



Ninetowns (NASDAQ: NINE) is a leading provider of online solutions for international trade, with key services in automating import / export e-filing, as well as in operating tootoo.com, the leading B2B search and service provider for international trade.

NASDAQ : NINE



Shuang Wang
Chief Executive Officer

"As we approach the end of 2008, I would like to thank our shareholders for their tremendous support and understanding as we continue to execute our strategic initiatives of client retention, cost control and long-term growth investments.

From all of us at Ninetowns, I wish you a happy holiday season and a prosperous New Year. Starting in 2009, we will continue to update the investment community by issuing the newsletter on a quarterly basis. Please feel free to contact our IR team directly for any request."

Increased Export Tax Refund

- The PRC government has decided to increase the export tax refund starting Dec 1, 2008 in order to help the SMEs sector. This new tax refund will benefit approximately 3,770 items, such as machinery and electric applications, representing about 28% of the total exported products.
- This is the third time in 2008 that the PRC government has increased the export tax refund in order to help SMEs. In the previous cases, the PRC government increased the export tax refund from 11% to 14% for certain products including textiles and toys.
- In addition, the PRC government has decided to remove export tariffs on certain products including steel products, chemicals and food, as well as to reduce export tariffs of some products such as chemical fertilizers.

PRC Government Stimulus Package

- An estimated 4 trillion Yuan (~US\$570 billion) is planned to be spent over the next two years to finance programs in 10 major areas, such as low income housing, rural infrastructure, water, electricity, etc. (4 trillion Yuan is about equivalent to one third of PRC's total fixed asset investment in 2007.)
- The plan includes a comprehensive reform in value-added taxes, potentially cutting industry costs by 120 billion Yuan (~US\$175 million)
- Commercial banks' credit ceiling to be abolished to stimulate lending to priority projects, rural areas, smaller enterprises, etc.

Voting Results of Ninetowns 2008 AGM: All Resolutions Passed

- To appoint GHP Horwath, P.C. as the company's independent auditors to audit the Company's financial statements for the fiscal year ending December 31, 2008 and to fix the remuneration of GHP Horwath, P.C. for such services.
- To adopt the audited statement of accounts and the report of Deloitte Touche Tohmatsu for the fiscal year ended December 31, 2007 as presented to the shareholders.
- To approve aggregate compensation for the Board for the fiscal year ended December 31, 2007 be RMB2,800,000 and to future delegate authority to the compensation committee of the Board to fix the remuneration of the Board for the fiscal year ending December 31, 2008.

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