



For Immediate Release

China New Town Development achieves net profit of RMB 101 million for 1Q2008

- Three residential land plots sold in 1Q2008, revenue increased by 24 per cent to RMB 383 million

22 April 2008, Singapore - China New Town Development Company Limited (中国新城镇发展有限公司) (“CNTD”, or the “Group”), a leading new town developer in the People’s Republic of China (“PRC”), today announced that for the first quarter ended 31 March 2008 (“1Q2008”), the Group achieved net profit of RMB 101.0 million (S\$19.5 million) on revenue of RMB 383.1 (S\$74.1 million).

Summary of results

	1Q2008 <i>RMB 'million</i>	1Q2007 <i>RMB 'million</i>	Change %
Revenue	383.1	309.1	24
Gross profit	237.5	160.1	48
Profit before tax	141.7	122.8	15
Net profit	101.0	97.8	3
EPS* (RMB cents)	7.57	6.09	24

** on a fully diluted basis*

CNTD completed the sale of one residential plot in Shanghai and two residential plots in Shenyang in 1Q2008, and the Group recognised revenue of RMB 330 million and RMB 43.6 million respectively from the sales. An additional RMB 82.4 million of revenue from the sale of the Shenyang land plots was deferred. The Group also expects to recognise a portion of the RMB 69.2 million revenue from a residential land plot in Wuxi that was sold in 2007 in 2Q2008.

In addition to the residential land parcels, the Group sold one commercial land parcel in Wuxi in 1Q2008. However as the land was purchased by the project company itself for the construction of a hotel, the Group did not recognise revenue from the sale of the commercial plot.

Commenting on the land sales, Mr Ben Cheng (郑卫豪), Chief Financial Officer of the Company, said, “Despite the delay in land supply due to the strict implementation of austerity measures by



the China government, demand for developable land parcels in our projects remained resilient, as evidenced by the recently achieved land use rights selling price of RMB 3,500 per square meter (“psm”) in Shanghai in 1Q2008 (as compared to RMB 2,980 psm achieved for a land plot in Shanghai sold in January 2007). Through the sale of three residential land plots this quarter, we achieved a 24 per cent rise in revenue in 1Q2008 as compared to 1Q2007. Group net profit for 1Q2008 was RMB 101.0 million, 3 per cent higher than 1Q2007 net profit. However if we deduct the one-off refund of RMB 46.5 million received from the PRC government in 1Q2007 for interest expenses that the Group incurred in connection with the development of the General Public Facilities Projects, net profit in 1Q2007 would have been RMB 51.3 million, which means that net profit in 1Q2008 has almost doubled from 1Q2007.”

While the credit market in China remains tight, anecdotal evidence such as the rekindled initiatives by various governments to expedite new town development in tier two cities including Tianjin and Haikou and tier one cities like Beijing and Shanghai, show the softened stance in the control of land supply. Project financing is limited but banks remain supportive of CNTD's new town development projects, as illustrated by the renewal of the RMB 1.6 billion facility for the Group's Shanghai project.

Mr Cheng added, “A more thorough review of the existing Land Administrative Laws is actively underway. We believe that our business model will gain increasing popularity among various township governments with the standardisation of the governing laws and industry practice, coupled with CNTD's track record and experience in development of new town.”

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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>).

Issued for and on behalf of China New Town Development Company Limited

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Note

CNTD’s financial statements are denominated in RMB. Singapore dollar equivalents provided for the purposes of this release were converted based on a currency exchange rate of S\$1 to RMB5.17345.