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage.

2.6 Reporting Requirements

The Listing Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9:00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and

- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details as the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.7 Source of Funds

The Company may only apply funds for the purchase, redemption or acquisition of its Shares as provided in the Articles and in accordance with the applicable laws in Singapore and BVI. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The BC Act does not specify the funds out of which a company incorporated in BVI as a business company may use to pay the purchase price. Such company may purchase, redeem or otherwise acquire its own shares so long as it is in accordance with the provisions of the BC Act or such other provisions for the purchase, redemption or acquisition as may be specified in the memorandum of association or articles of association of the company, and that the directors of the company are satisfied on reasonable grounds, that the company will, immediately after the purchase, redemption or acquisition, satisfy the solvency test.

The BC Act provides for certain situations in which the solvency test need not be satisfied. For instance, where the company redeems the share or shares pursuant to a right of a shareholder to have his share or shares redeemed or to have his shares exchanged for money or other property of the company.

The Company intends to use internal sources of funds to finance the Company's purchase, redemption or acquisition of Shares pursuant to the Share Purchase Mandate. In purchasing, redeeming or acquiring Shares pursuant to the Share Purchase Mandate, the Directors will principally consider the availability of internal resources. The Directors will only make purchases, redemptions or acquisitions of Shares pursuant to the Share Purchase Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases, redemptions or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased, redeemed or acquired, the source of funds out of which the Company may use to pay the purchase price, the purchase price paid for such Shares and the amount (if any) borrowed by the Company to fund the purchases, redemptions or acquisitions and whether the Shares purchased, redeemed or acquired are cancelled or held as treasury shares.

The Company's total number of issued Shares will be diminished by the aggregate number of Shares purchased by the Company and which are cancelled. The NTA of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

Where the consideration paid by the Company for the purchase, redemption or acquisition of Shares is made out of profits, such consideration (excluding related brokerages, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase, redemption or acquisition of Shares is made out of the funds received by the Company from the Shareholders as consideration for the Shares allotted and issued to them, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase, redemption or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Purchase Mandate will be exercised with a view to enhancing the EPS and/or the NTA value per Share.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2009 are based on the assumptions set out below:

- (a) based on 3,084,891,032 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, not more than 308,489,103 Shares (representing 10% of the total number of issued Shares as at that date) may be purchased by the Company pursuant to the Share Purchase Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 308,489,103 Shares at the Maximum Price of S\$0.1218 for one (1) Share (being the price equivalent to five per cent. (5%) above the Average Closing Price of the Shares for the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 308,489,103 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$37,573,973, or RMB183,521,804; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 308,489,103 Shares at the Maximum Price of S\$0.138 for one (1) Share (being the price equivalent to 20% above the Highest Last Deal Price of the Shares on the Market Day on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 308,489,103 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$42,571,496 or RMB207,931,108.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that (i) the purchase, redemption or acquisition of Shares is financed by internal sources of funds; and (ii) the Company had purchased, redeemed or acquired 308,489,103 Shares (representing 10% of its total number of issued Shares at the Latest Practicable Date, excluding treasury shares) on 31 December 2009, the financial effects of the purchase, redemption or acquisition of 308,489,103 Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made (1) entirely out of the funds received by the Company from the Shareholders as consideration for the Shares allotted and issued to them and held as treasury shares; and (2) entirely out of the funds received by the Company from the Shareholders as consideration for the Shares allotted and issued to them and cancelled, on the audited financial statements of the Company and the Group for the financial year ended 31 December 2009 are set out below:

(1) Purchases made entirely out of funds received by the Company from the Shareholders as consideration for the Shares allotted and issued to them and held as treasury shares

(A) Market Purchases

As at 31 December 2009	Group Before Share Purchase (RMB'000)	Group After Share Purchase (RMB'000)	Company Before Share Purchase (RMB'000)	Company After Share Purchase (RMB'000)
Profit/(loss) after tax and minority interest	166,630	166,630	(30,314)	(30,314)
Share capital	2,497,385	2,497,385	2,497,385	2,497,385
Other reserves	749,001	749,001	2,082,414	2,082,414
Retained earnings/ accumulated loss	(836,166)	(836,166)	(1,580,229)	(1,580,229)
Treasury shares	(37,294)	(220,816)	(37,294)	(220,816)
Shareholders' funds	2,372,926	2,189,404	2,962,276	2,778,754
NTA	2,244,319	2,060,797	2,962,276	2,778,754
Minority interest	436,231	436,231	–	–
Current assets	6,061,486	5,877,964	267,429	267,429
Current liabilities	3,259,187	3,259,187	131,702	315,224
Total borrowings	2,383,769	2,383,769	226,769	226,769
Number of issued Shares	3,084,891,032	2,776,401,929	3,084,891,032	2,776,401,929
Number of treasury shares	55,768,000	364,257,103	55,768,000	364,257,103
<u>Financial Ratios</u>				
NTA per Share (cents)	72.75	74.23	96.03	100.08
Gearing ratio (%)	53.55%	57.15%	8.06%	13.75%
Current ratio (times)	1.86	1.80	2.03	0.85
EPS (cents)	5.40	6.00	(0.98)	(1.09)

(B) Off-Market Purchases

As at 31 December 2009	Group Before Share Purchase (RMB'000)	Group After Share Purchase (RMB'000)	Company Before Share Purchase (RMB'000)	Company After Share Purchase (RMB'000)
Profit/(loss) after tax and minority interest	166,630	166,630	(30,314)	(30,314)
Share capital	2,497,385	2,497,385	2,497,385	2,497,385
Other reserves	749,001	749,001	2,082,414	2,082,414
Retained earnings/ accumulated loss	(836,166)	(836,166)	(1,580,229)	(1,580,229)
Treasury shares	(37,294)	(245,225)	(37,294)	(245,225)
Shareholders' funds	2,372,926	2,164,995	2,962,276	2,754,345
NTA	2,244,319	2,036,388	2,962,276	2,754,345
Minority interest	436,231	436,231	–	–
Current assets	6,061,486	5,853,555	267,429	267,429
Current liabilities	3,259,187	3,259,187	131,702	339,633
Total borrowings	2,383,769	2,383,769	226,769	226,769
Number of issued Shares	3,084,891,032	2,776,401,929	3,084,891,032	2,776,401,929
Number of treasury shares	55,768,000	364,257,103	55,768,000	364,257,103
<u>Financial Ratios</u>				
NTA per Share (cents)	72.75	73.35	96.03	99.21
Gearing ratio (%)	53.55%	57.62%	8.06%	14.51%
Current ratio (times)	1.86	1.80	2.03	0.79
EPS (cents)	5.40	6.00	(0.98)	(1.09)

(2) Purchases made entirely out of funds received by the Company from the Shareholders as consideration for the Shares allotted and issued to them and cancelled

(A) Market Purchases

As at 31 December 2009	Group Before Share Purchase (RMB'000)	Group After Share Purchase (RMB'000)	Company Before Share Purchase (RMB'000)	Company After Share Purchase (RMB'000)
Profit/(loss) after tax and minority interest	166,630	166,630	(30,314)	(30,314)
Share capital	2,497,385	2,313,863	2,497,385	2,313,863
Other reserves	749,001	749,001	2,082,414	2,082,414
Retained earnings/ accumulated loss	(836,166)	(836,166)	(1,580,229)	(1,580,229)
Treasury shares	(37,294)	(37,294)	(37,294)	(37,294)
Shareholders' funds	2,372,926	2,189,404	2,962,276	2,778,754
NTA	2,244,319	2,060,797	2,962,276	2,778,754
Minority interest	436,231	436,231	–	–
Current assets	6,061,486	5,877,964	267,429	267,429
Current liabilities	3,259,187	3,259,187	131,702	315,224
Total borrowings	2,383,769	2,383,769	226,769	226,769
Number of issued Shares	3,084,891,032	2,776,401,929	3,084,891,032	2,776,401,929
Number of treasury shares	55,768,000	55,768,000	55,768,000	55,768,000
Financial Ratios				
NTA per Share (cents)	72.75	74.23	96.03	100.08
Gearing ratio (%)	53.55%	57.15%	8.06%	13.75%
Current ratio (times)	1.86	1.80	2.03	0.85
EPS (cents)	5.40	6.00	(0.98)	(1.09)

(B) Off-Market Purchases

As at 31 December 2009	Group Before Share Purchase (RMB'000)	Group After Share Purchase (RMB'000)	Company Before Share Purchase (RMB'000)	Company After Share Purchase (RMB'000)
Profit/(loss) after tax and minority interest	166,630	166,630	(30,314)	(30,314)
Share capital	2,497,385	2,289,454	2,497,385	2,289,454
Other reserves	749,001	749,001	2,082,414	2,082,414
Retained earnings/ accumulated loss	(836,166)	(836,166)	(1,580,229)	(1,580,229)
Treasury shares	(37,294)	(37,294)	(37,294)	(37,294)
Shareholders' funds	2,372,926	2,164,995	2,962,276	2,754,345
NTA	2,244,319	2,036,388	2,962,276	2,754,345
Minority interest	436,231	436,231	–	–
Current assets	6,061,486	5,853,555	267,429	267,429
Current liabilities	3,259,187	3,259,187	131,702	339,633
Total borrowings	2,383,769	2,383,769	226,769	226,769
Number of issued Shares	3,084,891,032	2,776,401,929	3,084,891,032	2,776,401,929
Number of treasury shares	55,768,000	55,768,000	55,768,000	55,768,000
<u>Financial Ratios</u>				
NTA per Share (cents)	72.75	73.35	96.03	99.21
Gearing ratio (%)	53.55%	57.62%	8.06%	14.51%
Current ratio (times)	1.86	1.80	2.03	0.79
EPS (cents)	5.40	6.00	(0.98)	(1.09)

Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although a renewal of the Share Purchase Mandate would authorise the Company to purchase, redeem or acquire up to 10% of its total number of issued Shares, the Company may not necessarily purchase, redeem or acquire or be able to purchase, redeem or acquire the entire 10% of its total number of issued Shares. In addition, the Company may cancel all or part of the purchased Shares or hold all or part of the purchased Shares in treasury.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from a renewal of the Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.9 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of Shares, the proportionate interest in the voting capital of the Company of a Shareholder and person acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

2.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's issued shares;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 Application of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its issued Shares, the voting rights of such Directors and the persons acting in concert with them would increase to 30% or more, or in the event that such Directors and the persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than one per cent. (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company buying back its issued Shares, the voting rights of the Shareholder will increase to 30% or more, or, if he holds between 30% and 50% of the Company's voting rights, his voting rights increase by more than one per cent. (1%) in any period of six (6) months as a result of the Company buying back its Shares.

In addition, under Appendix 2 of the Takeover Code, a Shareholder and persons acting in concert with him will incur an obligation to make a take-over offer after a Share purchase or acquisition if, *inter alia*, their voting rights increase to 30% or more as a result of a Share purchase or acquisition by the Company and they acquire any Shares between the date of the notice of resolution to authorise the Share Purchase Mandate and the next AGM of the Company, or, if they already hold between 30% and 50% of the Company's voting rights and as a result of a Share purchase or acquisition by the Company their voting rights increase by more than one per cent. (1%) in any period of six (6) months and they acquire Shares between the date of the notice of resolution to authorise the Share Purchase Mandate and the next AGM of the Company.

Based on the shareholdings of the Directors in the Company as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer by reason only of the buy-back of 308,489,103 Shares by the Company pursuant to a renewal of the Share Purchase Mandate.

The Directors are not aware of any other fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, persons acting in concert such that their respective interests in voting shares of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to a renewal of the Share Purchase Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to a renewal of the Share Purchase Mandate are advised to consult their own professional advisors and/or the SIC before they acquire any Shares at the earliest opportunity.

2.10 Listing Rules

While the Listing Rules do not expressly prohibit the purchase or acquisition of shares by a listed company during any particular time or times, the listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to a renewal of the Share Purchase Mandate after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) one (1) month immediately preceding the announcement of the Company’s annual results; and
- (b) two (2) weeks immediately preceding the announcement of the Company’s results for each of the first three (3) quarters of its financial year.

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares are in the hands of the public. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, Substantial Shareholders or controlling shareholders of the Company and its Subsidiaries, as well as the associates of such persons.

Based on the Register of Directors’ shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 860,940,480 Shares, representing 27.91% of the total number of issued Shares, are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 552,451,377 Shares, representing 19.90% of the reduced total number of issued Shares of the Company. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11 Previous Share Purchases

In the last 12 months immediately preceding the Latest Practicable Date, the Company purchased or acquired 55,168,000 Shares, by way of Market Purchases, pursuant to the 2009 Share Purchase Mandate approved by the Shareholders at the 2009 EGM. The highest and lowest price paid was S\$0.14 and S\$0.135 per Share, respectively. The total consideration paid for all the purchases was approximately S\$7.58 million (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses).

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 Directors' Interests

The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

	Shareholdings as at Latest Practicable Date [@]				Shareholdings after Conversion [*]			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Shi Jian ⁽¹⁾	-	-	1,544,696,064	50.07	-	-	2,298,841,958	59.53
Li Yao Min ⁽²⁾	592,500	0.02	5,332,500	0.17	5,925,000	0.15	-	-
Yue Wai Leung, Stan ⁽²⁾	-	-	5,332,500	0.17	5,332,500	0.14	-	-
Gu Bi Ya ⁽²⁾	300,000	0.01	2,700,000	0.09	3,000,000	0.08	-	-
Mao Yi Ping ⁽²⁾	247,500	0.01	2,227,500	0.07	2,475,000	0.06	-	-
Shi Janson Bing	-	-	-	-	-	-	-	-
Lam Bing Lun, Philip	-	-	-	-	-	-	-	-
Kong Siu Chee	-	-	-	-	-	-	-	-
Yang Yong Gang ⁽²⁾	510,000	0.02	4,590,000	0.15	5,100,000	0.13	-	-
Henry Tan Song Kok	100,000	0.00	-	-	100,000	0.00	-	-
Loh Weng Whye	700,000	0.02	-	-	700,000	0.02	-	-

3.2 Substantial Shareholders' Interests

The interests of the Substantial Shareholders in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

	Shareholdings as at Latest Practicable Date [@]				Shareholdings after Conversion [*]			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Substantial Shareholders								
Sinopower Investment Limited ⁽⁵⁾	1,544,696,064	50.07	-	-	2,298,841,958	59.53	-	-
SRE Group Limited ⁽³⁾⁽⁵⁾	-	-	1,544,696,064	50.07	-	-	2,298,841,958	59.53
SRE Investment Holding Limited ⁽⁴⁾⁽⁵⁾	-	-	1,544,696,064	50.07	-	-	2,298,841,958	59.53
Shi Jian ⁽¹⁾⁽⁵⁾	-	-	1,544,696,064	50.07	-	-	2,298,841,958	59.53
OZ Master Fund, Ltd.)	-	-	521,897,037 ⁽⁶⁾	16.92	-	-	521,897,037	13.52
OZ Asia Master Fund, Ltd.)								
OZ Management, L.P.)								
Och-Ziff Holding Corporation)								
Och Ziff Capital Management Group, LLC)								
Daniel Saul Och)								
Forum Asian Realty Income II L.P.)	-	-	154,607,451 ⁽⁷⁾	5.01	-	-	154,607,451	4.00
Forum Asian Realty Income II GP Limited)								
Forum Partners Investment Management, L.L.C.)								
Russell C. Platt)								

Notes:

[@] The percentage interest is calculated based on the total number of Shares issued as at the Latest Practicable Date, being 3,084,891,032 Shares.

^{*} The percentage interest is calculated based on the assumption of full conversion of the Convertible Bonds and that all the Shares granted pursuant to the CNTD Management Grant are vested.

(1) Mr. Shi Jian is deemed to be interested in 1,544,696,064 Shares by virtue of the fact that he is a controlling shareholder of SRE Group Limited ("**SRE Group**") through SRE Investment Holding Limited ("**SRE Investment**"), which is in turn deemed to be interested in Sinopower Investment Limited's ("**Sinopower**") entire shareholding in the Company.

(2) Deemed interest in the Company through the Shares to be allotted and issued to him pursuant to the CNTD Management Grant.

(3) SRE Group is deemed to be interested in the 1,544,696,064 Shares held by Sinopower by virtue of the fact that Sinopower is a wholly-owned subsidiary of SRE Group.

(4) SRE Investment is deemed to be interested in the 1,544,696,064 Shares held by Sinopower by virtue of the fact that it is a controlling shareholder of SRE Group, which is in turn deemed to be interested in Sinopower's entire shareholding in the Company.

(5) Deemed interest in the Company through the Shares to be allotted and issued to them upon full conversion of the Convertible Bonds.

- (6) OZ Master Fund, Ltd. ("**Fund A**"), OZ Asia Master Fund, Ltd. ("**Fund B**") and OZ Global Special Investments Master Fund, Ltd. (collectively with Fund A and Fund B, "**Funds**") hold an aggregate of 235,238,245 Shares, 227,357,070 Shares and 59,301,722 Shares representing 7.63%, 7.37% and 1.92% respectively of the total number of issued Shares. In total, therefore, the Funds hold 521,897,037 Shares, representing 16.92% of the total number of issued Shares.

As each of Fund A and Fund B holds 5% or more of the total number of issued Shares, both are Substantial Shareholders.

OZ Management, L.P. ("**OZM**") manages the investments of the Funds on a discretionary basis. By virtue of this, OZM has a deemed interest in, and is a Substantial Shareholder in respect of, all the 521,897,037 Shares held by the Funds, representing 16.92% of the total number of issued Shares.

Och-Ziff Holding Corporation ("**OZH**") is the sole general partner of, and is authorised to manage and represent OZM. By virtue of this, OZH, through OZM, has a deemed interest in, and is a Substantial Shareholder in respect of, all the 521,897,037 Shares held by the Funds, representing 16.92% of the total number of issued Shares.

Och-Ziff Capital Management Group, LLC ("**OZCM**") is the sole shareholder in OZH. By virtue of this, OZCM, through OZH and in turn OZM, has a deemed interest in, and is a Substantial Shareholder in respect of, all the 521,897,037 Shares held by the Funds, representing 16.92% of the total number of issued Shares.

Daniel Saul Och ("**DSO**") holds not less than 20% of the voting rights in OZCM. By virtue of this, DSO, through OZCM and in turn OZH and OZM, has a deemed interest in, and is a Substantial Shareholder in respect of, all the 521,897,037 Shares held by the Funds, representing 16.92% of the total number of issued Shares.

Raffles Nominees (Pte) Ltd is the registered holder for the 521,897,037 Shares.

- (7) Forum Asian Realty Income II L.P. ("**FARI II LP**") holds a total of 154,607,451 Shares representing 5.01% of the total number of issued Shares. FARI II LP therefore, holds more than 5% of the total number of issued Shares and is a Substantial Shareholder.

Forum Asian Realty Income II GP Limited ("**FARI II GP**") is the general partner of, and is authorised to manage and represent FARI II LP. By virtue of this, FARI II GP has a deemed interest in, and is a Substantial Shareholder in respect of, all the 154,607,451 Shares held by FARI II LP, representing 5.01% of the total number of issued Shares.

Forum Partners Investment Management, L.L.C. ("**FPIM**") holds all the issued shares in FARI II GP. By virtue of this, FPIM, through FARI II GP, has a deemed interest in, and is a Substantial Shareholder in respect of, all the 154,607,451 Shares held by FARI II LP, representing 5.01% of the total number of issued Shares.

Russell C. Platt ("**RCP**") holds not less than 20% of the issued share capital in FPIM. By virtue of this, RCP, through FPIM and in turn FARI II GP, has a deemed interest in, and is a Substantial Shareholder in respect of, all the 154,607,451 Shares held by FARI II LP, representing 5.01% of the total number of issued Shares.

Citibank Nominees Singapore Pte. Ltd. is the registered holder for the 154,607,451 Shares.

4. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate as set out in the Notice of EGM.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 24 to 26 of this Circular, will be held at Pan Pacific Singapore, Ocean 11, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 30 April 2010 at 10:15 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 9:15 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolution set out in the Notice of the EGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with this Circular, a proxy form ("**Shareholder Proxy Form**") which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of the Company's Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services, at 8 Cross Street, #11-00 PWC Building, Singapore 048424, not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of a Shareholder Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy/proxies if he finds that he is able to do so. No further action is required on the part of the Shareholders.

Depositors who wish to attend and vote at the EGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the EGM supplied by CDP to the Company, may attend as CDP's proxies. Such Depositors who are individuals and who wish to attend the EGM in person need not take any further action and can attend and vote at the EGM without the lodgement of any proxy form. Such Depositors who are unable to attend personally and wish to appoint a nominee to attend and vote on his behalf as proxy of the CDP, and such Depositors which are not individuals, will find enclosed with this Circular, a proxy form ("**Depositor Proxy Form**") which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event, so as to reach the office of the Company's Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services, at 8 Cross Street, #11-00 PWC Building, Singapore 048424, not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of a Depositor Proxy Form by a Depositor does not preclude him from attending and voting in person at the EGM in place of his nominee if he finds he is able to do so.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date hereof and that there are no material facts the omission of which would make any statement in this Circular misleading.

Where information has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services, at 8 Cross Street, #11-00 PWC Building, Singapore 048424 during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the Memorandum and Articles; and
- (b) the Annual Report of the Company for the financial year ended 31 December 2009.

Yours faithfully

For and on behalf of the Board of Directors of

CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

Li Yao Min

Chief Executive Officer / Executive Director

CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

中國新城鎮發展有限公司

(Incorporated as a business company limited by shares in the British Virgin Islands)
(Company Registration Number: 1003373)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING ("**EGM**") of CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED (the "**Company**") will be held at Pan Pacific Singapore, Ocean 11, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 30 April 2010 at 10:15 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:15 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications the following resolution:

ORDINARY RESOLUTION RELATING TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

That:

- (1) pursuant to Article 3A of the Company's articles of association, the exercise by the directors of the Company (the "**Directors**") of all the powers of the Company to purchase, redeem or otherwise acquire the ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (a) on-market purchase(s) ("**Market Purchase**"), transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through the ready market, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme, as may be determined or formulated by the Directors as they consider fit,

which scheme(s) shall satisfy all conditions prescribed by the BVI Business Companies Act 2004 (as amended) (the "**BC Act**"), and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the BC Act and listing rules of the SGX-ST (the "**Listing Rules**") as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (2) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this ordinary resolution and expiring on:

- (a) the conclusion of the next annual general meeting of the Company ("**AGM**");
- (b) the date by which the next AGM is required to be held;
- (c) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate have been carried out to the full extent mandated; or
- (d) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest;

(3) in this ordinary resolution:

“Maximum Limit” means that number of issued shares representing 10% of the total number of issued ordinary Shares of the Company as at the date of the passing of this ordinary resolution;

“Maximum Price”, in relation to a Share to be purchased, redeemed or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (hereinafter defined); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days (a **“Market Day”** being a day on which the SGX-ST is open for trading in securities) on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five-day period;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the SGX-ST on the market day on which there were trades in the Shares immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase;

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Depositor”, **“Depository”** and **“Depository Agent”** shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act (Chapter 50 of Singapore) or any statutory modification thereof, as the case may be; and

“Shareholder” means a duly registered holder from time to time of the shares in the capital of the Company; and

- (4) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this ordinary resolution.

By Order of the Board

CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED

Low Siew Tian

Company Secretary

Singapore, 14 April 2010

Notes:

1. A Shareholder of the Company (other than the Depository) entitled to attend and vote at the EGM who is the holder of two (2) or more shares is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a Shareholder of the Company.
2. Depositors whose names appear in the Depository Register (as defined in Section 130A of the Companies Act (Chapter 50 of Singapore)) and who are unable to attend personally but wish to appoint a nominee to attend and vote on their behalf, and such Depositors who are not individuals, should complete the enclosed Depositor Proxy Form and lodge the same at the office of the Company's Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services, at 8 Cross Street, #11-00 PWC Building, Singapore 048424 not less than 48 hours before the time appointed for the holding of the EGM.
3. If a Shareholder wishes to appoint a proxy or proxies, then the enclosed Shareholder Proxy Form must be completed and deposited at the office of the Company's Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services, at 8 Cross Street, #11-00 PWC Building, Singapore 048424 not less than 48 hours before the time appointed for the holding of the EGM.
4. Where a Shareholder appoints more than one (1) proxy or more than one (1) appointee as the Depository's proxies, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy or appointee, as the case may be.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its officer, attorney or other person authorised to sign the same.