

**NEWS RELEASE****CENTRALAND'S FIRST QUARTER NET PROFIT UP 64.2% TO RMB8.1 MILLION**

- Reports revenue of RMB63.8 million, due mainly to the sale and delivery of 284 retail units in its first commercial development J-Expo (金智•万博商城)
- Bottomline boosted by lower administrative and income tax expenses
- Commences sales of retail units in J-Expo levels 4 and 5, which were designated to be leased out, due to market demand
- As at March 31, 2009, CentraLand remains in a net cash position with cash & bank balances of RMB491.2 million

**Key Highlights**

RMB' mil	1Q2009	1Q2008	% Change
Revenue	63.8	82.4	(22.6)
Gross Profit	36.4	47.6	(23.4)
Gross Profit Margin (%)	57.1	57.7	(0.6 ppt)
Net Profit	8.1	4.9	64.2

Mr Yan Tao (阎涛), the Chief Executive Officer of CentraLand Limited said: "Despite the overall poor market sentiment, we are encouraged by the response to our first commercial development J-Expo. To cater to market demand, the Group has commenced sales of retail units in levels 4 and 5 of J-Expo, which were initially designated for lease to third parties. Therefore, we expect to continue to recognise revenue from the sales of the balance units in J-Expo and rental income from the leasing of unsold units in the year ahead."

“Given the positive growth potential for commercial developments in the wholesale centre area in Zhengzhou City, CentraLand will continue to selectively source for potential sites in prime locations for acquisition and development, albeit in a prudent manner,” concluded Mr Yan.

*Singapore, May 13, 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, today reported a 64.2% jump in net profit to RMB8.1 million for the three months ended March 31, 2009 (“1Q2009”) compared to RMB4.9 million for the three months ended March 31, 2008 (“1Q2008”). This was achieved despite a 22.6% decline in revenue from RMB82.4 million in 1Q2008 to RMB63.8 million in 1Q2009.

During the quarter under review, the Group recognised RMB58.9 million as revenue from the sale and delivery of 284 retail units with a total gross floor area (“GFA”) of 4,794 sq m in its commercial development J-Expo (金智•万博商城), which accounted for 92.3% of total revenue. J-Expo, a building for the wholesale of commodities located within the main wholesale centre of Zhengzhou City, was completed in June 2008.

In 1Q2008, the Group recognised RMB81.4 million as revenue from the sale and delivery of the remaining 82 units in Phase I and Phase II of its residential development Guoling Shanshui (果岭山水), representing an aggregate GFA of 12,132 sq m.

Rental income surged from RMB1.1 million in 1Q2008 to RMB4.9 million in 1Q2009. This comprised RMB0.2 million from the leasing of unsold units in levels 4 and 5 of J-Expo to third parties as well as RMB4.7 million in rental income from the leasing of Guoling Shanshui’s golf academy and hotel facilities to third party operators. The RMB3.6 million increase in rental income revenue was due to the Group’s revised lease agreements with the respective third party operators which enabled it to raise its annual rental income.

In line with lower sales recognised in 1Q2009, the Group's gross profit declined 23.4% to RMB36.4 million. However, the Group was able to maintain its gross profit margin by about 57%.

Administrative expenses decreased 41.7% to RMB11.3 million due to one-off listing expenses in 1Q2008. Selling expenses rose 212.4% from RMB0.8 million in 1Q2008 to RMB2.6 million in 1Q2009. This comprised a sales agency fee paid out in conjunction with the sales recognition of the units in J-Expo upon delivery as well as marketing costs incurred for a promotion campaign in 1Q2009 to market the Group's unsold units in J-Expo.

In 1Q2009, the Group's effective tax rate decreased from 82.8% in 1Q2008 to 63.3%. This resulted in a 41.5% decline in income tax expenses to RMB13.9 million, mainly due to a lower provision of Land Appreciation Tax ("LAT"). Coupled with lower administrative expenses, the Group's net profit rose 64.2% to RMB8.1 million.

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. As at March 31, 2009, the Group has delivered a total of 1,952 retail units and 130 office units in J-Expo. These occupy an aggregate saleable GFA of approximately 45,642 sq m, representing approximately 69.3% of J-Expo's saleable GFA. J-Expo 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).

In addition, it contracted to sell another 32 retail units, occupying a GFA of 621 sq m. Hence, the Group had receipts in advance of RMB3.8 million as at March 31, 2009, representing downpayment from the pre-sales of these units, which are expected to be delivered in the second quarter of 2009. The Group recognises sales revenue only upon delivery of the properties to customers.

As at March 31, 2009, the Group maintained a strong balance sheet and working capital position with approximately RMB491.2 million in cash and cash equivalents.

## **Outlook and Future Plans**

Given the challenging operating environment for the PRC real estate industry and the adverse macroeconomic environment, the Group will assert strict cost discipline and continue to monitor and review all current and potential projects periodically and adapt the pace of development according to prevailing market conditions.

Centraland's commercial project, J-Expo, will continue to contribute to the Group's revenue through the delivery of its units and the leasing of units held by the Group for rental income.

Going forward, the Group will continue to selectively source for potential sites in prime locations in a prudent manner, for acquisition and development into commercial centres.

## **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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