

CENTRALAND LIMITED

First Quarter Financial Statements and Dividend Announcement for the Period Ended 31 March 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.

	<u>Group</u>		
	Three months ended		%
	31.3.2010	31.3.2009	
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>+/(-)</u>
	RMB'000	RMB'000	
Revenue	29,896	63,821	(53.2)
Cost of sales	<u>(9,262)</u>	<u>(27,379)</u>	(66.2)
Gross profit	20,634	36,442	(43.4)
Other income	728	460	58.3
Selling expenses	(2,259)	(2,577)	(12.3)
Administrative expenses	<u>(12,545)</u>	<u>(11,307)</u>	10.9
Profit from operations	6,558	23,018	(71.5)
Finance costs	<u>(3,195)</u>	<u>(1,053)</u>	203.4
Profit before taxation	3,363	21,965	(84.7)
Income tax expenses	<u>(559)</u>	<u>(13,898)</u>	(96.0)
Profit for the period	2,804	8,067	(65.2)
Other comprehensive income	-	-	-
Total comprehensive income for the period	<u><u>2,804</u></u>	<u><u>8,067</u></u>	(65.2)
Profit for the period/Total comprehensive income attributable to:			
Owners of the Company	262	8,067	(96.8)
Minority interests	<u>2,542</u>	<u>-</u>	N.M.
	<u><u>2,804</u></u>	<u><u>8,067</u></u>	

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>	
	Three months ended	
	31.3.2010	31.3.2009
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	RMB'000	RMB'000
Cost of properties held for sale recognised as expense	-	24,196
Depreciation	3,442	2,752
Amortisation of leasehold land and land use rights	190	3
Operating lease charges on land and buildings	99	99

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>	
	31.3.2010 (Unaudited)	31.12.2009 (Audited)	31.3.2010 (Unaudited)	31.12.2009 (Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Investments in subsidiaries	-	-	576,857	576,857
Property, plant and equipment	176,084	179,047	-	-
Investment properties	137,360	138,454	-	-
Leasehold land and land use rights	167,551	167,741	-	-
Goodwill	204,482	204,482	-	-
Deferred tax assets	68,139	67,819	-	-
Deposit paid	-	-	-	-
	<u>753,616</u>	<u>757,543</u>	<u>576,857</u>	<u>576,857</u>
Current assets				
Deposits paid	150,000	120,000	-	-
Properties held for development	837,020	783,636	-	-
Properties held under development	182,574	138,924	-	-
Properties held for sale	70,717	70,717	-	-
Amount due from a subsidiary	-	-	588,544	588,544
Prepayments and other receivables	108,679	85,096	-	-
Prepayment of land appreciation tax	4,143	2,316	-	-
Amounts due from minority shareholders	55,088	55,088	-	-
Restricted bank deposits	7,927	8,233	-	-
Cash and bank balances	691,077	938,924	29	29
	<u>2,107,225</u>	<u>2,202,934</u>	<u>588,573</u>	<u>588,573</u>
Current liabilities				
Trade and bills payables	19,525	19,520	-	-
Accruals and other payables	28,902	25,516	373	193
Receipts in advance	82,511	46,324	-	-
Amount due to a subsidiary	-	-	705	705
Interest-bearing bank and other borrowings	303,000	337,000	-	-
Amounts due to minority shareholders	55,391	162,300	-	-
Amount due to a related party	5,543	2,543	-	-
Tax payable	361,382	365,491	-	-
	<u>856,254</u>	<u>958,694</u>	<u>1,078</u>	<u>898</u>
Net current assets	<u>1,250,971</u>	<u>1,244,240</u>	<u>587,495</u>	<u>587,675</u>
Total assets less current liabilities	<u>2,004,587</u>	<u>2,001,783</u>	<u>1,164,352</u>	<u>1,164,532</u>
Non-current liabilities				
Interest-bearing bank and other borrowings	280,000	280,000	-	-
Deferred tax liabilities	338,608	338,608	-	-
	<u>618,608</u>	<u>618,608</u>	<u>-</u>	<u>-</u>
Net assets	<u>1,385,979</u>	<u>1,383,175</u>	<u>1,164,352</u>	<u>1,164,532</u>
EQUITY				
Share capital	697,076	697,076	697,076	697,076
Reserves	627,478	627,216	467,276	467,456
Equity attributable to the Company's owners	1,324,554	1,324,292	1,164,352	1,164,532
Minority interests	61,425	58,883	-	-
Total equity	<u>1,385,979</u>	<u>1,383,175</u>	<u>1,164,352</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 31.3.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
303,000	-	337,000	-

Amount repayable after one year

As at 31.3.2010		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 31 March 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 31 March 2010 and 31 December 2009 were guaranteed by Mr Li Wei and Mr Yan Tao.

As at 31 March 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 31 March 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.

	<u>Group</u>	
	Three months	
	ended	ended
	31.3.2010	31.3.2009
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before taxation	3,363	21,965
Adjustments for:		
Interest income	(728)	(460)
Interest expenses	3,195	1,053
Depreciation	3,442	2,752
Loss on disposal of property, plant and equipment	104	-
Amortisation of leasehold land and land use rights	190	3
	<hr/>	<hr/>
Operating profit before working capital changes	9,566	25,313
Increase in properties held for development	(53,384)	-
Increase in properties held under development	(32,872)	(9,935)
Decrease in properties held for sale	-	24,801
Increase in prepayments, other receivables and deposits paid	(53,583)	(8,411)
(Increase)/decrease in prepayment of land appreciation tax	(1,827)	713
Increase in trade and bills payables	5	202
Increase/(decrease) in accruals and other payables	3,386	(1,048)
Increase/(decrease) in receipts in advance	36,187	(13,122)
Increase in amount due to a related party	3,000	-
Decrease in amounts due to minority shareholders	(106,909)	-
	<hr/>	<hr/>
Cash (used in)/generated from operations	(196,431)	18,513
Income taxes paid	(4,988)	(7,378)
Interest received	728	460
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	<u>(200,691)</u>	<u>11,595</u>

Cash flows from investing activities

Purchases of property, plant and equipment	-	(171)
Sales proceeds on disposal of property, plant and equipment	511	-
Decrease/(increase) in restricted bank deposits	306	(2,449)
	<u>817</u>	<u>(2,620)</u>
Net cash generated from/(used in) investing activities		

Cash flows from financing activities

New bank borrowings	60,000	-
Repayment of bank borrowings	(94,000)	-
Interest paid	(13,973)	(2,588)
	<u>(47,973)</u>	<u>(2,588)</u>
Net cash used in financing activities		

Net (decrease)/increase in cash and cash equivalents

(247,847) 6,387

Cash and cash equivalents at beginning of period

938,924 484,848

Cash and cash equivalents at end of period691,077 491,235**Analysis of balances of cash and cash equivalents****Cash and bank balances**691,077 491,235

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	Share	Merger	Exchange	Statutory	Other	Retained	Minority	Total
	capital	premium	reserve	reserve	reserves	reserve	earnings	interests	
	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	-	-	-	-	-	-	8,067	-	8,067
Total comprehensive income for the period	-	-	-	-	-	-	8,067	-	8,067
As at 31 March 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>246,322</u>	<u>-</u>	<u>1,322,716</u>

	Share	Share	Merger	Exchange	Statutory	Other	Retained	Minority	Total
	capital	premium	reserve	reserve	reserves	reserve	earnings	interests	
	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 2010	697,076	498,663	560,024	(19,244)	45,868	(705,470)	247,375	58,883	1,383,175
Profit for the period	-	-	-	-	-	-	262	2,542	2,804
Total comprehensive income for the period	-	-	-	-	-	-	262	2,542	2,804
As at 31 March 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>247,637</u>	<u>61,425</u>	<u>1,385,979</u>

<u>Company</u>	Share	Share	Contributed	Accumulated	Total
	capital	premium	deficit	losses	
	RMB'000	RMB'000	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(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 31 March 2009	<u>697,076</u>	<u>498,663</u>	<u>(29,863)</u>	<u>(1,151)</u>	<u>1,164,725</u>

	Share	Share	Contributed	Accumulated	Total
	capital	premium	deficit	losses	
	RMB'000	RMB'000	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
As at 1 January 2009	697,076	498,663	(29,863)	(1,344)	1,164,532
Loss for the period	-	-	-	(180)	(180)
Total comprehensive income for the period	-	-	-	(180)	(180)
As at 31 March 2010	<u>697,076</u>	<u>498,663</u>	<u>(29,863)</u>	<u>(1,524)</u>	<u>1,164,352</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.

Issued and fully paid	Number of shares	Amount HK\$'000
As at 31 December 2009 and 31 March 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 31 March 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 31 March 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 31 March 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>	
	Three months ended	
	31.3.2010 (Unaudited) RMB cents	31.3.2009 (Unaudited) RMB cents
Basic	<u>0.01</u>	<u>0.44</u>
Diluted	<u>N/A</u>	<u>N/A</u>

Basic earnings per ordinary share for the three months ended 31 March 2010 were calculated based on the Group's profit attributable to the owners of the Company during the three months of approximately RMB262,000 (2009: approximately RMB8,067,000) 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 31 March 2010 and 31 March 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
	<u>31.3.2010</u>	<u>31.12.2009</u>	<u>31.3.2010</u>	<u>31.12.2009</u>
	RMB cents	RMB cents	RMB cents	RMB cents
Net asset value per ordinary share	<u>75.12</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 31 March 2010 and 31 December 2009;
- (b) post-Invitation share capital of 1,845,000,000 ordinary shares in issue as at 31 March 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	
	31.3.2010		31.3.2009	
	(Unaudited)		(Unaudited)	
		%		%
	RMB'000		RMB'000	
<u>Revenue</u>				
<u>J-Expo (金智·万博商城)</u>				
Retail units	-	-	58,918	92.3
Office units	-	-	-	-
	<u>-</u>	<u>-</u>	<u>58,918</u>	<u>92.3</u>
Property management fee	6,549	21.9	-	-
Rental income	<u>23,347</u>	<u>78.1</u>	<u>4,903</u>	<u>7.7</u>
	<u>29,896</u>	<u>100.0</u>	<u>63,821</u>	<u>100.0</u>

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

Review of Group's Performance for 1Q2010 as compared to 1Q2009

Revenue

Revenue decreased by RMB33.9 million or 53.2% to RMB29.9 million in 1Q2010 from RMB63.8 million in 1Q2009.

Sale of properties

There were no sales of properties realised in 1Q2010.

In 1Q2009, revenue amounting to approximately RMB58.9 million were recognised from the sales of 284 retail units with a total GFA of 4,794 sq m. in our commercial properties project, J-Expo (金智·万博商城), at an average selling price of about RMB12,290 per sq m.

Rental income and property management fee

Approximately RMB29.9 million was recognised during the current period accordingly from our recurring rental income and property management fee.

Group Profit and Gross Profit Margin

In line with sales, our gross profit decreased from RMB36.4 million in 1Q2009 to RMB20.6 million in 1Q2010. However, our gross profit margins increased by approximately 11.9 percentage points from 57.1% to 69.0%. The increase in gross profit margin was mainly due to the fact that our rental income and property management fee, which enjoys much higher gross margins than sales of property, accounted for 7.7% and 100% of the revenue in 1Q2009 and 1Q2010 respectively. The change in product mix resulted in the rise of gross profit margin.

Other Income

Other income increased by approximately RMB0.2 million from RMB0.5 million in 1Q2009 to RMB0.7 million in 1Q2010, mainly due to the increase in interest income resulting from higher level of average bank balances.

Taxation

Our Group is subject to enterprise income tax and Land Appreciation Tax ("LAT") in the PRC. Our income tax expenses decreased by RMB13.3 million from RMB13.9 million to RMB0.6 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 decreased from 63.3% in 1Q2009 to 16.6% in 1Q2010. No provision of LAT was made in 1Q2010.

Net Profit for the period

In line with the decrease in gross profit, our net profit for the period dropped from approximately RMB8.1 million to RMB2.8 million.

Review of Group's Financial Position as at 31 March 2010 and 31 December 2009

Total equity as at 31 March 2010 amounted to approximately RMB1,386.0 million (31 December 2009: approximately RMB1,383.2 million), representing an increase of 0.2%.

Properties held under development increased by RMB43.7 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 RMB36.2 million from RMB46.3 million to RMB82.5 million. The balance mainly represents the downpayments received upon pre-sales for Phase III of Guoling Shanshui (果岭山水).

Amounts due to minority shareholders decreased from RMB162.3 million to RMB55.4 million, which was due to settlement of RMB106.9 million during the period.

(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 new measures implemented by the PRC government to stabilise the property market has dampened demands which in turn affected property developers across the PRC.

Presently, Guoling Shanshui Phase III is our Group's only ongoing residential project. Construction for Guoling Shanshui Phase III Stage 1 (GFA of 43,763 sq m) is currently underway. The target completion date for the entire Phase III project is expected to be on around 4Q2012. As at May 10, 2010, the Group has contracted to sell in pre-sales of 226 units of the 540 units released for Guoling Shanshui Phase III Stage 1, a take-up rate of 42%. We have also been able to marginally increase the overall average selling price per square metre from RMB6,028 as at Jan 4 to RMB6,081. The aggregate value of pre-sales therefore increased from RMB73.9 million as at Jan 4, 2010 to RMB113.9 million as at May 10, 2010. In this respect, Management will continue to monitor the market and the effect of those measures implemented by the PRC government to stabilise the property market have on its project, closely and adopt appropriate measures to market units made available for sale.

The Group is relatively more optimistic over the commercial sector of the real estate industry for the rest of FY2010 and will focus on developing our commercial project, namely J-Expo II. The Group will also continue with the acquisition of the remaining plots of land for Tianrong Fashion City.

Going forward, the Group will build up its team of property managers and strengthen its property management portfolio with a view of growing both recurring rental and property 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 31 March 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 RMB million	Amount utilised RMB million	Balance RMB million
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	20.0	5.6
	<u>585.4</u>	<u>579.8</u>	<u>5.6</u>

BY ORDER OF THE BOARD

Yan Tao
Chief Executive Officer
14 May 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 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 first quarter financial results of the Company and of the Group for the financial period ended 31 March 2010 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 May 2010