CHINA FAIR LAND HOLDINGS LIMITED
正輝中國集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 169)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH JUNE, 2007

INTERIM RESULTS

The Board of Directors of China Fair Land Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2007. The unaudited consolidated results of the Group have been reviewed by the Company's external auditors and the Company's Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30th June, 2007

	Notes	**For the six months ended 30th June, 2007** *HK$'000* **(Unaudited)**	2006 *HK$'000* (Unaudited)
Revenue	*4*	**22,831**	30,831
Cost of sales		**(8,713)**	(15,423)
Gross profit		**14,118**	15,408
Other income	*4*	**20,971**	4,723
Loss on change in fair value of investment properties		**(510)**	(807)
Selling expenses		**(60)**	(1,227)
Administrative expenses		**(13,049)**	(11,160)
Operating profit		**21,470**	6,937
Finance costs		**(667)**	(1,771)
Profit before income tax		**20,803**	5,166
Income tax expense	*7*	**(9,080)**	(1,843)
Profit for the period		**11,723**	3,323
Attributable to:			
Equity holders of the Company		**2,869**	2,361
Minority interests		**8,854**	962
Profit for the period		**11,723**	3,323
Earnings per share for profit attributable to the equity holders of the Company during the period	*9*		
— Basic *(HK cents)*		**0.98**	0.81
— Diluted *(HK cents)*		**0.97**	0.81

* *For identification purposes only*

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June, 2007

	Notes	30th June, 2007 HK$'000 (Unaudited)	31st December, 2006 HK$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	*10*	**153,710**	154,220
Property, plant and equipment	*10*	**40,707**	36,668
Prepaid lease payments		**4,832**	4,877
Available-for-sale financial assets	*11*	**2,000**	2,000
Deferred tax assets		**15,174**	20,004
		216,423	217,769
Current assets			
Properties under development		**181,856**	170,055
Properties held for sale		**116,012**	124,639
Account receivables	*12*	**26,915**	32,857
Prepayments, deposits and other receivables		**82,439**	80,205
Prepaid lease payments		**90**	90
Due from related companies		**223**	63
Cash at banks and in hand		**25,691**	17,030
		433,226	424,939
Current liabilities			
Account payables	*13*	**28,229**	35,209
Customers' deposits received, accrued expenses, other payables and provisions		**163,271**	160,020
Due to a director		**27**	27
Due to an intermediate holding company		**10,160**	10,016
Due to minority shareholders		**3,147**	6,642
Provision for tax		**68,670**	66,490
Bank borrowings	*14*	**13,988**	39,988
		287,492	318,392
Net current assets		**145,734**	106,547
Total assets less current liabilities		**362,157**	324,316
Non-current liabilities			
Bank borrowings	*14*	**22,000**	—
Deferred tax liabilities		**12,115**	14,010
		34,115	14,010
Net assets		**328,042**	310,306
EQUITY			
Equity attributable to the Company's equity holders			
Share capital		**29,575**	29,260
Reserves		**234,879**	227,659
		264,454	256,919
Minority interests		**63,588**	53,387
Total equity		**328,042**	310,306

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

China Fair Land Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Bermuda. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "SEHK").

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the SEHK and Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. Significant accounting policies

The condensed consolidated financial statements have been prepared under the historical cost convention. From 1st January, 2007, the Group has adopted all the new and amended standards and interpretations ("New HKFRSs") issued by the HKICPA which are first effective on 1st January, 2007 and relevant to the Group. The adoption of the New HKFRSs did not result in significant changes in the Group's accounting policies. Save as the above, the principal accounting policies adopted in the condensed consolidated financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31st December, 2006.

3. Application of Hong Kong Financial Reporting Standards

The Group has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the adoption of these standards or interpretations will have no material impact on the results and financial position of the Group.

HKAS 23 (Revised)	Borrowing Costs [1]
HKFRS 8	Operating Segments [1]
HK(IFRIC) — INT 11	Group and Treasury Share Transactions [2]
HK(IFRIC) — INT 12	Service Concession Arrangements [3]

[1] Effective for annual periods beginning on or after 1st January, 2009
[2] Effective for annual periods beginning on or after 1st March, 2007
[3] Effective for annual periods beginning on or after 1st January, 2008

4. Revenue and other income

Revenue and other income of the Group during the period are as follows:

	Six months ended 30th June, 2007 *HK$'000* (Unaudited)	Six months ended 30th June, 2006 *HK$'000* (Unaudited)
Revenue from the Group's principal activities		
Property letting	**8,943**	8,236
Sales of developed properties	**13,888**	22,595
	22,831	30,831
Other income		
Bank interest income	**86**	190
Compensation received on return of land use rights	**20,884**	—
Compensation received on termination (net of costs incurred) of a property development project	**—**	3,846
Exchange gains	**—**	591
Others	**1**	96
	20,971	4,723

5. Segment information

Primary reporting segment — business segment

The Group's principal activities are property letting, sales of land use rights and sales of developed properties. These three business segments are the basis on which the Group reports its primary segment information. Segment information about these businesses is presented as below:

For the six months ended 30th June, 2007 (Unaudited)

	Property letting *HK$'000*	**Sales of land use rights** *HK$'000*	**Sales of developed properties** *HK$'000*	**Group** *HK$'000*
Revenue	**8,943**	**—**	**13,888**	**22,831**
Segment results	**8,857**	**—**	**26,085**	**34,942**
Unallocated income				**87**
Unallocated expenses				**(13,559)**
Operating profit				**21,470**
Finance costs				**(667)**
Profit before income tax				**20,803**
Income tax expense				**(9,080)**
Profit for the period				**11,723**

For the six months ended 30th June, 2006 (Unaudited)

	Property letting *HK$'000*	Sales of land use rights *HK$'000*	Sales of developed properties *HK$'000*	Group *HK$'000*
Revenue	8,236	—	22,595	30,831
Segment results	6,777	—	10,443	17,220
Unallocated income				877
Unallocated expenses				(11,160)
Operating profit				6,937
Finance costs				(1,771)
Profit before income tax				5,166
Income tax expense				(1,843)
Profit for the period				3,323

Secondary reporting segment — geographical segments

All of the Group's revenue for both periods was generated in the People's Republic of China, excluding Hong Kong and Macau (the "PRC") and over 90% (2006: over 90%) of the Group's segment assets were located in the PRC. Accordingly, no geographical segment information is presented.

6. Depreciation

During the period, depreciation of HK$2,485,000 for the six months ended 30th June, 2007 (six months ended 30th June, 2006: HK$2,521,000) was charged to the condensed consolidated income statement in respect of the Group's property, plant and equipment.

7. Income tax expense

No provision for Hong Kong profits tax has been made as the Group had no assessable profit arising from or derived in Hong Kong for both periods. The PRC Enterprise Income Tax and PRC Land Appreciation Tax are calculated at rates applicable to respective subsidiaries.

	Six months ended 30th June,	
	2007	2006
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
The PRC Enterprise Income Tax for current period	**6,355**	2,108
The PRC Land Appreciation Tax for current period	**1,435**	—
	7,790	2,108
Deferred tax		
Credited for current period	**(147)**	(265)
Attributable to change in tax rate	**1,437**	—
	1,290	(265)
Total income tax expense	**9,080**	1,843

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC, which will change the tax rate from 33% to 25% for certain subsidiaries from 1st January, 2008. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

8. Dividends

The directors do not recommend the payment of any interim dividend for both periods.

9. Earnings per share

(a) Basic

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of approximately HK$2,869,000 for the six months ended 30th June, 2007 (six months ended 30th June, 2006: HK$2,361,000) and on the weighted average of 293,472,044 (six months ended 30th June, 2006: 292,600,000) ordinary shares in issue during the period.

(b) Diluted

The calculation of diluted earnings per share for the six months ended 30th June, 2007 is based on the profit attributable to equity holders of the Company of approximately HK$2,869,000 (six months ended 30th June, 2006: HK$2,361,000) and the weighted average number of 293,472,044 (six months ended 30th June, 2006: 292,600,000) ordinary shares in issue during the period plus the weighted average number of 3,107,956 (six months ended 30th June, 2006: 659,302) ordinary shares assumed to have been issued at nil consideration on the deemed exercise of all share options outstanding during the period.

10. Investment properties and property, plant and equipment

The fair value of the Group's investment properties and leasehold properties were determined by Savills Valuation and Professional Services Limited, a firm of independent qualified professional surveyors, at 30th June, 2007. The decrease in fair value of investment properties of approximately HK$510,000 (six months ended 30th June, 2006: HK$807,000) has been charged to the consolidated income statement. The Group's share of revaluation surplus on leasehold properties of approximately HK$4,690,000 (six months ended 30th June, 2006: HK$50,000) has been credit to the property, plant and equipment revaluation reserve.

During the period, there was no significant acquisition and disposal of investment properties and property, plant and equipment.

11. Available-for-sale financial assets

	30th June, 2007	31st December, 2006
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unlisted investment, at cost	**2,000**	2,000

The investment represents the Group's interest in unlisted equity holding in 中國房地產開發集團投資有限公司 (the "Investee"), a company established in the PRC. The Group held a 2% effective equity interest in the Investee. The investment has no fixed maturity date.

12. Account receivables

	30th June, 2007 *HK$'000* **(Unaudited)**	31st December, 2006 *HK$'000* (Audited)
Account receivables	**29,031**	34,973
Less: Provision for impairment of account receivables	**(2,116)**	(2,116)
	26,915	32,857

An aged analysis of the net account receivables is as follows:

	30th June, 2007 *HK$'000* **(Unaudited)**	31st December, 2006 *HK$'000* (Audited)
Within three months	**2,051**	5,831
Four months to one year	**4,278**	4,534
Between one to two years	**5,706**	12,920
Over two years	**14,880**	9,572
	26,915	32,857

There is no concentration of credit risk with respect to account receivables, as the Group has a large number of customers.

13. Account payables

The aging analysis of account payables as at 30th June, 2007 is as follows:

	30th June, 2007 *HK$'000* **(Unaudited)**	31st December, 2006 *HK$'000* (Audited)
Within three months	**5**	366
Four months to one year	**—**	—
Over one year	**28,224**	34,843
	28,229	35,209

14. Bank borrowings

During the current period, the Group obtained new bank loans amounting to HK$22,000,000 (six months ended 30th June, 2006: Nil) and repaid bank loans of HK$26,000,000 (six months ended 30th June, 2006: HK$20,943,000). The loans bear interest at 6.3% to 6.77%.

Bank loans of the Group are secured by the pledge of certain of the investment properties and properties held for development of the Group. The aggregate carrying value of the investment properties and properties held for development at 30th June, 2007 pledged amounted to approximately HK$118,600,000 (31st December, 2006: HK$119,500,000) and HK$32,987,000 (31st December, 2006: HK$25,776,000) respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30th June, 2007, the Group's turnover amounted to HK$22,831,000 representing a decrease of 26.0% as compared to the corresponding period in 2006. Included in the turnover were sales of developed properties and rental income from investment properties, which were mainly derived from the sales of Prosperous Age Garden, the investment properties in Ningbo and Changchun respectively. Profit attributable to equity holders for the period ended 30th June, 2007 was approximately HK$2,869,000, representing an increase of 21.5% as compared to the corresponding period in 2006. The increase is mainly due to a compensation income of HK$20,884,000 for land use right from Government in Ningbo.

The industrial property in Changchun generated rental income of HK$7.7 million (2006: HK$6.7 million), representing an increase of 14.9%, during the period under review. The increase is mainly due to the rental adjustment based on the final construction cost of the industrial property under the lease agreement between a subsidiary of the Group and the lessee.

The construction of a commercial property project, temporarily named as姚江新都in Jiangbei, Ningbo are currently in progress. The project involves the development of a commercial property with a total gross floor area of approximately 47,000 square meters and is expected to be completed in 2008 and launched for sale by the mid of 2008. A piece of land in Jiangbei, Ningbo with site area approximately 44,698 sq.m. was acquired in last year. This project, temporarily named as Wonderful Garden(盛世嘉苑), will be developed as a large scale residential property project with GFA approximately 67,000 sq.m. The construction of Wonderful Garden has been commenced and is expected to be completed by the end of 2008.

SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 17th September, 2007 pending the release of an announcement in relation to a proposed very substantial acquisition.

FINANCIAL REVIEW

Net assets and equity attributable to equity holders

As at 30th June, 2007, the Group recorded total assets and total liabilities of approximately HK$649,649,000 and HK$321,607,000 respectively. The Group had net assets as at 30th June, 2007 approximately HK$328,042,000 as compared to approximately HK$310,306,000 as at 31st December, 2006. As at 30th June, 2007, the equity attributable to equity holders was approximately HK$264,454,000 as compared with HK$256,919,000 as at 31st December, 2006.

Liquidity and financial ratios

The Group had total bank balances and cash of approximately HK$25,691,000 as at 30th June, 2007 as compared with HK$17,030,000 as at 31st December, 2006. As at 30th June, 2007, the current ratio was 1.5 as compared with 1.3 as at 31st December, 2006. The gearing ratio was 49.5% as at 30th June, 2007 as compared with 51.7% as at 31st December, 2006. The bank borrowings to equity attributable to the Company's equity holders was recorded at 13.6% as at 30th June, 2007 as compared with 15.6% as at 31st December, 2006.

Borrowings

The Group had interest bearing borrowings of approximately HK$36 million as at 30th June, 2007 (31st December, 2006: HK$40 million), representing a decrease of approximately 10.0% over the amount as at 31st December, 2006. Borrowings were denominated in both Renminbi ("RMB") and Hongkong dollar ("HK$"). Approximately 38.9% of the borrowings is repayable within one year and the rest representing the bank loans of HK$22 million.

Foreign currency exposure

Although significant portions of the Group's borrowings, turnover and construction costs are primarily denominated in RMB, the Directors consider that the Group has no significant exposure to foreign exchange fluctuations in view of the stability of the RMB. The Directors also consider that there will be sufficient cash resources denominated in both HK$ and RMB for the repayment of its borrowings. During the period under review, the Group did not use any financial instrument for hedging purposes and the Group did not have hedging instrument outstanding as at 30th June, 2007.

FINANCIAL POLICY

The Group continued to handle financial risks in a prudent manner and is actively adopting corporate management standards at international level in order to ensure maximum protection for the interests of shareholders.

MATERIAL ACQUISITION AND DISPOSAL

There is no material acquisition and disposal of subsidiary and assets during the six months ended 30th June, 2007.

EMPLOYEES AND REMUNERATION POLICIES

As at 30th June, 2007, the Group employed approximately 70 full time staffs in PRC and Hong Kong. The Group remunerates its employees based on their performance, experience and prevailing market price while performance bonuses are granted on a discretionary basis. Other employee benefits include insurance and medical cover, subsidised educational and training programmes as well as share option scheme. During the period under review, no shares options were granted to the Directors or staffs. 1,950,000 options were exercised by the Directors and 1,200,000 options were excised by the staffs during the period under review. There were 530,000 and 300,000 outstanding shares options granted to the Directors and staffs respectively as at 30th June, 2007. The total number of shares available for issue under the Company's share option scheme as the date of this report is 250,000, representing approximately 0.1% of the issued share capital of the Company as at that date.

PLEDGE ASSETS

At the balance sheet date, the Group pledged certain of its properties under development, properties held for sales (released during the period under review) and an investment property to banks in the PRC and Hong Kong respectively to secure the credit facilities of approximately HK$35,988,000 (2006: HK$39,988,000). The aggregate carrying value of the properties under development and the investment property at 30th June, 2007 pledged amounted to approximately HK$32,987,000 (2006: HK$25,776,000) and HK$118,600,000 (2006: HK$119,500,000), respectively.

CONTINGENT LIABILITIES

As at 30th June, 2007, the Group provided guarantees of approximately HK$15,806,000 (2006: HK$16,030,000) to banks in favour of its customers in respect of the mortgage loans provided by the banks to such customers for purchase of the Group's developed properties. These guarantees provided by the Group to the banks would be released upon receiving the building ownership certificate of the respective property by the banks from the customers as a pledge for security to the mortgage loan granted.

OUTLOOK

The macroeconomic adjustment policies have no unfavorable effects on the PRC economy, the GDP growth of the PRC is 11.5% for the first half of 2007. The PRC strong economic growth will remain strong support to the property market in PRC. The Group will continue to look for new projects in PRC cities so as to ensure sustainable business development.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

In the opinion of the Board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the six months ended 30th June, 2007, except the following deviations:

1. The independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's bye-laws.

2. Code Provision A.2.1 — this Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The position of the Chairman of the Board is currently held by Mr. So Pang Gen, and the Company does not have any chief executive officer. As such, the roles of chairman and chief executive officer are performed by the same person. The Board considers that this structure is beneficial to the Company as it enables the Company to make prompt and efficient decisions. The Board comprises of experienced and high calibre individuals who meet regularly to discuss issues and make decisions on transactions that are material in nature to the Company. Hence, the operations of the Board ensure the balance of power and authority. The corporate governance principles of the Company emphasize a quality Board and accountability to all shareholders.

AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive Directors, Mr. Hui Yip Wing, David (Chairman), Mr. Kee Wah Sze and Mr. Ku Siu Fung, Stephen.

The Audit Committee meets regularly with the Company's senior management and the Company's auditors to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The interim results of the Group for the Period have not been audited, but have been reviewed by the Company's auditors, Grant Thornton. The interim results have been reviewed by Audit Committee.

PUBLISHMENT OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Companies Information" and on the website of Company at www.irasia.com/listco/hk/chinafairland/announcement/index.htm.

The Interim Report 2007 of the Company will be dispatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Companies Information" and on the website of China Fair Land Holdings Limited at www.irasia.com/listco/hk/chinafairland/announcement/index.htm in due course.

By Order of the Board
So Pang Gen
Chairman

Hong Kong, 27th September, 2007

List of all Directors of the Company as of the date of this announcement:

Executive Directors:
Mr. So Pang Gen *(Chairman)*
Mr. Choi Dun Woo
Mr. Su Bangyuan
Mr. Chim Kim Lun, Ricky
Mr. Yong Kai Man

Independent Non-Executive Directors:
Mr. Hui Yip Wing, David
Mr. Kee Wah Sze
Mr. Ku Siu Fung, Stephen