

CENTRALAND LIMITED

(Incorporated in Bermuda)
(Company Registration No: 40770)

ANNOUNCEMENT

ACQUISITION OF ZHENGZHOU LONG MA CO., LTD. IN CONNECTION WITH THE ACQUISITION OF TIANRONG FASHION CITY FOR REDEVELOPMENT INTO A NEW COMMERCIAL DEVELOPMENT IN ZHENGZHOU CITY

1. INTRODUCTION

Acquisition of Henan Hezhi Co., Ltd. (河南合智置业有限公司) ("Henan Hezhi")

The Board of Directors of CentraLand Limited refers to the announcement made on 27 July 2009 and the subsequent clarification announcement made on 17 August 2009, where the Board had announced inter alia, that Zhengzhou Huanghe Co., Ltd, the Company's wholly owned subsidiary, had acquired the entire registered paid-up capital of Henan Hezhi (which holds 80% of the registered paid-up capital of Zhengzhou Tianrong Real Estate Co., Ltd. ("**Tianrong Real Estate**") from Henan Xien Investment Co., Ltd.

2. ACQUISITION OF ZHENGZHOU LONGMA ENTERPRISE CO., LTD (郑州龙马实业有限公司) ("Zhengzhou Longma")

The Board wishes to announce that on 24 June 2010, Henan Hezhi, our Company's wholly owned subsidiary, had entered into a sale and purchase agreement (the "**Agreement**") with Zhengzhou Dingda Investments Management Co., Ltd (郑州鼎大投资管理咨询有限公司) ("**Zhengzhou Dingda**") and Zhengzhou Longma to acquire 80% of the registered paid-up capital of Zhengzhou Longma from Zhengzhou Dingda (the "**Acquisition**"). The remaining 20% of Zhengzhou Longma is held by the existing shareholders. Zhengzhou Longma owns two parcels of land out of the four parcels that make up Tianrong Fashion City (the "**Property**"). The other two parcels are held by Tianrong Real Estate.

The purchase consideration for the Acquisition must be paid by our Group to Zhengzhou Dingda within one week of the execution of the Agreement. There are no other material conditions attached to the Acquisition.

3. DISCLOSURE REQUIREMENTS UNDER THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

The Company is making this announcement because the Acquisition constitutes a discloseable transaction under the Chapter 10 of the Listing Manual.

According to Chapter 10 of the Listing Manual, the Acquisition is classified as a discloseable transaction based on the relative figures computed on the following bases set out in Rule 1006. The computed relative figures are set out below.

4. INFORMATION ON THE PROPERTY

4.1 Description of the Property

The Property consists of two parcels of land occupying a total site area of approximately 12,109 sqm of Tianrong Fashion City. Further details of Tianrong Fashion City are set out in the announcement dated 27 July 2009.

4.2 Value of the Property

The Company had commissioned an independent property valuer, CB Richard Ellis Limited ("**CBRE**"), to value the property. Based on CBRE's initial valuation, the open market value of the Property as at 31 May 2010 was RMB632 million. The purchase consideration for the Acquisition was arrived at on a willing buyer willing seller basis taking into account the valuation carried out by CBRE.

5. RATIONALE FOR THE ACQUISITION

The Acquisition is in line with the Group's plan of redeveloping Tianrong Fashion City and its surrounding land into a new commercial development in Zhengzhou city. Further details are set out in the announcement dated 27 July 2009.

6. METHOD OF FINANCING AND FINANCIAL EFFECTS OF THE ACQUISITION

6.1 Method of Financing

The Acquisition was funded by the Group's internal sources of funds.

6.2 Financial Effects of the Acquisition

6.2.1 The financial effects of the Acquisition on the Company and the Group are for illustrative purposes only and are not indicative of the actual financial performance or position of the Company and/or the Group after the Acquisition.

6.2.2 The financial effects of the Acquisition have been prepared based on the following assumptions:

- (a) for the purpose of computing the financial effects of the Acquisition on the earnings per share ("**EPS**") and the net tangible assets ("**NTA**") of the Group, the pro forma financial effects are based on the audited consolidated financial statements of the Company for the financial year ended 2009.

- (b) for the purpose of computing the financial effects of the Acquisition on the earnings per share ("**EPS**") of the Group, the Acquisition is deemed to have been completed at the beginning of that financial year i.e. 1 January 2009;
- (c) for the purpose of computing the financial effects of the Acquisition on the net tangible assets ("**NTA**") of the Group, the Acquisition is deemed to have been completed at the end of that financial year i.e. 31 December 2009.

6.2.3 Effect on EPS

	Before the Acquisition	After the Acquisition ⁽¹⁾
Profit attributable to the owners of the Company for FY2009 (RMB '000')	9,620	9,213
Number of Shares ('000)	1,845,000	1,845,000
EPS (RMB cents)	0.52	0.50

Notes:

- (1) The unaudited pro-forma figures prepared based on unaudited financial information of the Zhengzhou Longma will be subject to a special audit or review by the Group.

6.2.4 Effect on NTA

	Before the Acquisition	After the Acquisition ⁽¹⁾
NTA attributable to Shareholders as at 31 December 2009 (RMB '000)	1,178,693	1,178,371
Number of Shares ('000)	1,845,000	1,845,000
NTA per Share (RMB cents)	63.89	63.87

Notes:

- (1) The unaudited pro-forma figures prepared based on unaudited financial information of the Zhengzhou Longma will be subject to a special audit or review by the Group.

6.3 Computation of Relative Figures under Chapter 10 of the Listing Manual

Rule 1006 (b)

Not meaningful.

For financial year ended 31 December 2009 (“FY2009”), Zhengzhou Longma had a net loss of RMB509,000. Accordingly, the net loss attributable to the Acquisition is RMB407,000.

Rule 1006 (c)

Based on the purchase consideration of RMB360 million for the Acquisition and the Company's market capitalization⁽¹⁾, the relative figure for the basis of comparison is approximately 9.50%.

Notes:

- (1) The market capitalization of the Company is determined by multiplying the number of shares in issue by the closing price of such shares, being S\$0.420 (as at 23 June 2010, being the day preceding the date of the Agreement).

Rule 1006 (d)

Not applicable.

Based on the computation under Rule 1006(c), the relative figure of the Acquisition exceeds 5% and accordingly falls within the definition of a discloseable transaction under Rule 1010 of the Listing Manual.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

No director or substantial shareholder of directors or controlling shareholder of the Company has any interest, whether direct or indirect, in the Acquisition.

8. DOCUMENTS FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at the Singapore share registrar and share transfer agent's office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 for a period of three months following the date of this announcement.

BY ORDER OF THE BOARD
CentraLand Limited

Yan Tao
Chief Executive Officer
25 June 2010