

CENTRALAND LIMITED

Full Year Financial Statement and Dividend Announcement for the Period Ended 31 December 2007

The initial public offering of the Company's shares was sponsored by Boulton Capital Asia Pte. Limited (the "Issue Manager"). The Issue Manager assumes no responsibility for the contents of this announcement.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Group</u>		
	Year	Year	%
	ended	ended	
	31.12.2007	31.12.2006	change
	(Unaudited)	(Audited)	
	RMB'000	RMB'000	+ / (-)
Revenue	291,894	276,468	5.6
Cost of sales	<u>(139,031)</u>	<u>(98,968)</u>	40.5
Gross profit	152,863	177,500	(13.9)
Other income	8,194	3,870	111.7
Selling expenses	(8,687)	(6,671)	30.2
Administrative expenses	(32,938)	(21,965)	50.0
Other operating expenses	<u>(2,430)</u>	<u>(550)</u>	341.8
Profit from operations	117,002	152,184	(23.1)
Finance costs	<u>(1,791)</u>	<u>(488)</u>	267.0
Profit before taxation	115,211	151,696	(24.1)
Income tax expenses	<u>(68,695)</u>	<u>(97,193)</u>	(29.3)
Profit for the year	<u>46,516</u>	<u>54,503</u>	(14.7)
Attributable to:			
Equity holders of the Company	41,138	45,431	(9.4)
Minority interests	5,378	9,072	(40.7)
	<u>46,516</u>	<u>54,503</u>	

Notes:

1. The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda on 28 September 2007. The principal activity of the Company is investment holding.

2. On 12 December 2007, the Company completed its restructuring exercise as set out in the Company's prospectus dated 22 January 2008 (the "Restructuring Exercise") to rationalise the structure of the Group in preparation for the initial public offering of the Company's shares on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Subsequently on 1 February 2007, the Company was officially listed on the SGX-ST.
3. For the purpose of this announcement, the consolidated financial information had been prepared by adopting the uniting of interests method of accounting as a result of the Restructuring Exercise completed on 12 December 2007 involving the entities under common control, with the exception of (i) Henan Jinzhi Establishment Company Limited was acquired by the Group on 21 November 2006 (the "Acquired Interests"); (ii) Henan Guoling Hotspring Vacation Hotel Management Co., Ltd. was disposed of by the Group on 23 June 2007; and (iii) Everwell International Holdings Limited acquired the remaining 20% equity interests in Zhengzhou Huanghe Great View Royal Garden Company Limited (the "Additional Interests"). Consequently, immediately after the Restructuring Exercise, there was a continuation of the risks and benefits to the ultimate shareholders that existed prior to the Restructuring Exercise. Accordingly, the consolidated financial information of the Group have been prepared by adopting the uniting of interests method of accounting except for the Acquired Interests which was accounted for using the purchase method and Additional Interests which was accounted for as the Group's interests since the dates of acquisitions. Under the uniting of interests method, the Company has been treated as the holding company of its subsidiaries for the financial years presented rather than from the date of acquisition of the subsidiaries. Accordingly, the consolidated results of the Group have been prepared as if the Company has always been the holding company of the Group. The results of the Group therefore included the results of the Company and its subsidiaries with effect from 1 January 2006 or since their respective dates of incorporation/establishment/acquisition, where this is a shorter period. In the opinion of the directors, the consolidated financial statements prepared on the above basis present more fairly the results, cash flows and financial positions of the Group as a whole.

The Group's profit before taxation is arrived at after charging:

	<u>Group</u>	
	Year ended 31.12.2007 (Unaudited)	Year ended 31.12.2006 (Audited)
	<u>RMB'000</u>	<u>RMB'000</u>
Cost of properties held for sale recognised as expense	124,843	85,103
Depreciation	7,852	3,747
Amortisation of land use rights	11	11
Exchange loss	1,340	-

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	<u>Group</u>		<u>Company</u>
	31.12.2007 (Unaudited)	31.12.2006 (Audited)	31.12.2007 (Unaudited)
	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Investments in subsidiaries	-	-	576,857
Property, plant and equipment	172,385	178,176	-
Investment properties	47,180	40,042	-
Land use rights	603	614	-
Goodwill	38,703	38,703	-
Deferred tax assets	26,104	18,430	-
	<u>284,975</u>	<u>275,965</u>	<u>576,857</u>
Current assets			
Deposits paid	113,123	169,375	-
Properties held for development	95,029	35,061	-
Properties held under development	160,129	106,286	-
Properties held for sale	30,784	98,062	-
Trade receivables	-	4,470	-
Prepayments and other receivables	22,620	16,118	-
Prepayment of land appreciation tax	71,229	-	-
Due from a shareholder	-	409,734	-
Restricted bank deposits	15,696	10,693	-
Cash and bank balances	662,557	61,460	-
	<u>1,171,167</u>	<u>911,259</u>	<u>-</u>
Current liabilities			
Trade and bills payables	5,519	2,442	-
Accruals and other payables	26,391	138,386	-
Receipts in advance	635,879	99,087	-
Interest-bearing bank and other borrowings	40,000	237,000	-
Tax payable	171,496	112,193	-
	<u>879,285</u>	<u>589,108</u>	<u>-</u>
Net current assets	<u>291,882</u>	<u>322,151</u>	<u>-</u>
Total assets less current liabilities / Net assets	<u><u>576,857</u></u>	<u><u>598,116</u></u>	<u><u>576,857</u></u>
EQUITY			
Equity attributable to the Company's equity holders			
Share capital	606,720	606,720	606,720
Reserves	(29,863)	(27,330)	(29,863)
	<u>576,857</u>	<u>579,390</u>	<u>576,857</u>
Minority interests	-	18,726	-
Total equity	<u><u>576,857</u></u>	<u><u>598,116</u></u>	<u><u>576,857</u></u>

Note:

The Company's balance sheet as at 31 December 2006 was not presented as the Company was only incorporated on 28 September 2007.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.12.2007		As at 31.12.2006	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
4,000	-	205,000	32,000

Amount repayable after one year

As at 31.12.2007		As at 31.12.2006	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

Details of any collateral

As at 31 December 2007 and 31 December 2006, the Group's bank loans are secured by the pledge of the Group's entire land use rights, certain properties held for development, certain properties held under development and certain properties held for sale.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Year ended 31.12.2007 (Unaudited) <u>RMB'000</u>	<u>Group</u> Year ended 31.12.2006 (Audited) <u>RMB'000</u>
Cash flows from operating activities		
Profit before taxation	115,211	151,696
Adjustments for:		
Interest income	(2,815)	(310)
Interest expenses	1,791	488
Depreciation	7,852	7,494
Loss on disposal of a subsidiary	253	-
Amortisation of land use rights	11	11
	<u>122,303</u>	<u>159,379</u>
Operating profit before working capital changes	122,303	159,379
(Increase)/decrease in properties held for development	(59,968)	1,623
Increase in properties held under development	(44,189)	(736)
Decrease/(increase) in properties held for sale	67,278	(21,383)
Decrease/(increase) in trade receivables	4,470	(4,470)
Decrease/(increase) in prepayments, other receivables and deposits paid	49,750	(116,843)
Increases in prepayment of land appreciation tax	(71,229)	-
Increase/(decrease) in trade and bills payables	3,077	(20,585)
(Decrease)/increase in accruals and other payables	(111,223)	58,090
Decrease in amount due from a shareholder	409,734	-
Increase in receipts in advance	536,792	47,221
	<u>906,795</u>	<u>102,296</u>
Cash generated from operations	906,795	102,296
Income taxes paid	(17,066)	(21,518)
Interest received	2,815	310
	<u>892,544</u>	<u>81,088</u>
Net cash generated from operating activities	892,544	81,088
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	-	(12,540)
Acquisition of additional interests in a subsidiary	(728,100)	-
Purchases of property, plant and equipment	(9,199)	(5,756)
Disposal of a subsidiary, net of cash disposed of	(3,276)	-
Increase in restricted bank deposits	(5,003)	(6,048)
	<u>(745,578)</u>	<u>(24,344)</u>
Net cash used in investing activities	(745,578)	(24,344)

Cash flows from financing activities

Dividend paid to a minority shareholder of a subsidiary	(60)	(110)
New bank borrowings	80,000	205,000
New other borrowings	100,000	2,000
Repayment of bank borrowings	(245,000)	(113,100)
Repayment of other borrowings	(132,000)	(102,000)
Interest paid	(11,445)	(17,723)
Capital contributions	681,829	-
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Net cash generated from/(used in) financing activities	473,324	(25,933)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	620,290	30,811
Cash and cash equivalents at beginning of year	61,460	30,649
Effect of foreign exchange rate changes	(19,193)	-
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Cash and cash equivalents at end of year	<u>662,557</u>	<u>61,460</u>
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Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u>662,557</u>	<u>61,460</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group</u>	Share capital	Merger reserve	Exchange reserve	Statutory reserves	Other reserve	Retained earnings	Minority interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
As at 1 January 2006	606,720	(530,774)	-	1,052	-	49,376	7,615	133,989
Profit for the year	-	-	-	-	-	45,431	9,072	54,503
Total income and expenses recognised during the year	-	-	-	-	-	45,431	9,072	54,503
Capital contributions	-	409,734	-	-	-	-	-	409,734
Dividend paid to a minority shareholder	-	-	-	-	-	-	(110)	(110)
Transfer to statutory reserves	-	-	-	8,510	-	(10,659)	2,149	-
As at 31 December 2006 and 1 January 2007	606,720	(121,040)	-	9,562	-	84,148	18,726	598,116
Profit for the year	-	-	-	-	-	41,138	5,378	46,516
Total income and expenses recognised during the year	-	-	-	-	-	41,138	5,378	46,516
Dividend paid to a minority shareholder	-	-	-	-	-	-	(60)	(60)
Disposal of a subsidiary	-	(765)	-	(72)	-	-	(1,414)	(2,251)
Capital contributions	-	681,829	-	-	-	-	-	681,829
Acquisition of additional interests in a subsidiary	-	-	-	-	(705,470)	-	(22,630)	(728,100)
Arising from the Restructuring Exercise	-	-	(19,193)	-	-	-	-	(19,193)
Transfer to statutory reserves	-	-	-	13,153	-	(13,153)	-	-
As at 31 December 2007	606,720	560,024	(19,193)	22,643	(705,470)	112,133	-	576,857

<u>Company</u>	Share capital	Contributed deficit	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
As at 28 September 2007 (Date of incorporation)	-	-	-	-
Results for the period	-	-	-	-
Total income and expenses recognised for the period	-	-	-	-
Issue of new shares pursuant to the Restructuring Exercise	606,720	(29,863)	-	576,857
As at 31 December 2007	606,720	(29,863)	-	576,857

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Purpose	Number of resultant shares	Issued and paid-up share capital (HK\$)
1,000 ordinary shares of HK\$0.15 each issued as nil-paid on 11 October 2007	1,000	-
999,000 ordinary shares of HK\$0.15 each issued as nil-paid on 8 December 2007	1,000,000	-
Consolidation of every eight shares of HK\$0.15 each into one ordinary share of HK\$1.20 on 8 December 2007	125,000	-
Subdivision of every one ordinary share of HK\$1.20 into three shares of HK\$0.40 each on 8 December 2007	375,000	-
Credited as fully paid the 375,000 ordinary shares of HK\$0.40 each that were issued nil-paid upon the completion of the Restructuring Exercise	-	150,000
1,599,625,000 ordinary shares of HK\$0.40 each issued and fully paid upon the completion of the Restructuring Exercise and as at 31 December 2007	1,600,000,000	640,000,000

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 December 2007
Total number of issued shares	1,600,000,000
Less: Treasury shares	-
Total number of issued shares excluding treasury shares	<u>1,600,000,000</u>

Note:

The Company's total number of issued shares excluding treasury shares as at 31 December 2006 was not presented as the Company was only incorporated on 28 September 2007.

1(d)(iii) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares at end of the current financial period reported on.

Not applicable

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

These figures presented have neither been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

As the Group was established upon the completion of various steps in the Restructuring Exercise on 12 December 2007, it did not have an audited financial statements for the year ended 31 December 2006. However, there was a report from the joint reporting accountants on the audited combined financial information of the Group for the financial years ended 31 December 2004, 31 December 2005, 31 December 2006 and six months ended 30 June 2007 which was included in the prospectus dated 22 January 2008. The Group has adopted the same accounting

policies and methods of computations as stated in the accountants' report mentioned above.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share

	<u>Group</u>	
	Year ended 31.12.2007 (Unaudited) RMB cents	Year ended 31.12.2006 (Audited) RMB cents
Basic	<u>2.57</u>	<u>2.84</u>
Diluted	<u>N/A</u>	<u>N/A</u>

Basic earnings per ordinary share for the year ended 31 December 2007 were calculated based on the profit attributable to equity holders of the Company of approximately RMB41,138,000 (2006 : approximately RMB45,431,000) divided by the weighted average of 1,600,000,000 ordinary shares deemed to be issued during the years. In determining the weighted average number of shares deemed to be issued, the 1,600,000,000 ordinary shares were deemed to have been in issue on 1 January 2006.

There were no potential dilutive ordinary shares in existence for the year ended 31 December 2007 and 31 December 2006 and accordingly, no diluted earnings per ordinary share have been presented.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>
	As at 31.12.2007 (Unaudited) <u>RMB cents</u>	As at 31.12.2006 (Audited) <u>RMB cents</u>	As at 31.12.2007 (Unaudited) <u>RMB cents</u>
Net asset value per ordinary share	<u>36.05</u>	<u>36.21</u>	<u>36.05</u>

Net asset value per ordinary share was calculated based on:

- (a) the equity of our Group/Company attributable to the equity holders of the Company as at 31 December 2007 and 31 December 2006;
- (b) 1,600,000,000 ordinary shares deemed to have been in issue on 1 January 2006.

The Company's net asset value per ordinary share as at 31 December 2006 was not presented as the Company was only incorporated on 28 September 2007.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Group's Performance for FY2007 as compared to FY2006

Revenue

The analysis of our revenue for both financial years are as follows:

	<u>Group</u> Year ended 31.12.2007 (Unaudited) RMB'000	%	<u>Group</u> Year ended 31.12.2006 (Audited) RMB'000	%
<u>Revenue</u>				
Low-rise apartments	215,271	73.7	73,899	26.7
Low-density luxury detached houses	32,004	11.0	49,193	17.8
Townhouses	36,479	12.5	88,570	32.0
Commercial retail units	-	-	58,046	21.0
	<hr/>		<hr/>	
	283,754		269,708	
Rental income	8,140	2.8	6,760	2.5
	<hr/>		<hr/>	
	<u>291,894</u>		<u>276,468</u>	

Revenue increased by RMB15.4 million or 5.6% from approximately RMB276.5 million in FY2006 to approximately 291.9 million in FY2007, which comprises revenue recognised from sale of properties in Phase I and Phase II of Guoling Shanshui (果岭山水) and rental income. Phase II of Guoling Shanshui (果岭山水) were the major revenue contributors for both FY2006 and FY2007, as our Group started handing over the pre-sold units to the buyers from 2H2006 onwards.

The key growth drivers were as follows:

- (a) We experienced an increase in revenue from sales of properties of RMB14.1 million or 5.2% from approximately RMB269.7 million to approximately RMB283.8 million. The increase was mainly due to the recognition of 508 low-rise apartments, 13 units of low-density luxury detached houses and 22 units of townhouses. This represents an increase of 280 low-rise apartments, which was offset by a decrease of 6 units of low-density luxury detached houses, 26 units of townhouses and 41 units of commercial retail units sold in FY2007 in comparison with FY2006, and which equates to an overall increase of 207 units of properties sold in FY2007. In line with the increase in number of units sold, the aggregate GFA sold also increased by 17,935 sq m or 40.0% from approximately 44,804 sq m in FY 2006 to approximately 62,739 sq m in FY 2007.
- (b) Our rental income increased slightly by RMB1.3 million or 19.1% from approximately RMB6.8 million in FY2006 to approximately RMB8.1 million in FY2007 mainly due to the fact that we raised our annual rental income by approximately RMB2.4 million by leasing out our hotel properties starting from 1 July 2007.

Group Profit and Gross Profit Margin

Gross profit decreased by 13.9% from RMB177.5 million in FY2006 to RMB152.9 million in FY2007. Our gross profit margin decreased by 11.8 percentage points from 64.2% in FY2006 to 52.4% in FY2007. The decrease in gross profit margin was mainly attributable to the fact that we sold more low-density luxury detached houses, townhouses and commercial retail units in FY2006 than FY2007, which commanded higher gross profit margin as compared to sale of our low-rise apartments.

Other Income

Other revenue increased significantly by 111.7% from approximately RMB3.9 million to approximately RMB8.2 million, which was mainly due to the increase in interest income resulted from the increase in average bank balances.

Operating Expenses

Total operating expenses increased by 51.0% from approximately RMB29.2 million in FY2006 to approximately RMB44.1 million in FY2007.

Selling expenses increased by 30.2% or RMB2.0 million from approximately RMB6.7 million in FY2006 to approximately RMB8.7 million in FY2007. We incurred more advertising and promotion expenses in marketing our commercial properties at J-Expo (金智·万博商城) which are expected to be completed in 2Q2008.

Administrative expenses rose by 50% from approximately RMB22.0 million in FY2006 to approximately RMB32.9 million in FY2007. The increase was mainly due to professional fees incurred for the Company's listing on SGX-ST, exchange loss incurred from foreign currency transactions and general increment in staff salaries.

Other operating expenses increased by 341.8% from approximately RMB0.6 million in FY2006 to approximately RMB2.4 million. In FY 2007, our Group incurred a loss on the disposal of a subsidiary and made a donation to sponsor a property safety promotional campaigns held by the local government.

Finance Costs

Our finance costs arising from bank and other borrowings for our Group's daily working capital increased by RMB1.3 million from approximately RMB0.5 million in FY2006 to approximately RMB1.8 million in FY2007, which was mainly due to decrease in proportion of borrowing costs capitalised to finance specific property developments, i.e. Phase I and Phase II of Guoling Shanshui (果岭山水).

Taxation

Our Group is subject to enterprise income tax and Land Appreciation Tax ("LAT") in the PRC. Our income tax expenses decreased by RMB28.5 million from approximately RMB97.2 million to approximately RMB68.7 million as a result of a lower chargeable income in FY2007. Our Group's overall effective income tax rate decreased from 64.1% in FY2006 to 59.6% in FY2007, which is higher than the enterprise income tax rate of

33.0%, mainly due to the provision for LAT, which represents 51.9% of the total income tax expense.

Net Profit for the Year and Margin

The combination of decrease in gross profit margin with the increase in operating expenses resulted in a drop of net profit for the year. Net profit totalled RMB46.5 million for the FY2007, compared with RMB54.5 million in FY2006.

Review of Group's Financial Position as at 31 December 2007 and 31 December 2006

Total equity as at 31 December 2007 amounted to approximately RMB576.9 million (31 December 2006: approximately RMB598.1 million), representing a decrease of 3.5%.

Deposits paid for acquisition of land use rights decreased by RMB56.3 million or 49.8% from approximately RMB169.4 million to approximately RMB113.1 million, which was mainly due to the refund of RMB50.0 million as a result of an unsuccessful tender to acquire land parcels.

Properties held under development increased by RMB53.8 million or 50.6% from approximately RMB106.3 million to approximately RMB160.1 million. The increase was mainly due to further development and related costs incurred for J-Expo (金智·万博商城) during the year.

Properties held for sale decreased by RMB67.3 million or 68.6% from approximately RMB98.1 million to approximately RMB30.8 million, which was in line with the continuous sale of the remaining unsold units for Phase I and Phase II of Guoling Shanshui (果岭山水).

Prepayments and other receivables increased by RMB6.5 million or 40.3% from approximately RMB16.1 million to approximately RMB22.6 million, which was mainly resulted from the prepayment of selling agency fee related to the pre-sale of units in J-expo (金智·万博商城).

Prepayment of LAT amounting to RMB71.0 million in the current year related to the pre-sale of units J-Expo (金智·万博商城) commenced in April 2007.

Amount due from a shareholder, which represents the outstanding capital investment not yet injected to our Group, amounted to approximately RMB409.7 million as at 31 December 2006. It was subsequently settled by end of September 2007.

Accruals and other payables decreased by RMB112.0 million from approximately RMB138.4 million to approximately RMB26.4 million, as we settled the remaining outstanding payments for the acquisition of our subsidiary, Hanan Jinzhi Establishment Co., Ltd in 1Q2007 and reclassified the deposits received from customers under other payables to receipt in advance upon conclusion of sales contract.

Receipts in advance increased by RMB536.8 million from approximately RMB99.1 million to approximately RMB635.9 million as a result of the pre-sale of retail and office units in J-Expo (金智·万博商城).

Bank and other borrowings decreased by RMB197.0 million from approximately RMB237.0 million to approximately RMB40.0 million as we repaid the borrowings during the year.

Cash and bank balances increased from approximately RMB61.5 million as at end of December 2006 to approximately RMB662.6 million as at end of December 2007. This was mainly attributed to the capital injections from pre-ipo investors and pre-sales of commercial retail units in J-Expo (金智·万博商城).

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Not applicable

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Property prices in tier-2 cities like Zhengzhou City is growing at a reasonable rate in line with the PRC central government's aim in managing the growth of the real estate industry and curbing of excessive price increases as witnessed in major tier-1 cities like Beijing, Shanghai and Guangzhou.

For 2008, Centraland is on track to complete our commercial development J-Expo by the middle of this year. Revenue from this project is expected to be recognised in the second half of the year. In the third quarter of 2008, we also expect to have a new source of rental income from retail units in J-Expo retained by the company.

Presently we are reviewing architectural plans for the development of high-end quality residential units under Phase III of Guoling Shanshui. This is expected to be finalised and implemented by June this year, and construction is expected to commence sometime in the second half of 2008 as planned.

Going forward, the Company is well-funded to embark on new projects over the next 12 months. These include the recently announced proposed acquisition of an approximately 25,460 square metres strategic site at Nongye Road, Zhengzhou City for about RMB200 million, to develop a mixed-commercial development, which is expected to be completed by end 2010.

We have also signed a MOU with the intention of acquiring Tianrong Fashion City for approximately RMB1 billion. The plan is to develop a mixed-retail/office project over a five-year period.

However, due to the nature of the real estate development business in the PRC where revenue can be recognised only when the project is completed and units delivered to buyers, revenue will continue to be lumpy. Typically a project would take about 2 years from planning to completion before revenue from a project can be recognised.

11. Dividend***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?
None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. Interested person transactions

Interested person transactions carried out for the the year ended 31 December 2007:

- (a) During the year ended 31 December 2007, the Group sold a residential unit to Mr. Ding Gang, senior management officer of the Company, amounted to approximately RMB304,000. The sale to Mr. Ding Gang gave rise to gross profits of approximately RMB92,000.
- (b) On 30 June 2006, the Group has signed a property management agreement with Henan Shanshui Property Management Co., Ltd ("Property Management Agreement"). Pursuant to the Property Management Agreement, the Group paid a one-off management fee of RMB1.0 million to Henan Shanshui Property Management Co., Ltd. Mr. Wang Jian, a director of the Company, was the legal representative of Henan Shanshui Property Management Co., Ltd until April 2007.

18. Date of release of Audited Accounts for the Financial year ended 31 December 2007.

The Company will release its audited accounts for the financial year ended 31 December 2007 on 31 March 2008.

BY ORDER OF THE BOARD

Yan Tao
Chief Executive Officer
14 March 2008