

**China New Town Development Co. Ltd**

**中国新城镇发展有限公司**

Listed on The Mainboard of The Singapore Exchange (SGX-ST)

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For Immediate Release

# China New Town Well Positioned To Ride Out Economic Downturn

- ▶ Five residential plots contributed RMB 790 million of revenue to the Group for the nine month ended 30 September 2008
- ▶ Cash and cash equivalents approximately RMB 226 million
- ▶ PRC government's stimulus package to boost sentiments of home buyers

**Singapore, 13 November 2008** – China New Town Development Company Limited (“CNTD” or the “Company”) announced its 3Q08 results, posting a 124% jump in revenue to RMB 800.8 million for the nine months ended 30 September 2008 (“9M08”).

## Financial and Operations Overview

CNTD's performance is primarily determined by how fast they can turnover the land allotted by the government and achieved the selling prices at public auction of land use right.

## Financial Highlights

RMB'000	9M08	9M07	% Change
Revenue	800,754	356,844	124%
Gross Profit	472,927	165,937	185%
Cash and cash equivalents at the end of period	226,349	717,248	-
Net asset value per ordinary share (RMB)	1.6602	2.3922	-



During the period concerned, the Company has handed over one residential plot from its Shanghai project in January 2008, two residential plots from its Shenyang project in March 2008 and two residential plots from its Shanghai project in June and August 2008 for public listing.

In addition, the Company has also handed over two additional residential cum commercial plots from its Shenyang project in October 2008.

The net finance costs were reduced by 38% for the first 9 months as a result of increasing capitalization of interest expenses in line with increasing construction. The extent of capitalization will rise further over time as more funds are put to construction works.

During 9M08, the Company have repaid RMB 52 million loan for its Shanghai project and reached arrangements with the Agricultural Bank of China, to renew the principal annually at the end of every calendar year.

Cash and cash equivalents stood at RMB 226.3 million at the end of the period.

### **Prospects and future plans**

The PRC government has introduced various stimulating measures in recent months to maintain the stability of economy. In October 2008, the PRC government further relaxed various austerity measures including reduction of transaction costs to home buyers, temporary exemption of land appreciation tax, etc specific to the property development sector.

China's rapid pace of urbanisation has created business opportunities for township developers, in particular around the major cities. This is evident in China's urbanisation rate, with an urban population of 577m in 2006 from 481m in 2001. The urbanisation of China is characterised by the development of new towns, a rise in urban population and developed transport infrastructure.

Urban population reached 580m in 2006 and is likely to increase to 690m by 2015. Rural population migration causes a nation-wide wave of new town development and is the main factor stimulating rising land prices/sales across China.

Mr Stan Yue, Chief Executive Officer of **CNTD** commented, " The recent RMB 4 trillion stimulus package focuses on improving the rural infrastructure. This will accelerate the urbanization development in the second tier cities, which will indirectly benefit the Company. We have mitigated the refinancing issue with the buyback of our convertible bonds. Compared to our industry peers, we have accumulated cash reserves to ride out this economic downturn."

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## **About China New Town Development Company Limited**

China New Town Development Company Limited (“CNTD” or the “Company”) is a leading new town developer in the PRC. By working closely with local governments, CNTD is principally engaged in the planning and development of large-scale new town projects of at least 5 million square metres. The Company mainly focuses on developing new towns that are located in the suburban areas of China’s major cities.

The Company also develops, manages and operates commercial properties such as hotels, convention centres; and public amenities such as recreational parks and museums within the new town developments.

At listing, the Company had three new town projects: Shanghai Luodian New Town Project, Wuxi Hongshan New Town Project and Shenyang Lixiang New Town Project. More recently, it has invested into its fourth new town project in November 2007 when it signed a letter of intent to undertake the development of Changchun Automobile New Town.

CNTD launched its Initial Public Offering (“IPO”) in Singapore in November 2007 and is the first China-based new town developer that is listed on the Singapore Exchange. The IPO of the Company’s shares was jointly sponsored by Citigroup Global Markets Singapore Pte. Ltd. and Deutsche Bank AG, Singapore Branch.

For more information about CNTD, please visit the Company’s website (<http://www.china-newtown.com>).

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