

# CENTRALAND LIMITED

## Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 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		%	Nine months ended		%
	30.9.2009	30.9.2008		30.9.2009	30.9.2008	
(Unaudited)	(Unaudited)	change	(Unaudited)	(Unaudited)	change	
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	18,325	281,743	(93.5)	102,703	371,550	(72.4)
Cost of sales	(5,741)	(109,017)	(94.7)	(40,972)	(144,089)	(71.6)
Gross profit	12,584	172,726	(92.7)	61,731	227,461	(72.9)
Other income	1,161	1,595	(27.2)	2,324	7,006	(66.8)
Selling expenses	(1,174)	(10,011)	(88.3)	(5,337)	(12,354)	(56.8)
Administrative expenses	(5,237)	(8,254)	(36.6)	(21,570)	(36,006)	(40.1)
Other operating expenses	-	-	-	(130)	(452)	(71.2)
Profit from operations	7,334	156,056	(95.3)	37,018	185,655	(80.1)
Finance costs	(1,324)	(592)	123.6	(3,452)	(1,432)	141.1
Profit before taxation	6,010	155,464	(96.1)	33,566	184,223	(81.8)
Income tax expenses	(3,708)	(81,174)	(95.4)	(21,229)	(104,912)	(79.8)
Profit for the period	2,302	74,290	(96.9)	12,337	79,311	(84.4)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	2,302	74,290	(96.9)	12,337	79,311	(84.4)
Attributable to:						
Equity holders of the Company	2,302	74,290	(96.9)	12,337	79,311	(84.4)
Minority interests	-	-	n.m.	-	-	n.m.
	2,302	74,290		12,337	79,311	

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 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		Nine months ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	<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	5,440	95,147	37,239	125,931
Depreciation	2,864	2,855	8,368	7,905
Amortisation of land use rights	3	3	9	8
Operating lease charges on land and buildings	99	99	297	297

**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>	
	30.9.2009 (Unaudited) RMB'000	31.12.2008 (Audited) RMB'000	30.9.2009 (Unaudited) RMB'000	31.12.2008 (Audited) RMB'000
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	576,857	576,857
Property, plant and equipment	182,114	185,710	-	-
Investment properties	44,261	45,512	-	-
Land use rights	583	592	-	-
Goodwill	221,270	38,703	-	-
Deferred tax assets	62,860	60,591	-	-
Deposit paid	-	234,182	-	-
	<u>511,088</u>	<u>565,290</u>	<u>576,857</u>	<u>576,857</u>
<b>Current assets</b>				
Deposits paid	212,178	554,391	-	-
Properties held for development	835,000	45,089	-	-
Properties held under development	198,086	77,219	-	-
Properties held for sale	56,061	91,751	-	-
Amount due from a subsidiary	-	-	588,544	588,544
Prepayments and other receivables	19,317	3,589	-	-
Prepayment of land appreciation tax	542	845	-	-
Restricted bank deposits	16,642	14,413	-	-
Cash and bank balances	970,908	484,848	29	29
	<u>2,308,734</u>	<u>1,272,145</u>	<u>588,573</u>	<u>588,573</u>
<b>Current liabilities</b>				
Trade and bills payables	1,765	2,442	-	-
Accruals and other payables	33,670	23,648	-	-
Receipts in advance	13,804	16,894	-	-
Amount due to minority shareholders	162,300	-	-	-
Amount due to a subsidiary	-	-	705	705
Interest-bearing bank and other borrowings	182,000	40,000	-	-
Tax payable	360,007	369,802	-	-
	<u>753,546</u>	<u>452,786</u>	<u>705</u>	<u>705</u>
Net current assets	<u>1,555,188</u>	<u>819,359</u>	<u>587,868</u>	<u>587,868</u>
Total assets less current liabilities	<u>2,066,276</u>	<u>1,384,649</u>	<u>1,164,725</u>	<u>1,164,725</u>
<b>Non-current liabilities</b>				
Interest-bearing bank and other borrowings	410,000	70,000	-	-
Deferred tax liabilities	260,702	-	-	-
	<u>670,702</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
Net assets	<u><u>1,395,574</u></u>	<u><u>1,314,649</u></u>	<u><u>1,164,725</u></u>	<u><u>1,164,725</u></u>
<b>EQUITY</b>				
Equity attributable to the Company's equity holders				
Share capital	697,076	697,076	697,076	697,076
Reserves	629,910	617,573	467,649	467,649
	<u>1,326,986</u>	<u>1,314,649</u>	<u>1,164,725</u>	<u>1,164,725</u>
Minority interests	68,588	-	-	-
Total equity	<u><u>1,395,574</u></u>	<u><u>1,314,649</u></u>	<u><u>1,164,725</u></u>	<u><u>1,164,725</u></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 30.9.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
182,000	-	40,000	-

**Amount repayable after one year**

As at 30.9.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
410,000	-	70,000	-

**Details of any collateral**

As at 30 Sept 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 and properties held for sale. The Group's bank loans and other borrowings of RMB210,000,000 and RMB40,000,000 as at 30 Sept 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	
	Nine months	
	ended	ended
	30.9.2009	30.9.2008
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit before taxation	33,566	184,223
Adjustments for:		
Interest income	(1,584)	(3,837)
Interest expenses	3,452	1,432
Depreciation	8,368	7,905
Amortisation of land use rights	9	8
Operating profit before working capital changes	43,811	189,731
Decrease/(increase) in properties held for development	45,089	(15,318)
(Increase)/decrease in properties held under development	(108,472)	160,951
Decrease/(increase) in properties held for sale	35,690	(151,309)
Decrease in prepayments, other receivables and deposits paid	560,672	5,215
Decrease in prepayment of land appreciation tax	303	-
Decrease in trade and bills payables	(677)	(2,067)
Decrease in accruals and other payables	(38,618)	(12,664)
Decrease in receipts in advance	(3,090)	(300,092)
Cash generated from/(used in) operations	534,708	(125,553)
Income taxes paid	(33,293)	(11,961)
Interest received	1,584	3,837
Net cash generated from/(used in) operating activities	502,999	(133,677)
<b>Cash flows from investing activities</b>		
Acquisitions of subsidiaries, net of cash acquired	(345,732)	-
Purchases of property, plant and equipment	(3,131)	(2,385)
(Increase)/decrease in restricted bank deposits	(2,229)	1,091
Net cash used in investing activities	(351,092)	(1,294)
<b>Cash flows from financing activities</b>		
Proceeds from issue of new ordinary shares, net of share issue expenses charged to share premium account	-	589,019
New bank borrowings	180,000	-
New other borrowings	210,000	-
Repayment of bank borrowings	(40,000)	-
Interest paid	(15,847)	(2,254)
Net cash generated from financing activities	334,153	586,765
<b>Net increase in cash and cash equivalents</b>	486,060	451,794
<b>Cash and cash equivalents at beginning of period</b>	484,848	662,557
<b>Cash and cash equivalents at end of period</b>	970,908	1,114,351
<b>Analysis of balances of cash and cash equivalents</b>		
<b>Cash and bank balances</b>	970,908	1,114,351

**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	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 2008	606,720	-	560,024	(19,193)	22,643	(705,470)	112,133	-	576,857
Profit for the period	-	-	-	-	-	-	79,311	-	79,311
Total comprehensive income for the period	-	-	-	-	-	-	79,311	-	79,311
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 Sept 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>191,444</u>	<u>-</u>	<u>1,245,187</u>
	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
Profit for the period	-	-	-	-	-	-	12,337	-	12,337
Total comprehensive income for the period	-	-	-	-	-	-	12,337	-	12,337
Acquisitions of subsidiaries	-	-	-	-	-	-	-	68,588	68,588
As at 30 Sept 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>250,592</u>	<u>68,588</u>	<u>1,395,574</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 Sept 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 Sept 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 Sept 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 Sept 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 Sept 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 Sept 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>		<u>Group</u>	
	Three months ended		Nine months ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB cents	RMB cents	RMB cents	RMB cents
Basic	<u>0.12</u>	<u>4.03</u>	<u>0.67</u>	<u>4.36</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 nine months ended 30 Sept 2009 were calculated based on the Group's profit for the period of approximately RMB2,302,000 and RMB12,337,000 (three months and nine months ended 30 Sept 2008: approximately RMB74,290,000 and RMB79,311,000) divided by issued share capital of 1,845,000,000 shares (three months and nine months ended 30 Sept 2008: the post-Invitation share capital of 1,845,000,000 ordinary shares and weighted average of 1,817,281,022 ordinary shares).

There were no potential dilutive ordinary shares in existence for the three months ended 30 Sept 2009 and 30 Sept 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>30.9.2009</u>	<u>31.12.2008</u>	<u>30.9.2009</u>	<u>31.12.2008</u>
	RMB cents	RMB cents	RMB cents	RMB cents
Net asset value per ordinary share	<u>71.92</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 Sept 2009 and 31 December 2008;
- (b) post-Invitation share capital of 1,845,000,000 ordinary shares in issue as at 30 Sept 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	
	30.9.2009		30.9.2008	
	(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	11,832	64.6	232,948	82.7
Office units	-	-	44,482	15.8
	<u>11,832</u>	64.6	<u>277,430</u>	98.5
Rental income	<u>6,493</u>	35.4	<u>4,313</u>	1.5
	<u>18,325</u>	100.0	<u>281,743</u>	100.0

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

#### **Review of Group's Performance for 3Q2009 as compared to 3Q2008**

##### **Revenue**

Revenue decreased by RMB263.4 million or 93.5% to RMB18.3 million in 3Q2009 from RMB281.7 million in 3Q2008.

##### Sale of properties

In 3Q2009, revenue amounting to approximately RMB11.8 million were recognised from the delivery of 57 retail units with a total GFA of 1,083.4 sq m. in our commercial properties project, J-Expo (金智·万博商城), at an average selling price of about RMB10,921 per sq m.

In 3Q2008, revenue amounting to about RMB277.4 million were recognised from delivery to buyers of 997 units of pre-sold retail and office units with a total GFA of 22,758 sq m. in J-Expo (金智·万博商城).

##### Rental income

Approximately RMB6.5 million was recognised during the current period accordingly from our recurring rental income.

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

In line with the decrease in sales, our gross profit decreased from RMB172.7 million in 3Q2008 to RMB12.6 million in 3Q2009. However, our gross profit margins increased by approximately 7.4 percentage points from 61.3% to 68.7%. The increase 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 1.5% and 35.4% of the revenue in 3Q2008 and 3Q2009 respectively. The change in product mix resulted in the rise of gross profit margin.

### **Other Income**

Other income decreased by approximately RMB0.4 million from RMB1.6 million in 3Q2008 to RMB1.2 million in 3Q2009, mainly due to the decrease in interest income resulting from a lower interest rate and decrease in income from the usage of sports facilities and cinema inside Guoling Shanshui (果岭山水).

### **Operating Expenses**

Selling expenses decreased by 88.3% from RMB10.0 million to RMB1.2 million. The decrease was mainly attributable to the fact that sales agency fee amounting to RMB7.0 million was recorded in 3Q2008 upon delivery of pre-sold units in J-Expo (金智·万博商城).

Administrative expenses decreased by 36.6% from RMB8.3 million in 3Q2008 to RMB5.2 million in 3Q2009. It was mainly due to the one-off listing expenses incurred for the Company's listing on SGX-ST in 2008.

### **Taxation**

Our Group is subject to enterprise income tax and Land Appreciation Tax ("LAT") in the PRC. In 3Q2009, we recorded income tax expenses of approximately RMB3.7 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 rate in 3Q2009 and 3Q2008 are 61.7% and 52.2% respectively. They are higher than the enterprise income tax rate of 25%, mainly due to the provision of LAT.

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

In line with the decrease in gross profit, our net profit for the period decreased from approximately RMB74.3 million to RMB2.3 million.

### **Review of Group's Financial Position as at 30 September 2009 and 31 December 2008**

Total equity as at 30 September 2009 amounted to approximately RMB1,395.6 million (31 December 2008: approximately RMB1,314.6 million), representing an increase of 6.2%.

Goodwill increased by RMB182.6 million from RMB38.7 million to RMB221.3 million. During the period under review, as previously announced on 27 July 2009, 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.

Deposit paid decreased by RMB576.4 million in total, which was mainly due to completion of the intended acquisition of Hezhi Group during the period.

Properties held for development recorded an increase of RMB789.9 million upon the acquisitions of the Hezhi Group and Henan Yinxin.

Properties held under development increased by RMB120.9 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).

Amount due to minority shareholders represents the outstanding payment to the existing individual shareholders of Tianrong Real Estate Co., Ltd. after the acquisition.

Bank and other borrowings recorded an increase by RMB482.0 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.

**(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.**

For the quarter under review, the Group has returned a set of results as guided by our previous announcement dated 14 Aug 2009 – our revenue was derived from recurring rental income and delivery of remaining units from J-Expo. For the coming quarter, our revenue is to be derived from recurring rental income and the delivery of remaining units of J-Expo.

Going forward, in the light of the improving market conditions in the PRC property market, the Group will continue to embark on an expansion drive to source for projects in prime sites in Zhengzhou for development. We have also launched our pre-sales for Phase III of Guoling Shanshui (果岭山水) in late October 2009.

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

## **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 Sept 2009 and 31 December 2008, the Group's bank loans and other borrowings of RMB210,000,000 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	<u>25.6</u>	<u>18.0</u>	<u>7.6</u>
	<u><u>585.4</u></u>	<u><u>577.8</u></u>	<u><u>7.6</u></u>

**BY ORDER OF THE BOARD**

Yan Tao  
Chief Executive Officer  
5 November 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 third quarter financial results of the Company and of the Group for the financial period ended 30 Sept 2009 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 Zhimin  
Finance Director

5 November 2009