

CENTRALAND LIMITED

Second Quarter Financial Statement and Dividend Announcement for the Period Ended 30 June 2009

CentralLand Limited (the "Company") was listed on the Main Board at the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 1 February 2008. 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) Consolidated statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	Three months ended		%	Six months ended		%
	30.6.2009 (Unaudited) RMB'000	30.6.2008 (Unaudited) RMB'000		30.6.2009 (Unaudited) RMB'000	30.6.2008 (Unaudited) RMB'000	
		change +/-			change +/-	
Revenue	20,557	7,391	178.1	84,378	89,807	(6.0)
Cost of sales	(7,852)	(220)	3,469.1	(35,231)	(35,072)	0.5
Gross profit	12,705	7,171	77.2	49,147	54,735	(10.2)
Other income	703	3,560	(80.3)	1,163	5,411	(78.5)
Selling expenses	(1,586)	(1,518)	4.5	(4,163)	(2,343)	77.7
Administrative expenses	(5,026)	(8,356)	(39.9)	(16,333)	(27,752)	(41.1)
Other operating expenses	(130)	(320)	(59.4)	(130)	(452)	(71.2)
Profit from operations	6,666	537	1,141.3	29,684	29,599	0.3
Finance costs	(1,075)	(430)	150.0	(2,128)	(840)	153.3
Profit before taxation	5,591	107	5,125.2	27,556	28,759	(4.2)
Income tax expenses	(3,623)	-	-	(17,521)	(23,738)	(26.2)
Profit for the period	1,968	107	1,739.3	10,035	5,021	99.9
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	1,968	107		10,035	5,021	99.9

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 2007) 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>			
	Three months ended		Six months ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of properties held for sale recognised				
as expense	7,603	-	31,799	30,784
Depreciation	2,752	2,640	5,504	5,050
Amortisation of land use rights	3	3	6	5
Operating lease charges on land and buildings	99	99	198	198

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>	
	30.6.2009 (Unaudited) RMB'000	31.12.2008 (Audited) RMB'000	30.6.2009 (Unaudited) RMB'000	31.12.2008 (Audited) RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Investments in subsidiaries	-	-	576,857	576,857
Property, plant and equipment	181,445	185,710	-	-
Investment properties	44,678	45,512	-	-
Land use rights	586	592	-	-
Goodwill	38,703	38,703	-	-
Deferred tax assets	62,508	60,591	-	-
Deposit paid	234,182	234,182	-	-
	<u>562,102</u>	<u>565,290</u>	<u>576,857</u>	<u>576,857</u>
Current assets				
Deposits paid	554,391	554,391	-	-
Properties held for development	45,089	45,089	-	-
Properties held under development	112,902	77,219	-	-
Properties held for sale	61,813	91,751	-	-
Amount due from a subsidiary	-	-	588,544	588,544
Prepayments and other receivables	12,337	3,589	-	-
Prepayment of land appreciation tax	356	845	-	-
Restricted bank deposits	8,189	14,413	-	-
Cash and bank balances	777,119	484,848	29	29
	<u>1,572,196</u>	<u>1,272,145</u>	<u>588,573</u>	<u>588,573</u>
Current liabilities				
Trade and bills payables	2,144	2,442	-	-
Accruals and other payables	16,984	23,648	-	-
Receipts in advance	10,468	16,894	-	-
Amount due to a subsidiary	-	-	705	705
Interest-bearing bank and other borrowings	40,000	40,000	-	-
Tax payable	360,018	369,802	-	-
	<u>429,614</u>	<u>452,786</u>	<u>705</u>	<u>705</u>
Net current assets	<u>1,142,582</u>	<u>819,359</u>	<u>587,868</u>	<u>587,868</u>
Total assets less current liabilities	<u>1,704,684</u>	<u>1,384,649</u>	<u>1,164,725</u>	<u>1,164,725</u>
Non-current liabilities				
Interest-bearing bank and other borrowings	<u>380,000</u>	<u>70,000</u>	-	-
Net assets	<u>1,324,684</u>	<u>1,314,649</u>	<u>1,164,725</u>	<u>1,164,725</u>
EQUITY				
Equity attributable to the Company's equity holders				
Share capital	697,076	697,076	697,076	697,076
Reserves	<u>627,608</u>	<u>617,573</u>	<u>467,649</u>	<u>467,649</u>
Total equity	<u>1,324,684</u>	<u>1,314,649</u>	<u>1,164,725</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 30.6.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
40,000	-	40,000	-

Amount repayable after one year

As at 30.6.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
380,000	-	70,000	-

Details of any collateral

As at 30 June 2009 and 31 December 2008, the Group's bank loans and other borrowings were secured by the pledge of the Group's certain properties held for development. The Group's bank loans and other borrowings of RMB250,000,000 and RMB40,000,000 as at 30 June 2009 and 31 December 2008 respectively were jointly guaranteed by Mr Li Wei and Mr Yan Tao, the directors of the Group.

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

	Group Six months	
	ended 30.6.2009 (Unaudited) RMB'000	ended 30.6.2008 (Unaudited) RMB'000
Cash flows from operating activities		
Profit before taxation	27,556	28,759
Adjustments for:		
Interest income	(918)	(2,289)
Interest expenses	2,128	840
Depreciation	5,504	5,050
Amortisation of land use rights	6	5
Operating profit before working capital changes	34,276	32,365
Increase in properties held for development	-	(2,544)
Increase in properties held under development	(32,618)	(101,542)
Decrease in properties held for sale	29,938	30,784
Increase in prepayments, other receivables and deposits paid	(8,748)	(6,197)
Decrease/(increase) in prepayment of land appreciation tax	489	(2,000)
Decrease/increase in trade and bills payables	(298)	162
Decrease in accruals and other payables	(6,664)	(13,163)
Decrease in receipts in advance	(6,426)	(29,510)
Cash generated from/(used in) operations	9,949	(91,645)
Income taxes paid	(29,222)	(11,434)
Interest received	918	2,289
Net cash used in operating activities	(18,355)	(100,790)
Cash flows from investing activities		
Purchases of property, plant and equipment	(405)	(1,702)
Decrease (increase) in restricted bank deposits	6,224	(192)
Net cash used in investing activities	5,819	(1,894)
Cash flows from financing activities		
Proceeds from issue of new ordinary shares, net of share issue expenses charged to share premium account	-	589,019
New bank borrowings	100,000	-
New other borrowings	210,000	-
Interest paid	(5,193)	(1,662)
Net cash generated from financing activities	304,807	587,357
Net increase in cash and cash equivalents	292,271	484,673
Cash and cash equivalents at beginning of period	484,848	662,557
Cash and cash equivalents at end of period	777,119	1,147,230
Analysis of balances of cash and cash equivalents		
Cash and bank balances	777,119	1,147,230

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	Share premium	Merger reserve	Exchange reserve	Statutory reserves	Other reserve	Retained earnings	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 2008	606,720	-	560,024	(19,193)	22,643	(705,470)	112,133	576,857
Profit for the period	-	-	-	-	-	-	5,021	5,021
Total comprehensive income for the period	-	-	-	-	-	-	5,021	5,021
Issue of new shares, in connection with the listing	90,356	531,209	-	-	-	-	-	621,565
Share issue expenses	-	(32,546)	-	-	-	-	-	(32,546)
As at 30 June 2008	<u>697,076</u>	<u>498,663</u>	<u>560,024</u>	<u>(19,193)</u>	<u>22,643</u>	<u>(705,470)</u>	<u>117,154</u>	<u>1,170,897</u>

	Share capital	Share premium	Merger reserve	Exchange reserve	Statutory reserves	Other reserve	Retained earnings	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 2009	697,076	498,663	560,024	(19,267)	45,368	(705,470)	238,255	1,314,649
Profit for the period	-	-	-	-	-	-	10,035	10,035
Total comprehensive income for the period	-	-	-	-	-	-	10,035	10,035
As at 30 June 2009	<u>697,076</u>	<u>498,663</u>	<u>560,024</u>	<u>(19,267)</u>	<u>45,368</u>	<u>(705,470)</u>	<u>248,290</u>	<u>1,324,684</u>

<u>Company</u>	Share capital RMB'000 (Unaudited)	Share premium RMB'000 (Unaudited)	Contributed deficit RMB'000 (Unaudited)	Retained earnings RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
As at 1 January 2008	606,720	-	(29,863)	-	576,857
Results for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-
Issue of new shares in connection with the listing	90,356	531,209	-	-	621,565
Share issue expenses	-	(32,546)	-	-	(32,546)
As at 30 June 2008	<u>697,076</u>	<u>498,663</u>	<u>(29,863)</u>	<u>-</u>	<u>1,165,876</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
Results for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-
As at 30 June 2009	<u>697,076</u>	<u>498,663</u>	<u>(29,863)</u>	<u>(1,151)</u>	<u>1,164,725</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 30 June 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 30 June 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 30 June 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 30 June 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.

	<u>Group</u>		<u>Group</u>	
	Three months ended		Six months ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<u>RMB cents</u>	<u>RMB cents</u>	<u>RMB cents</u>	<u>RMB cents</u>
Basic	<u>0.11</u>	<u>0.01</u>	<u>0.54</u>	<u>0.28</u>
Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Basic earnings per ordinary share for the three months and six months ended 30 June 2009 were calculated based on the Group's profit for the period of approximately RMB1,968,000 and RMB10,035,000 (three months and six months ended 30 June 2008: approximately RMB107,000 and RMB5,021,000) divided by issued share capital of 1,845,000,000 shares (three months and six months ended 30 June 2008: the weighted average of 1,803,269,231 ordinary shares and post-Invitation share capital of 1,845,000,000 ordinary shares).

There were no potential dilutive ordinary shares in existence for the three months ended 30 June 2009 and 31 March 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	As at	As at	As at
	<u>30.6.2009</u>	<u>31.12.2008</u>	<u>30.6.2009</u>	<u>31.12.2008</u>
	RMB cents	RMB cents	RMB cents	RMB cents
Net asset value per ordinary share	<u>71.80</u>	<u>71.25</u>	<u>63.13</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 30 June 2009 and 31 December 2008;
- (b) post-Invitation share capital of 1,845,000,000 ordinary shares in issue as at 30 June 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>	
	Three months		Three months	
	ended		ended	
	30.6.2009		30.6.2008	
	(Unaudited)	%	(Unaudited)	%
	<u>RMB'000</u>		<u>RMB'000</u>	
<u>Revenue</u>				
<u>J-Expo (金智·万博商城)</u>				
Retail units	15,536	75.6	-	-
Office units	-	-	-	-
	<u>15,536</u>	<u>75.6</u>	<u>-</u>	<u>-</u>
Rental income	5,021	24.4	7,391	100.0
	<u>20,557</u>	<u>100.0</u>	<u>7,391</u>	<u>100.0</u>

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

Review of Group's Performance for 2Q2009 as compared to 2Q2008

Revenue

Revenue increased by RMB13.2 million or 178.1% to RMB20.6 million in 2Q2009 from RMB7.4 million in 2Q2008.

Sale of properties

In 2Q2009, revenue amounting to approximately RMB15.5 million were recognised from the sales of 77 retail units with a total GFA of 1,466 sq m. in our commercial properties project, J-Expo (金智·万博商城), at an average selling price of about RMB10,598 per sq m.

There were no sales of properties realised in 2Q2008.

Rental income

Approximately RMB5.0 million was recognised during the current period accordingly from our recurring rental income.

Group Profit and Gross Profit Margin

In line with sales, our gross profit increased from RMB7.2 million in 2Q2008 to RMB12.7 million in 2Q2009. However, our gross profit margins decreased by approximately 35.2 percentage points from 97.0% to 61.8%. The decrease in gross profit margin was mainly due to the fact that our rental income, which enjoys a much higher gross margin than sales of property, accounted for 100% and 24.4% of the revenue in 2Q2008 and 2Q2009 respectively. The change in product mix resulted in the drop of gross profit margin.

Other Income

Other income decreased by approximately RMB2.9 million from RMB3.6 million in 2Q2008 to RMB0.7 million in 1Q2009, mainly due to the decrease in interest income resulting from a lower interest rate and lower level of average bank balances.

Operating Expenses

Administrative expenses decreased by 39.9% from approximately RMB8.4 million in 2Q2008 to approximately RMB5.0 million in 2Q2009. It was mainly due to the one-off listing expenses incurred for the Company's listing on SGX-ST in 1H2008.

Taxation

Our Group is subject to enterprise income tax and Land Appreciation Tax ("LAT") in the PRC. In 2Q2009, we recorded income tax expenses for approximately RMB3.6 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 rate in 2Q2009 is 64.8%. It is higher than the enterprise income tax rate of 25%, mainly due to the provision of LAT. In comparison, no provision of enterprise income tax and LAT was made in 2Q2008.

Net Profit for the period

Our net profit for the period increased from approximately RMB0.1 million to RMB2.0 million. This was mainly because no revenue from the sale of properties was recognised in 2Q2008. The net profit in 2Q2009 was mainly due to the recognition of sales of properties from J-Expo (金智·万博商城).

Review of Group's Financial Position as at 30 June 2009 and 31 December 2008

Total equity as at 30 June 2009 amounted to approximately RMB1,324.7 million (31 December 2008: approximately RMB1,314.6 million), representing an increase of 0.8%.

Properties held under development increased by RMB35.7 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).

Receipts in advance decreased by RMB6.4 million from RMB16.9 million to RMB10.5 million. As most of the pre-sold units in J-Expo (金智·万博商城) had already been delivered to the buyers, the receipts in advance was recognised as revenue accordingly.

Bank and other borrowings increased by RMB310 million. The new borrowings were raised to finance the construction costs incurred for our development projects.

(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.

Despite the challenging economic environment, the Group adjusted its pace of development and managed to return a relatively strong set of results.

In the light of the improving market conditions in the PRC property market, the Group is now poised to embark on an expansion drive. As previously announced on 27 July 2009, the Group has unveiled a strong pipeline of projects located in prime sites in Zhengzhou City, Henan Province.

Going forward, Management will continue to exercise and entrench prudent cost discipline in its operations whilst seeking strong and steady expansion.

Our Group's policy of sales recognition is that revenue arising from sales of properties held for sale are recognised when the significant risks and rewards of ownership of these properties held for sale have been transferred to the purchasers and the Group retains neither continuing involvement to the degree usually associated with ownership nor effective control over properties held for sales. Notwithstanding we may have pre-sold our development properties, the sale will not be recorded as revenue if the above conditions are not fulfilled. As a result, our revenue can be lumpy on a quarter-to-quarter basis.

For the coming two quarters, our expected revenue is only from our recurring rental income, delivery of our balance pre-sold units at J-Expo (金智·万博商城) and the sales, if any, of our retail and office units at J-Expo (金智·万博商城), which we had put in the market for sales since April 2007.

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 30 June 2009 and 31 December 2008, the Group's bank loans and other borrowings of RMB250,000,000 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	18.0	7.6
	<u>585.4</u>	<u>577.8</u>	<u>7.6</u>

BY ORDER OF THE BOARD

Yan Tao
Chief Executive Officer
14 August 2009

**CENTRALAND LIMITED
(Incorporated in the Bermuda)**

**CONFIRMATION BY THE BOARD
PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, Yan Tao and Wang Zhimin, being two directors of CentraLand Limited (“the Company”), do hereby confirm on behalf of the directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the second quarter financial results of the Company and of the Group for the financial period ended 30 June 2009 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Yan Tao
Chief Executive Officer

Wang Zhimin
Finance Director

14 August 2009