

NEWS RELEASE

CENTRALAND REGISTERS SECOND QUARTER REVENUE OF RMB31.0 MILLION AND NET PROFIT OF RMB1.3 MILLION

- *2Q2010 revenue up 50.8% due to stronger recurring rental income and property management fees*
- *Guoling Shanshui Phase III Stage 1 achieves 54.6% take-up rate and pre-sales aggregate value of RMB149.8 million as at 4 August 2010*
- *Construction of small commodities wholesale trading centre J-Expo II to start in end of third quarter 2010; Pre-sales to start in second quarter of 2011*
- *Continues to enhance capabilities in commercial property management*

Singapore, August 12, 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 and property manager focusing mainly on specialty wholesale trading hubs, today announced a net profit of RMB1.3 million for the three months ended June 30, 2010 (“2Q2010”). Group revenue increased 50.8% from RMB20.6 million for the three months ended June 30, 2009 (“2Q2009”) to RMB31.0 million in 2Q2010.

The Group's revenue growth was due to the jump in recurring rental income and property management fees from RMB5.0 million in 2Q2009 to RMB29.0 million in 2Q2010. 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. In total, rental income and property management fees accounted for 93.6% of 2Q2010 revenue.

During the quarter under review, the Group recognised revenue of RMB2.0 million (6.4% of 2Q2010 revenue) from the delivery of 3 retail and 3 office units with a total gross floor area ("GFA") of 267 sq m in its commercial development J-Expo I (金智•万博商城 I), a building for the wholesale of commodities. In 2Q2009, the Group had recorded RMB15.5 million from the sales of 77 retail units with a total GFA of 1,466 sq m in J-Expo I.

Due to a change in sales mix and the comparatively higher gross margins from its rental income and property management business, the Group's gross profit margin increased from 61.8% in 2Q2009 to 64.6% in 2Q2010.

Administrative expenses rose from RMB5.0 million to RMB13.6 million due mainly to consultancy fees incurred for its commercial property development projects in relation to due diligence done on these properties. This was partially offset by a lower income tax expense from RMB3.6 million to RMB0.6 million, mainly due to a lower effective tax rate.

Consequently, the Group reported a net profit of RMB1.3 million in 2Q2010 compared to RMB2.0 million in 2Q2009.

As at June 30, 2010, the Group had receipts in advance of RMB140.3 million, representing mainly downpayment from the pre-sales of units in Guoling Shanshui Phase III Stage 1. The Group recognises sales revenue only upon delivery of properties to customers.

During the period under review, the Group acquired an 80% interest in Zhengzhou LongMa Enterprise Co., Ltd. (郑州龙马实业有限公司), which owns two out of the four land parcels that make up Tianrong Fashion City. In view of the acquisition, goodwill increased RMB158.3 million to RMB362.8 million and properties held for development recorded an increase of RMB685.4 million to RMB1.5 billion.

For the six months ended June 30, 2010 ("1H2010"), the Group recorded a net profit of RMB4.1 million and a revenue of RMB60.9 million.

As at June 30, 2010, the Group maintained a healthy balance sheet and working capital position with approximately RMB429.1 million in cash and cash equivalents.

Outlook

Mr Yan Tao (阎涛), Chief Executive Officer of CentraLand Limited said: "In light of stabilizing measures adopted by the PRC government in the residential property market, we will be pacing our development for the next stage of Guoling Shanshui Phase III.

As at 4 August 2010, we have crossed the half-way mark and achieved an encouraging take-up rate of 54.9% for the 540 units released in Stage 1 since launching pre-sales at end-October last year."

Mr Yan added, “Going forward, we will continue to build up our capabilities in property management so as to further mitigate the lumpiness in our revenue derived from the sales of properties. Since acquiring Jiancai Gang, we have been motivated to enhance our capabilities in this area and believe Jiancai Gang will play an important role in our portfolio in terms of revenue contribution from both rental and management fees.”

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 development Guoling Shanshui (果岭山水).

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 Phase III of 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.

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

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
holly.huang@citigatedrimage.com

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