



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2007 FINANCIAL STATEMENT ANNOUNCEMENT

TABLE OF CONTENT

<u>Item No.</u>	<u>Description</u>	<u>Page No.</u>
1(a)	Unaudited Group Income Statements	2-6
1(b)(i)	Balance Sheets	7-8
1(b)(ii)	Aggregate Amount of Group's Borrowings and Debt Securities	9
1(c)	Unaudited Consolidated Cash Flow Statements	10-12
1(d)(i)	Unaudited Group and Company Statements of Changes in Equity	13-18
1(d)(ii)	Details of Any Changes in Company's Issued Share Capital	19
2&3	Audit Statement	20
4&5	Changes in Accounting Policies	20
6	Earnings per Share	21
7	Net Asset Value per Share	21
8	Review of Performance	22-25
9	Variance from Previous Forecast or Prospect Statement	25
10	Outlook and Prospects	26-28
11&12	Dividend	29
13	Confirmation of the Board of Directors ("Board")	29



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED THIRD QUARTER (“3Q 2007”) AND NINE MONTHS (“9M 2007”) FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 and Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Group Income Statements for the Period Ended 30 September 2007

	3Q 2007	3Q 2006	% Change	9M 2007	9M 2006	% Change
	S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)
Revenue ⁽¹⁾	184,646	256,525	(28)	295,564	638,591	(54)
Cost of sales	(118,989)	(160,734)	(26)	(189,071)	(376,522)	(50)
Gross profit	65,657	95,791	(31)	106,493	262,069	(59)
Other operating income	15,366	26,445	(42)	32,402	29,460	10
Selling expenses	(4,532)	(3,414)	33	(13,471)	(8,703)	55
Administrative expenses	(14,204)	(11,671)	22	(46,480)	(29,352)	58
Other operating expenses	(172)	(58)	197	(619)	(1,141)	(46)
Finance cost	(14,757)	(94)	15,599	(26,572)	(335)	7,832
Share of result of an associate	-	(21)	(100)	-	(21)	(100)
Profit before tax	47,358	106,978	(56)	51,753	251,977	(79)
Income tax	(8,512)	(36,197)	(76)	(15,703)	(61,538)	(74)
Profit for the period	38,846	70,781	(45)	36,050	190,439	(81)
Attributable to:						
Equity holders of the Company	34,578	38,932	(11)	15,032	123,143	(88)
Minority interests	4,268	31,849	(87)	21,018	67,296	(69)
	38,846	70,781	(45)	36,050	190,439	(81)

¹ Revenue from properties developed for sale is recognised when the equitable interest in the property vests in the buyer upon the release of the handover notice of the property to the buyer. As at 30 September 2007, out of the contracted pre-sales of S\$1,097.0 million, S\$912.9 million had been received in cash and included as “Other Payables” in the balance sheet instead of being recognised as revenue, which represented 85.1% increase from S\$493.1 million of cash received from pre-sales as at 30 September 2006.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Profit before taxation was arrived at after charging/(crediting) the following:

	3Q 2007	3Q 2006	9M 2007	9M 2006
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Impairment of goodwill	-	84	37	524
Depreciation expense	692	620	2,037	1,805
Loss on disposal of property, plant and equipment	21	1	22	45
Gain on disposal of investment properties	(122)	-	(206)	-
Fair value gain on investment properties	-	(23,761)	-	(23,761)
Dividend income from held for trading investments	-	-	(44)	(77)
Realised (gain) loss on held for trading investments	(3,881)	-	(4,123)	135
Provision for decrease in value of completed properties for sale	651	-	651	-
Fair value gain on held for trading investments	(400)	-	(1,931)	-
Share-based payment expense	583	641	1,743	641
Finance cost	14,757	94	26,572	335
Interest income	(4,905)	(1,550)	(17,796)	(3,285)
Foreign exchange (gain) loss	(2,777)	414	(2,082)	356

Revenue

As at 30 September 2007, the Group recorded total pre-sale contracts amounting to S\$1,097.0 million. Of the total amount contracted, a significant pre-sale proceeds amounting to S\$912.9 million had been received at the end of the period, which represented a 85.1% increase from S\$493.1 million of pre-sale proceeds received as at 30 September 2006. Such successful pre-sale performance confirms the fruition of the Group's business geographical expansion strategy into three new cities in the PRC, namely, Hengye Star Gardens (恒业星园) in Chengdu, Yanlord Peninsula (星岛仁恒) in Suzhou, and Yanlord New City Gardens (Phase 1) (仁恒星园, 一期) in Zhuhai, in which a total of approximately S\$224.7 million pre-sale proceeds were generated. The Group's established bases in Shanghai and Nanjing also recorded significant successful pre-sale launches, contributed mainly by Yanlord Riverside City (Phase 2) (仁恒河滨城, 二期), Yanlord Town (仁恒家园), and Yunjie Riverside Garden (Phase 1) (运杰河滨花园, 一期) in Shanghai, and Bamboo Gardens (Phase 2 and 3) (翠竹园, 二及三期). In accordance with



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

the Financial Reporting Standard (“FRS”) 18 - Revenue⁽²⁾, pre-sale proceeds before recognising as revenue will be recorded as “Other Payables” in the Group’s balance sheet. It is expected that a majority of the pre-sale proceeds will be recognised as revenue following the handover of the properties to buyers during the last quarter of 2007.

Group revenue was derived net of business tax excluding the land appreciation tax (“LAT”). The LAT, which was deducted from the Group’s revenue in the announcement of 3Q 2006, has been reclassified as a cost of sales item, such that the revenue figures in 3Q 2006 and 9M 2006 are comparable to those of corresponding periods in 2007.

The Group derived substantially all its revenue from residential properties sold with a small portion from the provision of property management service and other services. Revenues were lower in 3Q 2007 and 9M 2007 by S\$71.9 million and S\$343.0 million respectively when compared with the corresponding periods in 2006, mainly due to the fact that most of the pre-sale properties mentioned above had yet to be delivered to the customers in 4Q 2007 and hence less pre-sale proceeds were recognised as revenue in 3Q 2007 and 9M 2007. As at 30 September 2007, the major contributors to the cash proceeds from pre-sale properties of S\$912.9 million were Yanlord Riverside City (Phase 2) (仁恒河滨城，二期), Yanlord Town (仁恒家园) and Yunjie Riverside Garden (Phase 1) (运杰河滨花园，一期) in Shanghai, Yanlord New City Gardens (Phase 1) (仁恒星园，一期) in Zhuhai, Yanlord Peninsula (星岛仁恒) in Suzhou and Bamboo Gardens (Phase 2 and 3) (翠竹园，二及三期). Most of these pre-sale units are expected to be delivered in 4Q 2007 and their respective pre-sale proceeds would be recognised as revenue accordingly. The revenue in 3Q 2007 and 9M 2007 were mainly contributed by three projects in Shanghai – Yanlord Riverside City (Phase 2) (仁恒河滨城，二期), Yanlord Riverside Gardens (仁恒河滨花园) and Yunjie Riverside Garden (Phase 1) (运杰河滨花园，一期) – and a project in Guiyang, Yanlord Villas (仁恒别墅).

² Revenue from properties developed for sale is recognised when the legal title passes to the buyer or when the equitable interest in the property vests in the buyer upon release of the handover notice of the property to the buyer, whichever is earlier.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Cost of sales

Cost of sales principally consisted of land costs, construction costs, capitalised borrowing costs and LAT. These costs decreased by S\$41.7 million and S\$187.5 million respectively in 3Q 2007 and 9M 2007 as compared with the relevant periods in last year, in line with the movements in revenue as mentioned above. Of the Group's total cost of sales of S\$189.1 million recorded during 9M 2007, LAT expenses contributed approximately S\$28.7 million.

Other operating income

Other operating income mainly comprised interest income, tax subsidies, dividend income of an available-for-sale investment, change in fair value of investment properties, a realised gain on trading and a change in fair value of held for trading investments. This income in 3Q 2007 declined by S\$11.1 million compared with 3Q 2006 principally due to the Group having recognised a fair value gain on revaluation of investment properties in 3Q 2006. For the 9M 2007 results, being attributable to a considerable increase in interest income as a result of improving cash and bank balances due to proceeds from concurrent issuance of new shares and convertible notes, the Group's other operating income increased by S\$2.9 million compared to 9M 2006.

Selling expenses

Selling expenses, which mainly included staff expenses, advertising and promotion expenses and other sundry expenses, increased by S\$1.1 million in 3Q 2007 and S\$4.8 million in 9M 2007 compared to the corresponding periods in 2006. The increase was planned resulting from the continued sales and marketing campaign and recruitment of additional sales staff in generating and maintaining the sales momentum in particular on projects in Zhuhai, Shanghai and Suzhou of Yanlord New City Gardens (Phase 1) (仁恒星园, 一期), Yanlord Riverside City (Phase 2) (仁恒河滨城, 二期) and Yanlord Peninsula (星岛仁恒) respectively.

Administrative expenses

Administrative expenses, which principally consisted of staff costs, depreciation, rental, utilities, travel, entertainment expenses and share-based payment expense, grew by S\$2.5 million and S\$17.1 million respectively over the corresponding periods in 2006. The increases were mainly due to an increase in number of staff employed to support the Group's growth, as well as the increase in year-end bonuses to management and staff, and share-based compensation expense.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Other operating expenses

Other operating expenses mainly included donations, impairment of goodwill on acquisition of additional interest in a subsidiary and other miscellaneous expenses. These expenses had no material movement during the reporting periods, with an increase of S\$0.1 million in 3Q 2007 and a decrease of S\$0.5 million in 9M 2007 compared to the immediately preceding financial periods.

Finance cost

Interest on borrowings, which excluded capitalised interest, grew by S\$14.7 million in 3Q 2007 and S\$26.2 million in 9M 2007 over the respective periods in last year. The increases were primarily due to interest expenses accrued for the convertible notes and a long term loan from a minority shareholder of a subsidiary.

The Group capitalises the relevant borrowing costs as part of the total development costs until the completion of construction when there is evidence to substantiate that the borrowings are being used to finance the development of properties. Finance cost incurred after the completion of development (or finance cost not related to the property development) will be charged to the income statement in the period in which it is incurred. As such, the finance cost for a given period may not reflect the Group's actual level of borrowings and tends to fluctuate as a percentage of revenue, depending on the timing of capitalisation.

Income tax

Income tax was derived by applying statutory tax rates, ranging from 15% to 33% for the different regions in the PRC in which the Group has businesses and development operations, and taking into account of non-deductible expenses and temporary timing differences.

In 3Q 2007 and 9M 2007, the Group's income tax decreased by S\$27.7 million and S\$45.8 million respectively over the corresponding periods in 2006. Lower income taxes were mainly attributable to the declines in profit before tax, which in return were caused by lower recognised revenues and higher expenses incurred for the administration and financing activities.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

1(b)(i) A balance sheet (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets as at 30 September 2007

	Group		Company	
	30.09.2007	31.12.2006	30.09.2007	31.12.2006
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets:				
Property, plant and equipment	27,865	26,608	-	-
Investment properties	107,448	105,702	-	-
Properties for development	982,354	238,382	-	-
Investment in a subsidiary	-	-	515,319	515,319
Other investments	10,066	9,686	-	-
Deferred tax assets	10,298	6,158	-	-
Long-term receivables	-	491	-	-
Total non-current assets	1,138,031	387,027	515,319	515,319
Current assets:				
Inventories	3,330	505	-	-
Completed properties for sale	155,612	146,692	-	-
Properties under development for sale	1,328,042	923,615	-	-
Trade receivables	1,008	558	-	-
Other receivables	209,095	20,365	2,882	-
Non-trade amounts due from:				
A subsidiary	-	-	1,006,824	200,836
Minority shareholders of subsidiaries	41,375	40,805	-	-
Other related parties	90	85	-	-
Held for trading investments	3,702	5,868	-	-
Pledged bank deposits	161,735	2,602	155,338	-
Cash and bank balances	788,786	622,237	27,145	62,903
Total current assets	2,692,775	1,763,332	1,192,189	263,739
Total assets	3,830,806	2,150,359	1,707,508	779,058



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	Group		Company	
	30.09.2007	31.12.2006	30.09.2007	31.12.2006
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<u>EQUITY AND LIABILITIES</u>				
Capital and reserves:				
Share capital	1,100,992	780,175	1,100,992	780,175
Reserves	151,950	129,667	55,623	(1,542)
Equity attributable to equity holders of the Company	1,252,942	909,842	1,156,615	778,633
Minority interests	116,366	153,178	-	-
Total capital and reserves	1,369,308	1,063,020	1,156,615	778,633
Non-current liabilities:				
Bank loans – due after one year	228,455	349,396	-	-
Convertible notes	395,115	-	395,115	-
Deferred tax liabilities	17,815	17,412	-	-
Non-trade amounts due to minority shareholders of subsidiaries	208,990	91,846	-	-
Total non-current liabilities	850,375	458,654	395,115	-
Current liabilities:				
Trade payables	220,066	162,685	-	-
Other payables	1,052,229	333,916	140	425
Non-trade amounts due to:				
Directors	9,398	9,148	300	-
A shareholder	15,590	16,677	-	-
Minority shareholders of subsidiaries	56,514	17,366	-	-
Other related parties	-	1,068	-	-
Income tax payable	-	9,701	-	-
Bank loans – due within one year	257,326	78,124	155,338	-
Total current liabilities	1,611,123	628,685	155,778	425
Total equity and liabilities	3,830,806	2,150,359	1,707,508	779,058



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

	Group	
	As at 30.09.2007	As at 31.12.2006
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Amount repayable in one year or less, or on demand:-		
Secured	220,610	52,606
Unsecured	36,716	25,518
Sub-total 1	257,326	78,124
Amount repayable after one year:-		
Secured	208,058	319,953
Unsecured	624,502	29,443
Sub-total 2	832,560	349,396
Total debt	1,089,886	427,520

Details of any collateral

Secured borrowings are generally secured by the borrowing companies' investment properties, properties under development for sale or bank deposits.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Consolidated Cash Flow Statements for the Period Ended 30 September 2007

	3Q 2007	3Q 2006	9M 2007	9M 2006
	S\$'000	S\$'000	S\$'000	S\$'000
OPERATING ACTIVITIES				
Profit before income tax	47,358	106,978	51,753	251,977
Adjustments for:				
Impairment of goodwill	-	84	37	524
Depreciation expense	692	620	2,037	1,805
Loss on disposal of property, plant and equipment	21	1	22	45
Gain on disposal of investment properties	(122)	-	(206)	-
Fair value gain on investment properties	-	(23,761)	-	(23,761)
Dividend income from held for trading investments	-	-	(44)	(77)
Realised (gain) loss on held for trading investments	(3,881)	-	(4,123)	135
Provision for decrease in value of completed properties for sale	651	-	651	-
Share of result of an associate	-	21	-	21
Fair value gain on held for trading investments	(400)	-	(1,931)	-
Share-based payment expense	583	641	1,743	641
Finance cost	14,757	94	26,572	335
Interest income	(4,905)	(1,550)	(17,796)	(3,285)
Operating cash flows before movement in working capital	54,754	83,128	58,715	228,360
Properties for development	(230,142)	(36,266)	(668,017)	(68,513)
Inventories	(1,996)	(578)	(2,803)	(614)
Completed properties for sale	(57,420)	(18,384)	(3,826)	37,707
Properties under development for sale	(98,610)	35,980	(346,861)	28,348
Trade and other receivables	(114,823)	(5,110)	(150,611)	(14,386)
Trade and other payables	308,042	(6,226)	709,851	130,213
Cash (used in) generated from operations	(140,195)	52,544	(403,552)	341,115
Interest paid	(7,791)	(10,841)	(23,053)	(23,268)
Income taxes paid	(10,847)	(21,146)	(66,111)	(61,158)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	(158,833)	20,557	(492,716)	256,689



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	3Q 2007	3Q 2006	9M 2007	9M 2006
	S\$'000	S\$'000	S\$'000	S\$'000
INVESTING ACTIVITIES				
Interest received	3,442	1,550	14,914	3,287
Dividend received from held for trading investments	-	-	44	77
Purchase of property, plant and equipment	(1,695)	(389)	(2,805)	(1,842)
Purchase of held for trading investments	(4,137)	-	(13,817)	-
Proceeds on disposal of property, plant and equipment	43	16	43	69
Proceeds on disposal of held for trading investments	18,250	-	22,027	1,677
Proceeds on disposal of investments properties	713	-	2,553	-
(Increase) Decrease in pledged bank deposits	(149,509)	269	(159,091)	6,950
Investment in an associate	-	(179)	-	(179)
Acquisition of additional interests in a subsidiary	-	-	(48,629)	-
Acquisition of new subsidiaries	(9,708)	-	(9,708)	-
Repayment from a third party	-	-	503	-
Repayment from (Advance to) related companies	397	(87)	(5)	(87)
Repayment from (Advance to) minority shareholders of subsidiaries	564	(6,337)	564	(6,685)
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES	(141,640)	(5,157)	(193,407)	3,267



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	3Q 2007	3Q 2006	9M 2007	9M 2006
	S\$'000	S\$'000	S\$'000	S\$'000
FINANCING ACTIVITIES				
Dividend paid	-	-	(51,284)	-
Repayment to related companies	-	(6,994)	(1,092)	(7,191)
Advance from an associate	-	36	-	36
Advance from (Repayment to) a shareholder	15,567	(6)	(1,099)	(7)
Advance from minority shareholders of subsidiaries	3,500	14,981	140,842	2,856
Advance from (Repayment to) a director	3,267	(405)	242	(41,326)
Proceeds from bank loans	194,727	81,902	238,968	355,999
Repayment of bank loans	(132,497)	(64,109)	(197,450)	(228,628)
Net proceeds on issue of new shares	-	11,688	299,213	264,610
Net proceeds on issue of convertible notes	-	-	459,855	-
Dividends paid to minority shareholders of subsidiaries	(2,870)	(18,360)	(63,329)	(62,800)
Cash (withdrawal by) injection from minority shareholders of subsidiaries	-	(6,466)	1,521	(6,466)
NET CASH GENERATED FROM FINANCING ACTIVITIES	81,694	12,267	826,387	277,083
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(218,779)	27,667	140,264	537,039
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	991,497	581,318	622,237	115,142
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	16,068	(278)	26,285	(43,474)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	788,786	608,707	788,786	608,707



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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.

Unaudited Group Statements of Changes in Equity for the Nine Months Ended 30 September 2007

	Share capital	Currency translation reserve	Equity reserves	Statutory reserves	Merger reserve	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2007	780,175	(55,884)	1,265	39,571	(386,571)	-	531,286	909,842	153,178	1,063,020
Fair value adjustment in acquiring additional interest in a subsidiary	-	-	-	-	-	(48,628)	-	(48,628)	-	(48,628)
Currency translation difference	-	13,160	-	-	-	-	-	13,160	1,175	14,335
Net income (expense) recognised directly in equity	-	13,160	-	-	-	(48,628)	-	(35,468)	1,175	(34,293)
Net profit for the period	-	-	-	-	-	-	2,906	2,906	5,979	8,885
Total recognised income (expense) for the period	-	13,160	-	-	-	(48,628)	2,906	(32,562)	7,154	(25,408)
Issuance of shares, net of expenses	299,213	-	-	-	-	-	-	299,213	-	299,213
Recognition of equity component of convertible notes due in 2012, net of expenses	-	-	66,546	-	-	-	-	66,546	-	66,546
Recognition of share-based payments	-	-	565	-	-	-	-	565	-	565
Change of interest in a subsidiary	-	-	-	-	-	-	-	-	36	36
Balance at 31 March 2007	1,079,388	(42,724)	68,376	39,571	(386,571)	(48,628)	534,192	1,243,604	160,368	1,403,972



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	Share capital	Currency translation reserve	Equity reserves	Statutory reserves	Merger reserve	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Currency translation difference	-	6,261	-	-	-	-	-	6,261	1,525	7,786
Net income recognised directly in equity	-	6,261	-	-	-	-	-	6,261	1,525	7,786
Net (loss) profit for the period	-	-	-	-	-	-	(22,452)	(22,452)	10,771	(11,681)
Total recognised income (expense) for the period	-	6,261	-	-	-	-	(22,452)	(16,191)	12,296	(3,895)
Recognition of share-based payments	-	-	595	-	-	-	-	595	-	595
Cash injection by a minority shareholder	-	-	-	-	-	-	-	-	1,521	1,521
Dividends	-	-	-	-	-	-	(51,284)	(51,284)	-	(51,284)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	(60,459)	(60,459)
Appropriations	-	-	-	(4)	-	-	4	-	-	-
Balance at 30 June 2007	1,079,388	(36,463)	68,971	39,567	(386,571)	(48,628)	460,460	1,176,724	113,726	1,290,450
Currency translation difference	-	22,485	-	-	-	-	-	22,485	841	23,326
Net income recognised directly in equity	-	22,485	-	-	-	-	-	22,485	841	23,326
Net profit for the period	-	-	-	-	-	-	34,578	34,578	4,268	38,846
Total recognised income for the period	-	22,485	-	-	-	-	34,578	57,063	5,109	62,172
Conversion of convertible notes	21,604	-	(3,032)	-	-	-	-	18,572	-	18,572
Recognition of share-based payments	-	-	583	-	-	-	-	583	-	583
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	401	401
Dividends paid to a minority shareholder	-	-	-	-	-	-	-	-	(2,870)	(2,870)
Balance at 30 September 2007	1,100,992	(13,978)	66,522	39,567	(386,571)	(48,628)	495,038	1,252,942	116,366	1,369,308



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Unaudited Group Statements of Changes in Equity for the Nine Months Ended 30 September 2006

	Share capital	Currency translation reserve	Equity reserves	Statutory reserves	Merger reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2006	144,328	(13,605)	-	39,208	2,420	360,968	533,319	108,302	641,621
Currency translation difference	-	(15,312)	-	-	-	-	(15,312)	(849)	(16,161)
Net expense recognised directly in equity	-	(15,312)	-	-	-	-	(15,312)	(849)	(16,161)
Net profit for the period	-	-	-	-	-	8,085	8,085	4,898	12,983
Total recognised (expense) income for the period	-	(15,312)	-	-	-	8,085	(7,227)	4,049	(3,178)
Balance at 31 March 2006	144,328	(28,917)	-	39,208	2,420	369,053	526,092	112,351	638,443
Currency translation difference	-	(14,677)	-	-	-	-	(14,677)	(573)	(15,250)
Net expense recognised directly in equity	-	(14,677)	-	-	-	-	(14,677)	(573)	(15,250)
Net profit for the period	-	-	-	-	-	76,126	76,126	30,549	106,675
Total recognised (expense) income for the period	-	(14,677)	-	-	-	76,126	61,449	29,976	91,425
Arising from Group Restructuring	(144,328)	-	-	-	(388,991)	-	(533,319)	-	(533,319)
Issuance of shares pursuant to the Restructuring	515,319	-	-	-	-	-	515,319	-	515,319
Exercise									
Issuance of shares pursuant to IPO, net of expenses	252,922	-	-	-	-	-	252,922	-	252,922
Change of interest in subsidiary	-	-	-	-	-	-	-	274	274
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(44,440)	(44,440)
Balance at 30 June 2006	768,241	(43,594)	-	39,208	(386,571)	445,179	822,463	98,161	920,624



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	Share capital	Currency translation reserve	Equity reserves	Statutory reserves	Merger reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Currency translation difference	-	(581)	-	-	-	-	(581)	(655)	(1,236)
Net expense recognised directly in equity	-	(581)	-	-	-	-	(581)	(655)	(1,236)
Net profit for the period	-	-	-	-	-	38,932	38,932	31,849	70,781
Total recognised (expense) income for the period	-	(581)	-	-	-	38,932	38,351	31,194	69,545
Issuance of shares pursuant to the exercise of over-allotment option by the stabilizing manager of the Company's IPO, net of expenses	11,688	-	-	-	-	-	11,688	-	11,688
Recognition of share-based payments	-	-	641	-	-	-	641	-	641
Change of interest in subsidiaries	-	-	-	-	-	-	-	(6,224)	(6,224)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(18,360)	(18,360)
Balance at 30 September 2006	779,929	(44,175)	641	39,208	(386,571)	484,111	873,143	104,771	977,914



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Unaudited Company Statements of Changes in Equity for the Nine Months Ended 30 September 2007

	Share capital S\$'000	Equity reserves S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 January 2007	780,175	1,265	(2,807)	778,633
Net profit for the period	-	-	72	72
Total recognised income for the period	-	-	72	72
Issuance of shares, net of expenses	299,213	-	-	299,213
Recognition of equity component of convertible notes due in 2012, net of expenses	-	66,546	-	66,546
Recognition of share-based payments	-	565	-	565
Balance at 31 March 2007	1,079,388	68,376	(2,735)	1,145,029
Net profit for the period	-	-	51,855	51,855
Total recognised income for the period	-	-	51,855	51,855
Recognition of share-based payments	-	595	-	595
Dividends	-	-	(51,284)	(51,284)
Balance at 30 June 2007	1,079,388	68,971	(2,164)	1,146,195
Net loss for the period	-	-	(8,735)	(8,735)
Total recognised expense for the period	-	-	(8,735)	(8,735)
Conversion of convertible notes	21,604	(3,032)	-	18,572
Recognition of share-based payments	-	583	-	583
Balance at 30 September 2007	1,100,992	66,522	(10,899)	1,156,615



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Unaudited Company Statements of Changes in Equity for the Nine Months Ended 30 September 2006

	Share capital S\$'000	Equity reserves S\$'000	Accumulated loss S\$'000	Total S\$'000
Balance at 31 March 2006	(1)	-	-	(1)
Net loss for the period	-	-	(1)	(1)
Total recognised expense for the period	-	-	(1)	(1)
Issue of 1,367,999,999 ordinary shares pursuant to the Restructuring Exercise	515,319	-	-	515,319
Issue of 242,000,000 ordinary shares pursuant to the initial public offering of the Company in June 2006, net of IPO expenses	252,922	-	-	252,922
Balance at 30 June 2006	768,241	-	(1)	768,240
Net profit for the period	-	-	1,223	1,223
Total recognised expense for the period	-	-	1,223	1,223
Issuance of shares pursuant to the exercise of over-allotment option by the stabilizing manager of the Company's IPO, net of expenses	11,688	-	-	11,688
Recognition of share-based payments	-	641	-	641
Balance at 30 September 2006	779,929	641	1,222	781,792

Note:

1. The share capital as at 31 March 2006 was less than S\$1,000. The Company was incorporated in the Republic of Singapore on 13 February 2006 as a private limited company with an issued and paid up capital of S\$1.00 comprising one ordinary share. The Company's principal activity is acting as an investment holding company.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

1(d)(ii) Details of any changes in the Company's share capital arising from right 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 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.

Share Capital

During the first quarter ended 31 March 2007, the Company issued 150,000,000 new ordinary shares at S\$2.07 per share, as part of the concurrent offerings of new shares and convertible notes concluded in February 2007. The increase in share capital from the issuance of 150,000,000 new ordinary shares after net of expenses amounted to S\$299,213,000.

Share Options

The options to take up the unissued ordinary shares in the capital of the Company under the Company's Pre-IPO Share Option Scheme as at 30 September 2007 are as follows:-

Date of grant of options	Exercise price per share (S\$)	No. of option shares outstanding as at 01.07.2007	No. of option shares lapsed	No. of option shares outstanding as at 30.09.2007
21.06.2006	0.92	13,332,000	100,000	13,232,000

Convertible Notes Due 2012

As previously announced, the Company had in February 2007 issued S\$477.25 million convertible notes due in 2012 ("Notes") at a conversion price of S\$2.7531 per share. With effect from 1 June 2007 and as previously announced, the conversion price has been adjusted from S\$2.7531 per share to S\$2.71 per share.

As of 30 September 2007 S\$455.50 million is outstanding under the Notes and S\$21.75 million has been converted into our ordinary shares.

Based on the conversion price of S\$2.71 per share and assuming the Notes are fully converted, the number of new ordinary shares to be issued would be approximately 168,081,185 shares as at 30 September 2007.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures for the third quarter and nine months ended 30 September 2007 have neither been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditor's 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 applied the same accounting policies and methods of computation in the financial statements for the current financial periods compared to those in the audited financial statements for the year ended 31 December 2006.

5. If there are any changes in the accounting policies and methods of computations, including any required by an accounting standard, what has changed, as well as the reasons for, the effect of, the change

There is no change in the accounting policies and methods of computations.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

6. Earnings per ordinary share (EPS) of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, based on profit after tax and minority interests attributable to the equity holders of the Company after deducting any provision for preference dividends.

	Group		Group	
	3Q 2007 (Unaudited)	3Q 2006 (Unaudited)	9M 2007 (Unaudited)	9M 2006 (Unaudited)
EPS based on Group net profit attributable to shareholders:				
(i) On the weighted average number of shares (S\$)	1.94 cents	2.40 cents	0.86 cents	8.43 cents
- Weighted average number of shares ('000)	1,778,403	1,620,261	1,755,501	1,460,989
(ii) On a fully diluted basis (S\$)	1.93 cents	2.40 cents	0.85 cents	8.41 cents
- Adjusted weighted average number of shares ('000)	1,787,842	1,623,297	1,764,378	1,464,025

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:-

- (i) current period reported on; and
- (ii) immediately preceding financial year

	Group		Company	
	30.09.2007 (Unaudited)	31.12.2006 (Audited)	30.09.2007 (Unaudited)	31.12.2006 (Audited)
Net assets value per share based on issued share capital at the end of the period (S\$)	0.70	0.56	0.65	0.48



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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**

Underpinned by the encouraging responses to pre-sales of properties, the Group had in three consecutive quarters achieved increasing pre-contracted amounts and receipt of proceeds from pre-sales of apartment units, which recorded a high of S\$1,097.0 million and S\$912.9 million respectively as at 30 September 2007. However, in accordance with the Group's adoption of the FRS 18 – Revenue, advances received from pre-sale properties were recorded as "Other Payables" in the balance sheet as at 30 September 2007 instead of being recognised as revenue for the current reporting periods. It is expected that a majority of these pre-sale proceeds will be recognised as revenues in 4Q 2007 as properties are delivered to customers during the three months ended 31 December 2007.

As the Group derived substantially all its revenue from sales of properties, which to a major extent depended on the time of delivery of pre-sale and/or sold properties to customers, quarter to quarter volatility in revenue would be expected. Hence, to better evaluate the overall Group performance, the Group's ability to conclude receipt of proceeds from pre-sale apartment units should be considered together with its revenue stream generated during the reporting periods.



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YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

3Q 2007 vs 3Q 2006

In 3Q 2007, revenue of the Group declined to S\$184.6 million from S\$256.5 million in 3Q 2006. This decrease in 3Q 2007 reflected the decrease in the number of properties delivered to customers compared to 3Q 2006. However, the Group had received a substantial higher amount of proceeds from pre-sales of properties, of S\$912.9 million as at 30 September 2007 compared to S\$493.1 million as at 30 September 2006. The pre-sale apartment units as at 30 September 2007 mainly included properties in Yanlord Riverside City (Phase 2) (仁恒河滨城, 二期), Yanlord Town (仁恒家园) and Yunjie Riverside Garden (Phase 1) (运杰河滨花园, 一期) in Shanghai, Yanlord New City Gardens (Phase 1) (仁恒星园, 一期) in Zhuhai, Yanlord Peninsula (星岛仁恒) in Suzhou, and Bamboo Gardens (Phase 2 and 3) (翠竹园, 二及三期) – which accounted for approximately 44.2%, 14.3%, 7.4%, 11.6%, 8.7% and 7.5% respectively of the Group's total proceeds received from pre-sales. Of these six projects, a majority of their pre-sale proceeds are expected to be recognised as revenue in 4Q 2007. Revenue in 3Q 2007 was mainly due to the delivery of Yanlord Riverside City (Phase 2) (仁恒河滨城, 二期) in Shanghai which accounted for approximately 91.7% of the Group's sales revenue in 3Q 2007.

In tandem with the movement of revenue, the Group's gross profit decreased to S\$65.7 million in 3Q 2007 from S\$95.8 million in 3Q 2006. Gross profit margin remained stable at 35.6% in 3Q 2007 compared to 37.3% in 3Q 2006.

As a result of lower revenue recognised coupled with higher finance cost and administrative expenses, the Group's profit before tax in 3Q 2007 declined to S\$47.4 million from S\$107.0 million in 3Q 2006. Profit before tax margin was lower at 25.6% in 3Q 2007 compared to 41.7% in 3Q 2006.

Accordingly, profit after tax in 3Q 2007 stood at S\$38.8 million, representing a decrease from S\$70.8 million in 3Q 2006. Profit after tax margin declined accordingly to 21.0% in 3Q 2007 from 27.6% in 3Q 2006.



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YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

9M 2007 vs 9M 2006

As the number of properties handed over to customers in 9M 2007 was lower than the corresponding period in last year, the Group recorded a lower revenue, at S\$295.6 million in 9M 2007 compared to S\$638.6 million in 9M 2006. As mentioned above, the revenue recognised by itself may not be reflective of the Group's financial and operational performance because property developers often to experience "quarter to quarter" and also "period to period" volatilities, which in return are subject extensively to the time of property deliveries. The other indicator of the Group's performance, the pre-sale proceeds of properties - which improved considerably to S\$912.9 million as at 30 September 2007 – reflected that the Group had not only succeeded in launching new projects in the markets of different cities mentioned above, but also accomplished a high level of secured proceeds of about 83.2% out of the pre-contracted amount of S\$1,097.0 million. Although such proceeds would not be recognised as a revenue for the 9M 2007 under the FRS 18 - Revenue, it does underpin a sound platform for the Group's revenue in the coming future; particularly, it is expected that a majority of the pre-sale proceeds will be recognised as revenue in 4Q 2007. In 9M 2007, the revenue of the Group mainly derived from new delivery of Yanlord Riverside City (Phase 2) (仁恒河滨城, 二期), Yanlord Riverside Gardens (Phase 2) (仁恒河滨花园, 二期) and Yunjie Riverside Garden (Phase 1) (运杰河滨花园, 一期) in Shanghai, and Yanlord Villas (仁恒别墅) in Guiyang – which contributed 58.1%, 24.3%, 6.1% and 4.4% respectively to the Group's sales revenue in 9M 2007.

Gross profit margin in 9M 2007 declined to 36.0% from 41.0% in 9M 2006, primarily as a result of the recognition of LAT in Yanlord Riverside City (Phase 2) (仁恒河滨城, 二期) in 9M 2007, which was not recognised in 9M 2006. The change in composition of product mix - a higher proportion of high-profit-margin properties sold and delivered in 9M 2006 compared to that in 9M 2007 – accounted for the balance.

With a lower gross profit, the Group's profit before tax totaled S\$51.8 million in 9M 2007, down from S\$252.0 million in 9M 2006. The increase in finance cost and administrative expenses also partly contributed to this decrease in profit before tax. Accordingly, the profit before tax margin dropped to 17.5% in 9M 2007 from 39.5% in 9M 2006.

The Group recorded profit after tax of S\$36.1 million in 9M 2007, which was lower than that of S\$190.4 million in 9M 2006. Profit after tax margin in 9M 2007 stood relatively lower at 12.2% over that of 29.8% in 9M 2006.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Cash and bank balances of the Group increased by S\$180.1 million from S\$608.7 million as at 30 September 2006 to S\$788.8 million as at 30 September 2007. The increase was primarily attributed to improved net cash inflow from financing activities, partially offset by a reduction in net cash from operating activities and investing activities.

Net cash from the financing activities for the period ended 30 September 2007 improved approximately threefold over the corresponding period ended in last year to S\$826.4 million from S\$277.1 million. The concurrent offerings of new ordinary shares and convertible notes concluded in February 2007 were the major contributors, generating S\$759.1 million net proceeds in total. The Group reported a net cash used in operating activities of S\$492.7 million for the period 30 September 2007 compared to a net cash from operating activities of S\$256.7 million for the corresponding period last year. This was because the Group had funded considerable resources in its project developments in particular in projects for future development, which grew up to S\$668.0 million from S\$68.5 million. As the Group continues to expand its property development projects and acquire potential land bank, funding is of importance to sustain and leverage its growth strategies in long term.

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 for the current financial period has been previously disclosed to shareholders.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

INDUSTRY OUTLOOK

Based on latest figures released by the PRC's National Bureau of Statistics, for the period of January to September 2007, the domestic economy continued its steady growth trend, posting a 11.5% year-on-year increase in gross domestic product to RMB16,604.3 billion. Riding on this robust growth momentum, based on the latest figures released by the PRC's National Development and Reform Commission ("NDRC"), high-end residential property prices in 70 large and medium-sized cities rose 10.0% in September 2007 compared to September 2006. This exceeds the 8.9% average increase in housing prices and reflects the buoyant demand for high-end residential properties in the PRC. In cities where the Group has established its presence, property prices for new residential developments in Chengdu and Nanjing increased by 9.6% and 8.7% respectively in September 2007 compared to the corresponding period last year while Shanghai, Tianjin and Guiyang exhibited relatively stable increases of approximately 6.2%, 7.2% and 7.2% respectively⁽³⁾.

The increase in property prices in the large- and medium-sized cities occurred despite various measures introduced since May 2006 by the authorities to curb over-investment into the sector. The Group believes that the measures introduced will benefit the sector over the long-run through better regulation. With rising affluence and urbanization of the PRC population, there exists significant potential for further growth for high-end quality developments at prime locations in major cities.

³ http://www.ndrc.gov.cn/xwfb/t20071026_167369.htm



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

COMPANY OUTLOOK

Benefiting from the strong responses to pre-sales, the Group's received advances for pre-sale properties amounting to approximately S\$912.9 million. Based on the expected delivery schedules and on-schedule construction works-in-progress, a majority of the total pre-contracted sales amounting to S\$1,097.0 million as at 30 September 2007 is expected to be recognised as revenue in 4Q 2007.

New Project Launches

Moving forward, Yanlord will launch new tranches of existing development for sale in 4Q 2007 – Yanlord Riverside City (Phase 2) (仁恒河滨城，二期), Yanlord Town (仁恒家园) and Yunjie Riverside Garden (Phase 1) (运杰河滨花园，一期) in Shanghai, Bamboo Gardens (Phase 3) (翠竹园，三期) and Yanlord International Apartments (仁恒国际公寓) (residential component) in Nanjing, Hengye Star Gardens (恒业星园) in Chengdu and Yanlord Peninsula (星岛仁恒) in Suzhou. Situated in prime locations, these projects are expected to command pricing premiums and will contribute significantly to the Group's financial performance in FY 2007 and beyond.

Commencement of Construction of New Developments

In 3Q 2007, the Group commenced construction of Section 1 of Yanlord New City Gardens (Phase 2) (仁恒星园，二期) in Zhuhai. With a total GFA of approximately 107,981 sqm in Section 1 of Phase 2 (and 217,779 sqm in Section 2 of Phase 2, which is currently under planning and for future development), the development will be progressively completed from 2008 to 2009.

Land Acquisition Strategy

The Group continues to actively pursue opportunities to enlarge its land bank. In 3Q 2007 and subsequent to the end of the quarter, the Group announced two successful acquisitions which will not only enlarge its land bank but also expand its geographical foothold into a new city – Shenzhen.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Shenzhen:

As the eighth key city in Yanlord's strategic expansion initiative, Shenzhen holds significant market opportunity for the Group. With the successful acquisition, the Group has added approximately 534,064 sqm to its total land holdings, and gained a foothold in one of PRC's fastest-growing cities.

As the first special economic zone ("SEZ") in the PRC, Shenzhen has experienced a period of rapid development. Based on statistics from the municipal government of Shenzhen and the NDRC, GDP of the city grew 15.0% to RMB568.4 billion in 2006. According to the latest figures from NDRC, ASPs for new residential developments in September 2007 grew 16.5% over the corresponding period last year which is significantly higher than the 10.0% recorded for seventy large and mid-sized cities in the PRC over the corresponding period last year. Sited in close proximity to the Longgang District of Shenzhen – which will host the World Student's Game in 2011 – and Metro Line No.3 which is estimated to be completed in 2010, our new development, will stand to benefit from the rapid economic development of the district.

Nanjing:

In October 2007, the Group announced the acquisition of its second development site in the Hexi New Urban Area in Nanjing. Slated for development into a high-end residential zone comprising of high-rise fully fitted apartments, the site will boost the Group's total land bank holdings by 93,280 sqm and was acquired for approximately RMB 640.0 million.

Leveraging on the rapid development of the area which is emerging as the central business district of Nanjing, this latest site will complement the Group's other developments in Nanjing, namely Yanlord International Apartment (仁恒国际公寓) – which opened the doors of the first international standard serviced apartment "Frasers Suites" in Nanjing – and the recently acquired 688,000 sqm integrated development site, further demonstrating Yanlord's continued confidence in the strong potential of the Nanjing real estate sector.

Barring any unforeseen circumstances, the Directors are confident of the Group's performance for the next reporting period and the next 12 months based on the number of units pre-sold to-date, expected delivery schedules and on-schedule construction works in progress.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

11. Dividend

- (a) Any dividend declared for the current financial period reported on? Nil.
- (b) Any dividend declared for the corresponding period of the immediately preceding financial year? Nil.
- (c) Date payable: Not applicable.
- (d) Books closure date: Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the period under review.

13. Confirmation of the Board of Directors ("Board")

We refer to the requirement under Rule 705(4) of the SGX-ST Listing Manual.

We, Zhong Sheng Jian and Zhong Siliang, directors of the Company, hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board, which may render the third quarter and nine months financial results of the Group for the period ended 30 September 2007 to be false or misleading in any material aspects.

ON BEHALF OF THE BOARD

Zhong Sheng Jian
Chairman and Chief Executive Officer

Zhong Siliang
Director

ON BEHALF OF THE BOARD

Zhong Sheng Jian
Chairman and Chief Executive Officer
7 November 2007

The initial public offering for the shares of the Company was joint lead managed by HL Bank and CLSA Merchant Bankers Limited (the "Managers"). The Managers assume no responsibility for the contents of this announcement.