

CENTRALAND LIMITED

Full Year Financial Statements and Dividend Announcement for the Period Ended 31 December 2009

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

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

	Group		%
	Year ended		
	31.12.2009 (Unaudited) RMB'000	31.12.2008 (Audited) RMB'000	
Revenue	154,987	713,731	(78.3)
Cost of sales	<u>(60,940)</u>	<u>(264,602)</u>	(77.0)
Gross profit	94,047	449,129	(79.1)
Other income	5,186	9,375	(44.7)
Selling expenses	(13,196)	(28,619)	(53.9)
Administrative expenses	(51,643)	(56,395)	(8.4)
Other operating expenses	<u>(160)</u>	<u>(1,278)</u>	(87.5)
Profit from operations	34,234	372,212	(90.8)
Finance costs	<u>(5,392)</u>	<u>(2,546)</u>	111.8
Profit before taxation	28,842	369,666	(92.2)
Income tax expenses	<u>(16,690)</u>	<u>(220,819)</u>	(92.4)
Profit for the year	<u>12,152</u>	<u>148,847</u>	(91.8)
Other comprehensive income for the year			
Exchange gain/(loss) on translation of financial statements of foreign operations	<u>23</u>	<u>(74)</u>	(131.1)
Total comprehensive income for the year	<u>12,175</u>	<u>148,773</u>	(91.8)
Profit for the year attributable to:			
Owners of the Company	9,620	148,847	(93.5)
Minority interests	<u>2,532</u>	<u>-</u>	N.M.
	<u>12,152</u>	<u>148,847</u>	
Total comprehensive income attributable to:			
Owners of the Company	9,643	148,773	(93.5)
Minority interests	<u>2,532</u>	<u>-</u>	N.M.
	<u>12,175</u>	<u>148,773</u>	

N.M. Not meaningful

Notes:

- 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"). On 1 February 2008, the Company was officially listed on the SGX-ST.
3. Following the adoption of IAS 1 Presentation of Financial Statements (Revised) for annual periods beginning on or after 1 January 2009, the Group has presented items of income and expenses and components of other comprehensive income in one statement of consolidated statement of comprehensive income.

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

	<u>Group</u>	
	Year ended	
	31.12.2009 (Unaudited)	31.12.2008 (Audited)
	<u>RMB'000</u>	<u>RMB'000</u>
Cost of properties held for sale recognised as expense	47,355	229,808
Depreciation	10,463	8,747
Amortisation of land use rights	760	11
Exchange loss	115	648
Operating lease charges on land and buildings	846	396
Operating sub-lease charges on land and buildings	6,000	-
Loss on disposal of property, plant and equipment	160	645

1(b)(i) Statement of financial position (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>	
	31.12.2009 (Unaudited)	31.12.2008 (Audited)	31.12.2009 (Unaudited)	31.12.2008 (Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Investments in subsidiaries	-	-	576,857	576,857
Property, plant and equipment	179,047	185,710	-	-
Investment properties	138,454	45,512	-	-
Investment properties under development	137,909	-	-	-
Leasehold land and land use rights	29,832	592	-	-
Goodwill	204,482	38,703	-	-
Deferred tax assets	67,819	60,591	-	-
Deposit paid	-	234,182	-	-
	<u>757,543</u>	<u>565,290</u>	<u>576,857</u>	<u>576,857</u>
Current assets				
Deposits paid	120,000	554,391	-	-
Properties held for development	783,636	45,089	-	-
Properties held under development	138,924	77,219	-	-
Properties held for sale	70,717	91,751	-	-
Amount due from a subsidiary	-	-	588,544	588,544
Prepayments and other receivables	85,096	3,589	-	-
Prepayment of land appreciation tax	2,316	845	-	-
Amounts due from minority shareholders	55,088	-	-	-
Restricted bank deposits	8,233	14,413	-	-
Cash and bank balances	938,924	484,848	29	29
	<u>2,202,934</u>	<u>1,272,145</u>	<u>588,573</u>	<u>588,573</u>
Current liabilities				
Trade and bills payables	19,520	2,442	-	-
Accruals and other payables	25,516	23,648	193	-
Receipts in advance	46,324	16,894	-	-
Amount due to a subsidiary	-	-	705	705
Interest-bearing bank and other borrowings	337,000	40,000	-	-
Amounts due to minority shareholders	162,300	-	-	-
Amount due to a related party	2,543	-	-	-
Tax payable	365,491	369,802	-	-
	<u>958,694</u>	<u>452,786</u>	<u>898</u>	<u>705</u>
Net current assets	<u>1,244,240</u>	<u>819,359</u>	<u>587,675</u>	<u>587,868</u>
Total assets less current liabilities	<u>2,001,783</u>	<u>1,384,649</u>	<u>1,164,532</u>	<u>1,164,725</u>
Non-current liabilities				
Interest-bearing bank and other borrowings	280,000	70,000	-	-
Deferred tax liabilities	338,608	-	-	-
	<u>618,608</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
Net assets	<u>1,383,175</u>	<u>1,314,649</u>	<u>1,164,532</u>	<u>1,164,725</u>
EQUITY				
Share capital	697,076	697,076	697,076	697,076
Reserves	627,216	617,573	467,456	467,649
Equity attributable to the Company's owners	<u>1,324,292</u>	<u>1,314,649</u>	<u>1,164,532</u>	<u>1,164,725</u>
Minority interests	58,883	-	-	-
Total equity	<u>1,383,175</u>	<u>1,314,649</u>	<u>1,164,532</u>	<u>1,164,725</u>

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 31.12.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
337,000	-	40,000	-

Amount repayable after one year

As at 31.12.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
280,000	-	70,000	-

Details of any collateral

As at 31 December 2009, the Group's bank loans were secured by the pledge of the Group's certain land use rights, properties held for development, properties held under development and investment properties under development. As at 31 December 2008, the Group's bank loans were secured by the pledge of the Group's certain properties held for development. The Group's bank loans of RMB50,000,000 (2008: RMB40,000,000) as at 31 December 2009 were guaranteed by Mr Li Wei and Mr Yan Tao.

As at 31 December 2009, the Group's other loans were secured by the pledge of the Group's certain properties held for development. The Group's other loans of RMB210,000,000 (2008: Nil) as at 31 December 2009 were guaranteed by Mr Li Wei and Mr Yan Tao.

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

	<u>Group</u>	
	Year ended	
	31.12.2009	31.12.2008
	<u>(Unaudited)</u>	<u>(Audited)</u>
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before taxation	28,842	369,666
Adjustments for:		
Interest income	(2,075)	(7,827)
Interest expenses	5,392	2,546
Depreciation	10,463	8,747
Amortisation of leasehold land and land use rights	760	11
Loss on disposal of property, plant and equipment	160	645
Written back of other payables	(2,241)	-
	<hr/>	<hr/>
Operating profit before working capital changes	41,301	373,788
(Increase)/decrease in properties held for development	(1,456)	49,940
(Increase)/decrease in properties held under development	(33,293)	84,447
Decrease/(increase) in properties held for sale	21,034	(60,967)
Decrease/(increase) in prepayments, other receivables and deposits paid	180,296	(656,419)
(Increase)/decrease in prepayment of land appreciation tax	(1,471)	70,384
Increase in amounts due from minority shareholders	(343)	-
Increase/(decrease) in trade and bills payables	17,078	(3,077)
Decrease in accruals and other payables	(80,375)	(2,743)
Increase/(decrease) in receipts in advance	29,430	(618,985)
Increase in amount due to a related party	2,543	-
	<hr/>	<hr/>
Cash generated from/(used in) operations	174,744	(763,632)
Income taxes paid	(28,229)	(57,000)
Interest received	2,075	7,827
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	148,590	(812,805)

Cash flows from investing activities

Acquisition of subsidiaries, net of cash and cash equivalent acquired	84,872	-
Purchases of property, plant and equipment	(1,227)	(21,049)
Purchase of leasehold land and land use rights	(30,000)	-
Sales proceeds on disposal of property, plant and equipment	250	-
Purchases of investment properties	(95,808)	-
Decrease in restricted bank deposits	6,180	1,283
	<u> </u>	<u> </u>
Net cash used in investing activities	<u>(35,733)</u>	<u>(19,766)</u>

Cash flows from financing activities

New bank borrowings	230,000	110,000
New other borrowings	210,000	-
Repayment of bank borrowings	(65,000)	(40,000)
Interest paid	(33,804)	(4,083)
Proceeds from issue of new ordinary shares, net of share issue expenses charged to share premium account	-	589,019
	<u> </u>	<u> </u>
Net cash generated from financing activities	<u>341,196</u>	<u>654,936</u>
Net increase/(decrease) in cash and cash equivalents	454,053	(177,635)
Cash and cash equivalents at beginning of year	484,848	662,557
Effect of foreign exchange rate changes	23	(74)
	<u> </u>	<u> </u>
Cash and cash equivalents at end of year	<u>938,924</u>	<u>484,848</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u>938,924</u>	<u>484,848</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.

Group

	Share capital	Share premium	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	RMB'000
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
As at 1 January 2008	606,720	-	560,024	(19,193)	22,643	(705,470)	112,133	-	576,857
Issue of new shares	90,356	531,209	-	-	-	-	-	-	621,565
Share issue expenses	-	(32,546)	-	-	-	-	-	-	(32,546)
Transactions with owners	90,356	498,663	-	-	-	-	-	-	589,019
Transfer to statutory reserves	-	-	-	-	22,725	-	(22,725)	-	-
Profit for the year	-	-	-	-	-	-	148,847	-	148,847
Other comprehensive income									
Exchange loss on translation of financial statements of foreign operations	-	-	-	(74)	-	-	-	-	(74)
Total comprehensive income for the year	-	-	-	(74)	22,725	-	126,122	-	148,773
As at 31 December 2008	697,076	498,663	560,024	(19,267)	45,368	(705,470)	238,255	-	1,314,649

	Share capital	Share premium	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	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
As at 1 January 2009	697,076	498,663	560,024	(19,267)	45,368	(705,470)	238,255	-	1,314,649
Minority interests arising on acquisitions of subsidiaries	-	-	-	-	-	-	-	56,351	56,351
Transactions with owners	-	-	-	-	-	-	-	56,351	56,351
Transfer to statutory reserves	-	-	-	-	500	-	(500)	-	-
Profit for the year	-	-	-	-	-	-	9,620	2,532	12,152
Other comprehensive income									
Exchange gain on translation of financial statements of foreign operations	-	-	-	23	-	-	-	-	23
Total comprehensive income for the year	-	-	-	23	500	-	9,120	2,532	12,175
As at 31 December 2009	697,076	498,663	560,024	(19,244)	45,868	(705,470)	247,375	58,883	1,383,175

Company

	Share capital RMB'000 (Audited)	Share premium RMB'000 (Audited)	Contributed deficit RMB'000 (Audited)	Accumulated losses RMB'000 (Audited)	Total RMB'000 (Audited)
As at 1 January 2008	606,720	-	(29,863)	-	576,857
Issue of new shares	90,356	531,209	-	-	621,565
Share issue expenses	-	(32,546)	-	-	(32,546)
Transactions with owners	90,356	498,663	-	-	589,019
Loss for the year and total comprehensive loss for the year	-	-	-	(1,151)	(1,151)
As at 31 December 2008	<u>697,076</u>	<u>498,663</u>	<u>(29,863)</u>	<u>(1,151)</u>	<u>1,164,725</u>

	Share capital RMB'000 (Unaudited)	Share premium RMB'000 (Unaudited)	Contributed deficit RMB'000 (Unaudited)	Accumulated losses RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
As at 1 January 2009	697,076	498,663	(29,863)	(1,151)	1,164,725
Loss for the year and total comprehensive loss for the year	-	-	-	(193)	(193)
As at 31 December 2009	<u>697,076</u>	<u>498,663</u>	<u>(29,863)</u>	<u>(1,344)</u>	<u>1,164,532</u>

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.

<u>Issued and fully paid</u>	<u>Number of shares</u>	<u>Amount HK\$'000</u>
As at 31 December 2008 and 31 December 2009, ordinary shares at HK\$0.40 each	1,845,000,000	738,000

The issued share capital of the Company as at 31 December 2008 and 31 December 2009 was equivalent to approximately RMB697,076,000. There were no share options or convertibles outstanding that may be converted into the Company's shares as at 31 December 2008 and 31 December 2009.

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 2009	As at 31 December 2008
Total number of issued shares	1,845,000,000	1,845,000,000
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>1,845,000,000</u>	<u>1,845,000,000</u>

- 1(d)(iv) 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.**

The Group has adopted the same accounting policies and methods of computations as stated in the audited financial statements for the year ended 31 December 2008, except for the adoption of the new and amended International Financial Reporting Standards (IFRSs) which became effective for financial year beginning on or after 1 January 2009. The adoption of these IFRSs did not affect the financial positions or results of the Group.

- 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	
	31.12.2009 (Unaudited) <u>RMB cents</u>	31.12.2008 (Audited) <u>RMB cents</u>
Basic	<u>0.52</u>	<u>8.16</u>
Diluted	<u>N/A</u>	<u>N/A</u>

Basic earnings per ordinary share for the year ended 31 December 2009 were calculated based on the Group's profit attributable to the owners of the Company during the year of approximately RMB9,643,000 (2008: approximately RMB148,847,000) divided by issued share capital of 1,845,000,000 shares (2008: weighted average of 1,824,191,781 ordinary shares).

There were no potential dilutive ordinary shares in existence for the year ended 31 December 2009 and 31 December 2008 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 31.12.2009 <u>RMB cents</u>	As at 31.12.2008 <u>RMB cents</u>	As at 31.12.2009 <u>RMB cents</u>	As at 31.12.2008 <u>RMB cents</u>
Net asset value per ordinary share	<u>74.97</u>	<u>71.25</u>	<u>63.12</u>	<u>63.13</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 2009 and 31 December 2008;
- (b) post-Invitation share capital of 1,845,000,000 ordinary shares in issue as at 31 December 2009 and 31 December 2008
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**

	<u>Group</u>		<u>Group</u>	
	Year ended 31.12.2009 (Unaudited) RMB'000	%	Year ended 31.12.2008 (Unaudited) RMB'000	%
<u>Revenue</u>				
<u>J-Expo (金智·万博商城)</u>				
Retail units	101,903	65.7	565,859	79.3
Office units	4,439	2.9	48,651	6.8
	<u>106,342</u>	<u>68.6</u>	<u>614,510</u>	<u>86.1</u>
<u>Guoling Shanshui (果岭山水)</u>				
Low-rise apartments	-	-	17,251	2.4
Low-density luxury detached houses	-	-	5,977	0.8
Townhouses	-	-	44,305	6.2
Commercial retail units	-	-	13,833	1.9
	<u>-</u>	<u>-</u>	<u>81,366</u>	<u>11.4</u>
Property management fee	6,703	4.3	-	-
Rental income	41,942	27.1	17,855	2.5
	<u>48,645</u>	<u>31.4</u>	<u>17,855</u>	<u>2.5</u>
	<u>154,987</u>	<u>100.0</u>	<u>713,731</u>	<u>100.0</u>

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

Review of Group's Performance for FY2009 as compared to FY2008

Revenue

Revenue decreased by RMB558.7 million or 78.3% to RMB155.0 million in FY2009 from RMB713.7 million in FY2008.

Sale of properties

In FY2009, revenue amounting to approximately RMB106.3 million were recognised from the sales of 459 retail and 14 office units with a total GFA of 9,147 sq m. in our commercial properties project, J-Expo (金智·万博商城), at an average selling price of about RMB12,279 per sq m and RMB5,233 per sq m respectively.

In FY2008, revenue amounting to approximately RMB614.5 million were recognised from delivery to buyers of pre-sold 1,668 retail and 130 office units with a total GFA of 40,848

sq m. in our commercial properties project, J-Expo (金智·万博商城). In addition, revenue amounting to approximately RMB81.4 million were recognised from sale of all the remaining 82 units in Phase I and Phase II of Guoling Shanshui (果岭山水), representing an aggregate GFA of approximately 12,132 sq m.

Rental income and property management fee

Our rental income increased by approximately RMB24.0 million from RMB17.9 million to RMB41.9 million. We also recognised property management income of RMB6.7 million during the year. The contributions were as follows:

- i. We re-purchased some commercial retail units in Guoling Shanshui (果岭山水) in 2H2009 and lease them to a third-party operator for an annual rent of RMB6 million; and
- ii. In 2H2009, we entered into a tenancy agreement to lease Jiancai Gang (建材港) for an annual rent of RMB24 million. Jiancai Gang (建材港) is a wholesale centre for building materials and is located at North Zhenghua Road (郑花路北段) in Zhengzhou City, the People's Republic of China. It has an aggregate gross floor area of 354,568 sq m and a site area of approximately 758,574 sq m. The Tenancy would generate two new streams of income for the Company, namely from sub-leasing the space within Jiancai Gang (建材港) and from the Company's provision of property management services to Jiancai Gang (建材港).

Group Profit and Gross Profit Margin

In line with sales, our gross profit decreased from RMB449.1 million in FY2008 to RMB94.0 million in FY2009. Our gross profit margins remained stable at about 60%.

Other Income

Other income decreased by approximately RMB4.2 million from RMB9.4 million in FY2008 to RMB5.2 million in FY2009, mainly due to the decrease in interest income resulting from a lower interest rate and lower level of average bank balances.

Operating Expenses

Selling expenses decreased by 53.9% from RMB28.6 million to RMB13.2 million. The decrease was mainly due to the drop in sales agency fee in conjunction with the sales of properties in J-Expo (金智·万博商城).

Administrative expenses decreased by 8.5% from approximately RMB56.4 million in FY2008 to approximately RMB51.6 million in FY2009. It was mainly due to the one-off listing expenses incurred for the Company's listing on SGX-ST in FY2008.

Taxation

Our Group is subject to enterprise income tax and Land Appreciation Tax ("LAT") in the PRC. Our income tax expenses decreased by RMB204.1 million from RMB220.8 million

to RMB16.7 million. LAT provision was based on progressive rates ranging from 30% to 60% of the appreciation value as defined in the relevant tax laws. Our effective tax rates remained stable at about 60%.

Net Profit for the year

In line with the decrease in gross profit, our net profit for the year dropped from approximately RMB148.8 million to RMB12.2 million.

Review of Group's Financial Position as at 31 December 2009 and 31 December 2008

Total equity as at 31 December 2009 amounted to approximately RMB1,383.2 million (31 December 2008: approximately RMB1,314.6 million), representing an increase of 5.2%.

Investment properties increased by RMB92.9 million. The increase was due to re-purchase of some commercial retail units in Guoling Shanshui (果岭山水) in 2H2009 for rental purpose.

Goodwill increased by RMB165.8 million from RMB38.7 million to RMB204.5 million. During the year, the Group acquired the entire registered capital of Henan Hezhi Co., Ltd which holds 80% of the registered paid-up capital of Tianrong Real Estate Co., Ltd. (the "Hezhi Group"), and entire equity interest of Henan Yinxin Industry Co., Ltd ("Henan Yinxin"). The increase represents the difference between the total purchase consideration and the net fair value of the acquired net assets.

Deposits paid decreased by RMB668.6 million in total, which was mainly due to completion of the intended acquisition of Hezhi Group during the year.

Investment properties under development and properties held for development recorded an increase of RMB137.9 million and RMB738.5 million respectively upon the acquisitions of the Hezhi Group and Henan Yinxin.

Properties held under development increased by RMB61.7 million. The increase represents the additional development and related costs incurred for Phase III of Guoling Shanshui (果岭山水).

Properties held for sale mainly comprised the costs incurred for the unsold units in levels 4 and 5 of J-Expo (金智·万博商城).

Amounts due from/to minority shareholders represents the unsettled balances with the original shareholders of the remaining 20% interests in Hezhi Group.

Receipts in advance increased by RMB29.4 million from RMB16.9 million to RMB46.3 million. The balance mainly represents the downpayments received upon pre-sales for Phase III of Guoling Shanshui (果岭山水).

Bank and other borrowings recorded an increase by RMB507.0 million upon the acquisitions of the Hezhi Group and new borrowings raised to finance the construction costs incurred for our development projects

Deferred tax liabilities represents the provision made upon the acquisition of the Hezhi Group and Henan Yinxin.

Cash and bank balances increased from approximately RMB484.8 million as at 31 December 2008 to approximately RMB938.9 million as at 31 December 2009, which was mainly due to the increase in bank and other borrowings.

(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.

As previously guided, the Group's revenue dipped in FY2009 in comparison to FY2008, with revenue made up primarily of recurring rental income and the delivery of remaining J-Expo I units sold and delivered.

In FY2010, in addition to the delivery of a small number of remaining J-Expo I units, we expect to be recognising revenue from the delivery of Guoling Shanshui (果岭山水). Phase III Stage 1 residential units sold and to be delivered throughout the year. Our acquisition of the master tenancy of Jiancai Gang (建材港) will also increase our recurring rental income this year, and help even out the lumpiness of our revenue. Jiancai Gang (建材港) is the first project that marks the start of the Group's expansion into property management. In future, we seek to build a bigger and stronger team of property managers to manage all our future developments in-house. This move will not only add a new operational capability within the Group, but also create a new revenue stream from recurring management fees.

The Group will continue to source for projects in prime sites in Zhengzhou and possibly in surrounding cities, for development to drive growth and expansion of our portfolio, and this will be done with our entrenched cost discipline to maximise returns for our shareholders.

However, with the improving economic climate and barring unforeseen circumstances, the Group is optimistic that FY2010 will be a healthy year for the Group.

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

As at 31 December 2009 and 31 December 2008, the Group's bank loans and other borrowings of RMB260,000,000 and RMB40,000,000 respectively were guaranteed by Mr Li Wei and Mr Yan Tao, the directors of the Group.

14. Use of IPO Proceeds

Future Plans	Actual IPO proceeds <u>RMB million</u>	Amount utilised <u>RMB million</u>	Balance <u>RMB million</u>
Acquire land directly from the government or other entities or indirectly through the acquisition of companies owning land use rights	196.9	196.9	-
Increase the paid-up registered capital of our PRC subsidiary which shall be used in future to acquire land directly from the government or other entities or indirectly through the acquisition of companies owning land use rights	362.9	362.9	-
Balance as general working capital	25.6	20.0	5.6
	<u>585.4</u>	<u>579.8</u>	<u>5.6</u>

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Property development is the only major business segment of the Group. No geographical segment analysis is presented as all Group's revenue was derived in the PRC. Accordingly, no separate business and geographical segment information is prepared.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

17. A breakdown of sales.

	<u>Group</u>		
	Year ended 31.12.2009 (Unaudited) <u>RMB'000</u>	Year ended 31.12.2008 (Unaudited) <u>RMB'000</u>	% change <u>+ / (-)</u>
Revenue reported for the first half year	84,378	89,807	(6.0)
Profit after taxation for the first half year	10,035	5,021	99.9
Revenue reported for the second half year	70,609	623,924	(88.7)
Profit after taxation for the second half year	2,117	143,826	(98.5)

- 18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable

BY ORDER OF THE BOARD

Yan Tao
Chief Executive Officer
27 February 2010