

# CENTRALAND LIMITED

## Second Quarter Financial Statements and Dividend Announcement for the Period Ended 30 June 2010

### 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		% change	Six months ended		% change
	30.6.2010 (Unaudited) RMB'000	30.6.2009 (Unaudited) RMB'000		30.6.2010 (Unaudited) RMB'000	30.6.2009 (Unaudited) RMB'000	
Revenue	31,009	20,557	50.8	60,905	84,378	(27.8)
Cost of sales	(10,962)	(7,852)	39.6	(20,224)	(35,231)	(42.6)
Gross profit	20,047	12,705	57.8	40,681	49,147	(17.2)
Other income	583	703	(17.1)	1,311	1,163	12.7
Selling expenses	(1,641)	(1,586)	3.5	(3,900)	(4,163)	(6.3)
Administrative expenses	(13,589)	(5,026)	170.4	(26,134)	(16,333)	60.0
Other operating expenses	-	(130)	(100.0)	-	(130)	(100.0)
Profit from operations	5,400	6,666	(19.0)	11,958	29,684	(59.7)
Finance costs	(3,530)	(1,075)	228.4	(6,725)	(2,128)	216.0
Profit before taxation	1,870	5,591	(66.6)	5,233	27,556	(81.0)
Income tax expenses	(566)	(3,623)	(84.4)	(1,125)	(17,521)	(93.6)
Profit for the period	1,304	1,968	(33.7)	4,108	10,035	(59.1)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	1,304	1,968	(33.7)	4,108	10,035	(59.1)
Profit/(loss) for the period/Total comprehensive income attributable to:						
Owners of the Company	(385)	1,968	(119.6)	(123)	10,035	(101.2)
Non-controlling interests	1,689	-	N.M.	4,231	-	N.M.
	1,304	1,968		4,108	10,035	

N.M. Not meaningful

## 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"). On 1 February 2008, the Company was officially listed on the SGX-ST.

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

	<u>Group</u>		<u>Group</u>	
	Three months ended		Six months ended	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	<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	1,645	7,603	1,645	31,799
Depreciation	3,337	2,752	6,779	5,504
Amortisation of land use rights	190	3	380	6
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>	
	30.6.2010 (Unaudited)	31.12.2009 (Audited)	30.6.2010 (Unaudited)	31.12.2009 (Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	576,857	576,857
Property, plant and equipment	173,841	179,047	-	-
Investment properties	136,266	138,454	-	-
Leasehold land and land use rights	167,361	167,741	-	-
Goodwill	362,840	204,482	-	-
Deferred tax assets	68,499	67,819	-	-
	<u>908,807</u>	<u>757,543</u>	<u>576,857</u>	<u>576,857</u>
<b>Current assets</b>				
Deposits paid	150,000	120,000	-	-
Properties held for development	1,469,020	783,636	-	-
Properties held under development	205,530	138,924	-	-
Properties held for sale	69,072	70,717	-	-
Amount due from a subsidiary	-	-	588,544	588,544
Prepayments and other receivables	111,668	85,096	-	-
Prepayment of land appreciation tax	5,735	2,316	-	-
Amounts due from non-controlling shareholders	55,088	55,088	-	-
Restricted bank deposits	7,283	8,233	-	-
Cash and bank balances	429,090	938,924	29	29
	<u>2,502,486</u>	<u>2,202,934</u>	<u>588,573</u>	<u>588,573</u>
<b>Current liabilities</b>				
Trade and bills payables	13,523	19,520	-	-
Accruals and other payables	17,591	25,516	423	193
Receipts in advance	140,315	46,324	-	-
Amount due to a subsidiary	-	-	705	705
Interest-bearing bank and other borrowings	243,000	337,000	-	-
Amounts due to non-controlling shareholders	205,391	162,300	-	-
Amount due to a related party	-	2,543	-	-
Tax payable	355,456	365,491	-	-
	<u>975,276</u>	<u>958,694</u>	<u>1,128</u>	<u>898</u>
Net current assets	<u>1,527,210</u>	<u>1,244,240</u>	<u>587,445</u>	<u>587,675</u>
Total assets less current liabilities	<u>2,436,017</u>	<u>2,001,783</u>	<u>1,164,302</u>	<u>1,164,532</u>
<b>Non-current liabilities</b>				
Interest-bearing bank and other borrowings	280,000	280,000	-	-
Deferred tax liabilities	718,324	338,608	-	-
	<u>998,324</u>	<u>618,608</u>	<u>-</u>	<u>-</u>
Net assets	<u>1,437,693</u>	<u>1,383,175</u>	<u>1,164,302</u>	<u>1,164,532</u>
<b>EQUITY</b>				
Share capital	697,076	697,076	697,076	697,076
Reserves	627,093	627,216	467,226	467,456
Equity attributable to the Company's owners	<u>1,324,169</u>	<u>1,324,292</u>	<u>1,164,302</u>	<u>1,164,532</u>
Non-controlling interests	113,524	58,883	-	-
Total equity	<u>1,437,693</u>	<u>1,383,175</u>	<u>1,164,302</u>	<u>1,164,532</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 30.6.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
243,000	-	337,000	-

**Amount repayable after one year**

As at 30.6.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
280,000	-	280,000	-

**Details of any collateral**

As at 30 June 2010 and 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 certain investment properties. The Group's bank loans of RMB50,000,000 as at 30 June 2010 and 31 December 2009 were guaranteed by Mr Li Wei and Mr Yan Tao.

As at 30 June 2010 and 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 as at 30 June 2010 and 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.**

	Group	
	Six months	
	ended	ended
	30.6.2010	30.6.2009
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit before taxation	5,233	27,556
Adjustments for:		
Interest income	(1,311)	(918)
Interest expenses	6,725	2,128
Depreciation	6,779	5,504
Loss on disposal of property, plant and equipment	104	-
Amortisation of leasehold land and land use rights	380	6
	<hr/>	<hr/>
Operating profit before working capital changes	17,910	34,276
Increase in properties held for development	(53,384)	-
Increase in properties held under development	(36,801)	(32,618)
Decrease in properties held for sale	1,645	29,938
Increase in prepayments, other receivables and deposits paid	(56,572)	(8,748)
(Increase)/decrease in prepayment of land appreciation tax	(3,419)	489
Decrease in trade and bills payables	(5,997)	(298)
Decrease in accruals and other payables	(8,225)	(6,664)
Increase/(decrease) in receipts in advance	93,991	(6,426)
Decrease in amount due to a related party	(2,543)	-
Increase in amounts due to non-controlling shareholders	43,091	-
	<hr/>	<hr/>
Cash (used in)/generated from operations	(10,304)	9,949
Income taxes paid	(11,840)	(29,222)
Interest received	1,311	918
	<hr/>	<hr/>
Net cash used in operating activities	<u>(20,833)</u>	<u>(18,355)</u>

**Cash flows from investing activities**

Acquisition of a subsidiary, net of cash and cash equivalent acquired	(359,932)	-
Purchases of property, plant and equipment	-	(405)
Sales proceeds on disposal of property, plant and equipment	511	-
Decrease in restricted bank deposits	950	6,224
	<u>(358,471)</u>	<u>5,819</u>

Net cash (used in)/generated from investing activities

**Cash flows from financing activities**

New bank and other borrowings	60,000	310,000
Repayment of bank borrowings	(154,000)	-
Interest paid	(36,530)	(5,193)
	<u>(130,530)</u>	<u>304,807</u>

Net cash (used in)/generated from financing activities

**Net (decrease)/increase in cash and cash equivalents**

**Cash and cash equivalents at beginning of period**

**Cash and cash equivalents at end of period**

**Analysis of balances of cash and cash equivalents**

**Cash and bank balances**

(509,834) 292,271

938,924 484,848

429,090 777,119

429,090 777,119

**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	Non-controlling interests	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (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 31 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>-</u>	<u>1,324,684</u>

	Share capital	Share premium	Merger reserve	Exchange reserve	Statutory reserves	Other reserve	Retained earnings	Non-controlling interests	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
As at 1 January 2010	697,076	498,663	560,024	(19,244)	45,868	(705,470)	247,375	58,883	1,383,175
Profit for the period	-	-	-	-	-	-	(123)	4,231	4,108
Total comprehensive income for the period	-	-	-	-	-	-	(123)	4,231	4,108
Acquisition of a subsidiary	-	-	-	-	-	-	-	50,410	50,410
As at 30 June 2010	<u>697,076</u>	<u>498,663</u>	<u>560,024</u>	<u>(19,244)</u>	<u>45,868</u>	<u>(705,470)</u>	<u>247,252</u>	<u>113,524</u>	<u>1,437,693</u>

<u>Company</u>	Share capital	Share premium	Contributed deficit	Accumulated losses	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	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>

	Share capital	Share premium	Contributed deficit	Accumulated losses	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
As at 1 January 2010	697,076	498,663	(29,863)	(1,344)	1,164,532
Loss for the period	-	-	-	(230)	(230)
Total comprehensive income for the period	-	-	-	(230)	(230)
As at 30 June 2010	<u>697,076</u>	<u>498,663</u>	<u>(29,863)</u>	<u>(1,574)</u>	<u>1,164,302</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>	<b>Number of shares</b>	<b>Amount HK\$'000</b>
As at 31 December 2009 and 30 June 2010, ordinary shares at HK\$0.40 each	1,845,000,000	738,000

The issued share capital of the Company as at 31 December 2009 and 30 June 2010 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 2009 and 30 June 2010.

**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 2010	As at 31 December 2009
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 2009, 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 2010. 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>		<u>Group</u>	
	Three months ended		Six months ended	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	RMB cents	RMB cents	RMB cents	RMB cents
Basic	<u>(0.02)</u>	<u>0.11</u>	<u>(0.01)</u>	<u>0.54</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 2010 were calculated based on the Group's loss attributable to the owners of the Company for the period of approximately RMB385,000 and RMB123,000 (three months and six months ended 30 June 2009: profit of approximately RMB1,968,000 and RMB10,035,000) divided by issued share capital of 1,845,000,000 shares.

There were no potential dilutive ordinary shares in existence for the three months ended 30 June 2010 and 30 June 2009 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
	30.6.2010	31.12.2009	30.6.2010	31.12.2009
	RMB cents	RMB cents	RMB cents	RMB cents
Net asset value per ordinary share	<u>77.92</u>	<u>74.97</u>	<u>63.11</u>	<u>63.12</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 2010 and 31 December 2009;
- (b) post-Invitation share capital of 1,845,000,000 ordinary shares in issue as at 30 June 2010 and 31 December 2009.
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	
	30.6.2010		30.6.2009	
	(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	1,990	6.4	15,536	75.6
Office units	-	-	-	-
	<u>1,990</u>	6.4	<u>15,536</u>	75.6
Property management fee	6,549	21.1	-	-
Rental income	<u>22,470</u>	72.5	<u>5,021</u>	24.4
	<u>29,019</u>	93.6	<u>5,021</u>	24.4
	<u>31,009</u>	100.0	<u>20,557</u>	100.0

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

### **Review of Group's Performance for 2Q2010 as compared to 2Q2009**

#### **Revenue**

Revenue increased by RMB10.5 million or 50.8% to RMB31.0 million in 2Q2010 from RMB20.6 million in 2Q2009.

#### **Sale of properties**

In 2Q2010, revenue amounting to approximately RMB2.0 million were recognised from the delivery of 3 retail and 3 office units with a total GFA of 267 sq. m. in our commercial properties project, J-Expo (金智·万博商城), at an average selling price of about RMB5,600 per sq. m. and RMB10,800 per sq. m. respectively.

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.

### Rental income and property management fee

The Group had recognised RMB22.5 million from the leasing of commercial retail units in its high-end residential project, Guoling Shanshui (果岭山水) as well as Jiancai Gang (建材港), a wholesale centre for building materials acquired in the fourth quarter of 2009. The provision of property management services to Jiancai Gang also contributed RMB6.5 million.

### **Group Profit and Gross Profit Margin**

In line with revenue, our gross profit increased from RMB12.7 million in 2Q2009 to RMB20.0 million in 2Q2010. However, our gross profit margins increased by approximately 2.8 percentage points from 61.8% to 64.6%. The increase in gross profit margin was mainly due to the fact that our rental income and property management fee, which enjoys higher gross margins than sales of property, accounted for 24.4% and 93.6% of the revenue in 2Q2009 and 2Q2010 respectively. The change in product mix resulted in the rise of gross profit margin.

### **Other Income**

Other income decreased by approximately RMB0.1 million from RM0.7 million in 2Q2009 to RMB0.6 million in 2Q2010, mainly due to the decrease in interest income resulting from lower level of average bank balances.

### **Operating Expenses**

Administrative expenses increased by 170.4% from approximately RMB5.0 million in 2Q2009 to approximately RMB13.6 million in 2Q2010, which was mainly due to consultancy fees, paid to a third-party, incurred for our commercial property development projects in relation to due diligence done on these properties amounting to about RMB5.0 million.

### **Taxation**

Our Group is subject to enterprise income tax and Land Appreciation Tax ("LAT") in the PRC. Our income tax expenses decreased by RMB 3.0 million from RMB3.6 million to RMB0.6 million, which was due to lower LAT provision resulting from lower sale of properties. 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 decreased from 64.8% in 2Q2009 to 30.3% in 2Q2010.

### **Net Profit for the period**

The rise in gross profit offset by the significant increase in administrative expenses and finance costs resulted in a drop in net profit for the period under review.

Net profit totalled RMB1.3 million in 2Q2010, compared with RMB2.0 million in 2Q2009.

**Review of Group's Financial Position as at 30 June 2010 and 31 December 2009**

Total equity as at 30 June 2010 amounted to approximately RMB1,437.7 million (31 December 2009: approximately RMB1,383.2 million), representing an increase of 3.9%.

Goodwill increased by RMB158.3 million from RMB204.5 million to RMB362.8 million. During the period under review, as previously announced on 25 June 2010, the Group acquired 80% of the registered paid-up capital of Longma Enterprise Co. Ltd. (the "Longma"). The increase represents the difference between the total purchase consideration and the net fair value of the net assets acquired.

Properties held for development recorded an increase of RMB685.4 million which was mainly due to the acquisition of Longma.

Properties held under development increased by RMB66.6 million. The increase represents the additional development and related costs incurred for Phase III of Guoling Shanshui (果岭山水).

Receipts in advance increased by RMB94.0 million from RMB46.3 million to RMB140.3 million which was mainly due to the downpayments received upon pre-sales for Phase III of Guoling Shanshui (果岭山水).

Increase in deferred tax liabilities represents the provision made upon the acquisition of the Longma.

**(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.**

The latest measures announced and adopted by the PRC government to stabilise the residential property market have further dampened demand and prices of real estates in the PRC.

The aforesaid government measures may have some impact on the sales of our ongoing residential project, Guoling Shanshui Phase III. However, as at 4 August 2010, Guoling Shanshui Phase III – our ongoing residential project, had pre-sales contracts for 295 units of the 540 units released under Guoling Shanshui Phase III Stage 1. The Management has been closely monitoring the market and will pace the development of Guoling Shanshui Phase III Stage 2 accordingly.

In the meantime, the Group will continue to enhance its capabilities in property management with the management of Jiancai Gang, to derive a strong stream of revenue from both rental and management fees.

## 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 2010 and 31 December 2009, the Group's bank loans and other borrowings of RMB260,000,000 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	<u>25.6</u>	<u>24.6</u>	<u>1.0</u>
	<u><u>585.4</u></u>	<u><u>584.4</u></u>	<u><u>1.0</u></u>

**BY ORDER OF THE BOARD**

Yan Tao  
Chief Executive Officer  
12 August 2010

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

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

We, Yan Tao and Wang Jian, 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 2010 to be false or misleading in any material aspect.

On behalf of the Board of Directors

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Yan Tao  
Chief Executive Officer

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Wang Jian  
Director

12 August 2010