



NEWS RELEASE

CENTRALAND'S FY2008 NET PROFIT TRIPLES TO RMB148.8 MILLION

- Revenue surges 145% to RMB713.7 million, due to the delivery of units in J-Expo (金智•万博商城) and Guoling Shanshui (果岭山水)
- Guoling Shanshui Phase I and II sold out, while 62% of J-Expo's saleable GFA sold
- Receipts in advance of RMB16.9 million, representing downpayment for 109 pre-sold retail units in J-Expo
- Made earnest payment for Tianrong Fashion City (天荣时装城) site, to be developed into an integrated commercial project
- Identified potential sites for acquisition and development into commercial centres

Key Highlights

| RMB' mil | FY2008 | FY2007 | % Change |
|-------------------------|--------|--------|------------|
| Revenue | 713.7 | 291.9 | + 144.5% |
| Gross Profit | 449.1 | 152.9 | + 193.8% |
| Gross Profit Margin (%) | 62.9% | 52.4% | + 10.5 ppt |
| Net Profit | 148.8 | 46.5 | + 220.0% |

Singapore, February 27, 2009 – Centraland Limited (“Centraland” or the “Group”), (中部大观地产有限公司) (“Centraland”, and together with its subsidiaries, the “Group”), a premium brand property developer in Zhengzhou City, announced today that its net profit more than tripled to RMB148.8 million in the financial year ended 31 December 2008 (“FY2008”), up from RMB46.5 million in the previous financial year

(“FY2007”). This was achieved on the back of strong revenue growth of 144.5% to RMB713.7 million, up from RMB291.9 million in FY2007.

Performance Review

Approximately 97.5% of FY2008 revenue arose from the sale of properties from the Group’s commercial development, J-Expo (金智•万博商城), and its high-end integrated development, Guoling Shanshui (果岭山水). The remaining 2.5% of Group revenue was attributable to rental income arising from these two developments.

| J-Expo (金智•万博商城) | FY2008 | FY2007 |
|---|---------------|---------------|
| No. of Units Delivered | 1,798 | - |
| GFA Delivered (sq m) | 40,848 | - |
| Guoling Shanshui (果岭山水) Phase I & II | FY2008 | FY2007 |
| No. of Units Delivered | 82 | 543 |
| GFA Delivered (sq m) | 12,132 | 62,739 |

For FY2008, the Group recognised revenue of approximately RMB614.5 million from the delivery of 1,668 retail and 130 office units in J-Expo. This accounted for 86.1% of Group revenue for the year under review. As the Group had completed the construction of J-Expo in June 2008, there were no sales recognised from J-Expo in FY2007.

Meanwhile, revenue from Guoling Shanshui in FY2008 amounted to RMB81.4 million, contributing to 11.4% of Group revenue. During the year, the Group recognised revenue from the delivery of 82 units in Phase I and II of Guoling Shanshui, representing an aggregate saleable GFA of approximately 12,132 sq m. In comparison, the Group sold a total of 543 property units from Phase I and II of Guoling Shanshui in FY2007, representing an aggregate saleable GFA of approximately 62,739 sq m.

Rental income increased 121.0% to RMB17.9 million in FY2008. This comprised RMB16.8 million from the leasing of facilities in Guoling Shanshui to third parties to operate a golf academy and a hotel, and RMB1.1 million from leasing of retail units in J-Expo.

Said Mr Yan Tao (阎涛), Chief Executive Officer of CentraLand Limited: “2008 was a year of milestones for CentraLand, during which we were listed on the SGX-ST at the start of the year, sold out Guoling Shanshui Phase I and II in the first half of the year, and successfully completed our first commercial development J-Expo in June 2008.

Strategically located at the heart of Zhengzhou’s wholesale centre and easily accessible by all key transportation networks, J-Expo was very well-received by the market. By the end of 2008, we have contracted to sell some 65% of J-Expo’s saleable GFA, of which most have been delivered and recognised.”

Upon the completion of J-Expo in June 2008, the Group had been delivering the pre-sold retail and office units progressively since the third quarter of 2008. J-Expo, a building for the wholesale of consumer commodities located within the main wholesale centre of Zhengzhou City, has an aggregate saleable GFA of approximately 65,890 sq m, comprising six storeys of 2,560 retail units (54,579 sq m) and seven storeys of 192 office units (11,311 sq m).

As at 31 December 2008, the Group has delivered a total of 1,668 retail units and 130 office units in J-Expo. These occupy an aggregate saleable GFA of approximately 40,848 sq m, representing approximately 62.0% of J-Expo’s saleable GFA. In addition, it has contracted to sell another 109 retail units, occupying a GFA of 1,853 sq m. Hence, the Group has receipts in advance of RMB16.9 million, representing downpayment from the pre-sales of these units, which are expected to be delivered in 1HFY2009. The Group recognises sales revenue only upon delivery of the properties to customers.

At the same time, the Group is also leasing out 587 retail units, representing 57.9% of the unsold GFA in J-Expo, bringing about RMB1.1 million in rental income from J-Expo for FY2008.

In tandem with higher sales, the Group's gross profit increased substantially to RMB449.1 million in FY2008, up from RMB152.9 million in FY2007. Gross profit margin improved from 52.4% in FY2007 to 62.9% in FY2008, due to the higher margin that the commercial properties in J-Expo are able to command.

The Group's total operating expenses increased 95.7% to RMB86.3 million in FY2008. This was mainly attributable to the increase in administrative expenses related to the Group's listing, and selling expenses arising from the sales recognition of pre-sold units in J-Expo.

As at 31 December 2008, the Group maintained a strong balance sheet and working capital position with approximately RMB484.8 million in cash and cash equivalents.

Future Plans

Centraland recognises the challenging market conditions that all Chinese real estate developers will be facing in 2009 and possibly beyond.

Said Mr Yan: "Given the unpredictable global economic conditions, the Group is committed to review all current and potential projects periodically and adapt the pace of development according to prevailing market conditions. The first of which is Phase III of Guoling Shanshui. While we have finalised the architecture design plans and started on the construction of the site infrastructure in early June last year, we are now re-looking at adjusting its construction schedule. Based on regular market reviews we have been conducting, we are looking at slowing down the pace of the development. However, this may change as the market condition improves."

As announced on 12 March 2008, the Group entered into memorandums of understanding to acquire two sites for development in Zhengzhou City, which are located at Tianrong Fashion City (天荣时装城) (“Tianrong”) and Nongye Road (农业路).

Following comprehensive market feasibility studies on the two projects, the Group decided to proceed with the Tianrong development, but not with the Nongye Road development, given the current economic climate.

Said Mr Yan: “We have made an earnest payment for Tianrong, which sits on a prime site in the heart of Zhengzhou’s fashion wholesale trading hub. We plan to develop Tianrong into an integrated commercial project catering to the needs of wholesalers, similar to J-Expo. We are confident that we can leverage on our experience with J-Expo to make Tianrong a success. We will announce projects details when they are finalised.

In the meantime, the Group has also identified other potential sites suitable for acquisition and development into commercial centres, and will make further announcements when there are updates.”

About CentraLand Limited

Based in Zhengzhou City, the capital of Henan Province, CentraLand is a premium brand property developer primarily engaged in the development of residential and commercial properties, and also derives rental income through leasing some of its properties. Currently, the Group is involved in two main development projects, namely Guoling Shanshui (果岭山水), a self-contained, high-end integrated property development, and J-Expo (金智•万博商城), a commercial property project with retail and office units.

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