

## NEWS RELEASE

### **CENTRALAND RECORDS FY2009 REVENUE OF RMB155.0 MILLION AND NET PROFIT OF RMB12.2 MILLION**

- *Maiden contribution from property management and growing rental income strengthens recurring revenue base*
- *Registration of interest for J-Expo II 137% oversubscribed*
- *Guoling Shanshui Phase III Stage 1 achieves encouraging take-up rate of 29% despite pre-sales launch in off-peak winter season*
- *Construction of J-Expo II, Nongye Road project and Guoling Shanshui Phase III Stage 2 to commence in FY2010*
- *Continue to source for prime sites in Zhengzhou and possibly in surrounding cities*

Singapore, February 27, 2010 – CentraLand Limited (中部大观地产有限公司) (“CentraLand”, and together with its subsidiaries, the “Group”), a leading Zhengzhou-based property developer, today announced a net profit of RMB12.2 million and revenue of RMB155.0 million in the financial year ended 31 December 2009 (“FY2009”).

## Performance Review

The Group's revenue declined from RMB713.7 million in FY2008 to RMB155.0 million in FY2009. This is due mainly to the inherent lumpiness of revenue recognition for PRC-based real estate developers. In FY2008, the Group recognised revenue amounting to RMB614.5 million from its wholesale centre for small consumer commodities (小商品), J-Expo I (金智•万博商城 I) and RMB81.4 million from high-end residential development, Guoling Shanshui (果岭山水) Phase I and Phase II.

In FY2009, the Group recognised approximately RMB106.3 million or 68.6% of the year's total revenue from the sale and delivery of remaining units in J-Expo I. The balance 31.4% or RMB48.6 million of Group revenue was attributable to rental income and property management fees.

The Group's rental income doubled to RMB41.9 million in FY2009 due mainly to the leasing of commercial retail units in Guoling Shanshui in the second half of 2009 as well as the Group's acquisition of the master tenancy of Jiancai Gang (建材港), a wholesale centre for building materials. Besides rental income from the sub-leasing of space within Jiancai Gang, the Group also recognized its maiden contribution of RMB6.7 million from the provision of property management services to Jiancai Gang since the acquisition in the last quarter of the year.

"The acquisition of the master tenancy of Jiancai Gang and the resulting recurring management fees will help even out the lumpiness of our revenue. Significantly, Jiancai Gang marks the beginning of our plans to move into property management and build a team of professional property managers to manage our future developments," said Mr Yan Tao (阎涛), CEO of CentraLand.

## **Projects Update**

The Group will be commencing the construction of several previously announced projects in FY2010. These include J-Expo II, Nongye Road Project and Guoling Shanshui Phase III Stage 2.

### ***J-Expo II 金智•万博商城 II***

As at February 22, 2010, the rate of registration of interest at the soft launch for J-Expo II, was an overwhelming 136.8%. The Group received 3,419 down-payments of RMB1,000 refundable deposit each from interested parties indicating their interest to ballot for J-Expo II's limited 2,500 retail units when pre-sales starts later in the year.

Commented Mr Yan, "The overwhelming response reflects Zhengzhou City's market demand for quality wholesale centre developments. We expect an over-subscription of as many as 3 applications per available unit after we start with the official launch for registration of interest later this year before the actual pre-sales.

Centraland's strategy to develop specialty wholesale trading hubs is in line with Zhengzhou City's development plans and thus fully supported by the local authorities. Despite recent news reports on credit tightening, we have received encouraging response from the local banks in our preliminary negotiations for a development loan for J-Expo II. Coupled with our internally generated funds, we are well-funded for the development of J-Expo II."

Construction of J-Expo II will commence by second quarter of 2010 and is expected to be completed in the first quarter of 2012. Adjacent to the Group's existing J-Expo I, J-Expo II has a total saleable gross floor area ("GFA") of 80,000 square metres ("sq m"), consisting of approximately 56,000 sq m for retail space and 24,000 sq m for office space.

### **Guoling Shanshui Phase III 果岭山水 3 期**

Guoling Shanshui Phase III Stage 1 also saw an encouraging take-up rate of 28.9% despite launching pre-sales during the harsh winter season in end October last year, a typically off-peak period for property-buying. Out of a total of 540 units released for Guoling Shanshui Phase III Stage 1, the Group has pre-sold 156 apartment units as at February 22, 2010.

Guoling Shanshui Phase III Stage 1 has a total saleable GFA of 43,763 sq m. Based on total pre-sold GFA of 12,973 sq m, the apartment units fetched an average selling price (“ASP”) of RMB6,036 per sq m. This is almost 50% higher than the RMB4,056 ASP achieved for Guoling Shanshui Phase II.

“Despite launching pre-sales for Guoling Shanshui Phase III during the off-peak winter season, we are very pleased to receive such positive market response for Stage 1. Guoling Shanshui’s unique water-front location and landscaping makes it ideal as a holiday home. With continued strong demand from affluent Chinese buyers, we expect buying interest for our unique development to be sustained.

Coupled with the fact that the Group has in hand a RMB435 million development loan for Guoling Shanshui Phase III and holds an approved masterplan for the project by the authorities, we are confident of the continued progress of Guoling Shanshui,” said Mr Yan.

Construction for Phase III Stage 1 is currently underway. Barring unforeseen developments, the Group intends to commence construction of Phase III Stage 2 (GFA of approximately 89,000 sq m) in FY2010. Targeted completion date for the entire Phase III project is expected to be in 4Q2012.

## **Continued Focus on Niche Specialty Wholesale Trading Hubs**

While CentraLand will continue to develop its unique integrated high-end residential development, Guoling Shanshui, the Group's main focus now lies in the niche and fast-growing area of specialty wholesale trading hubs.

Mr Yan said, "Zhengzhou City is strategically located at the crossroads of China's main railway and highway transportation networks. Given the central government's plans to develop the western region, we are positive of Zhengzhou City's prospects as a hub for wholesale trading centres serving the Henan Province, Central China and beyond. Our J-Expo I and II as well as the proposed redevelopment of Tianrong Fashion City are poised to tap these growth opportunities. Our commercial developments also complement the local government's urban renewal planning strategy to revitalize Zhengzhou City."

The Group will continue to source for projects in prime sites within Zhengzhou and possibly in surrounding cities with the aim of driving growth and maximising returns for its shareholders.

## **About CentraLand Limited**

Based in Zhengzhou City, the capital of Henan Province, CentraLand is a property developer and property manager focusing on specialty wholesale trading hubs. The Group completed its first commercial property development, J-Expo I (金智•万博商城 I), in 2008. J-Expo I, a small commodities (小商品) wholesale centre in Zhengzhou City was well-received. In addition to commercial properties, the Group's portfolio also includes high-end residential developments.

Currently, the Group is involved in four main property development projects: J-Expo II (金智•万博商城 II), a commercial property development for the wholesale of small consumer commodities (小商品); Tianrong Fashion City (天荣时装城), a fashion apparel wholesale trading hub; Nongye Road Project (农业路项目), a residential and retail development; and Guoling Shanshui (果岭山水), a self-contained, high-end residential development. The Group is also involved in the provision of property management services to Jiancai Gang (建材港), a wholesale centre for building materials.

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ISSUED ON BEHALF OF : CentraLand Limited  
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd  
1 Raffles Place  
#26-02 OUB Centre  
SINGAPORE 048616

***For CentraLand***

CONTACT : Mr Johnson Choo (VP, Corporate Communications & IR)  
at telephone  
9450-6527 (Handphone)  
EMAIL : [johnsonchoo@centralandltd.com](mailto:johnsonchoo@centralandltd.com)

***For CDR, i.MAGE***

CONTACT : Ms Chia Hui Kheng / Ms Holly Huang  
at telephone  
DURING OFFICE HOURS : 6534-5122 (Office)  
AFTER OFFICE HOURS : 9781-5913 / 9127-7768 (Handphone)  
EMAIL : [huikheng.chia@citigatedrimage.com](mailto:huikheng.chia@citigatedrimage.com)  
[holly.huang@citigatedrimage.com](mailto:holly.huang@citigatedrimage.com)

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