YANLORD LAND GROUP LIMITED

(Registration Number: 200601911K)

THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2006 FINANCIAL STATEMENT ANNOUNCEMENT

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YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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UNAUDITED THIRD QUARTER (“3Q 2006) AND NINE MONTHS (“9M 2006) FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2006

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 2006

	3Q 2006	3Q 2005	% Change	9M 2006	9M 2005	% Change
	S$'000	S$'000	+/(-)	S$'000	S$'000	+/(-)
Revenue	226,006	406,243	(44)	607,021	467,814	30
Cost of sales	(130,215)	(294,125)	(56)	(344,952)	(331,153)	4
Gross profit	95,791	112,118	(15)	262,069	136,661	92
Other operating income	26,445	490	5,297	29,460	5,622	424
Selling expenses	(3,414)	(1,921)	78	(8,703)	(5,059)	72
Administrative expenses	(11,671)	(6,709)	74	(29,352)	(20,362)	44
Other operating expenses	(58)	(214)	(73)	(1,141)	(1,706)	(33)
Finance cost	(94)	(307)	(69)	(335)	(627)	(47)
Share of result of an associate	(21)	-	n.m.	(21)	-	n.m.
Profit before tax	106,978	103,457	3	251,977	114,529	120
Income tax	(36,197)	(36,249)	-	(61,538)	(38,859)	58
Profit for the period	70,781	67,208	5	190,439	75,670	152
Attributable to:						
Equity holders of the parent	38,932	39,800	(2)	123,143	46,085	167
Minority interests	31,849	27,408	16	67,296	29,585	127
	70,781	67,208	5	190,439	75,670	152

n.m. – Not meaningful

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

	3Q 2006	3Q 2005	9M 2006	9M 2005
	S$'000	S$'000	S$'000	S$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Investment income	-	(21)	(77)	(2,245)
Interest income	(1,550)	(367)	(3,285)	(1,384)
Fair value gain on investment properties	(23,761)	-	(23,761)	-
Share-based payment expense	641	-	641	-
Interest on borrowings	94	307	335	627
Depreciation of property, plant and equipment	620	631	1,805	1,717
Foreign exchange loss	414	233	356	294
Adjustments for under provision of tax in respect of prior years	-	8	-	746
Loss / (Profit) on sale of investments, properties, and/or plant and equipment	1	(18)	180	(1,377)
Impairment of goodwill	84	-	524	482

Revenue

Compared with corresponding periods last year, revenue in 3Q 2006 decreased by S$180.2 million, while revenue for 9M 2006 increased by S$139.2 million. The substantial drop in 3Q 2006 was primarily due to the decrease in number of properties delivered over those properties delivered in the same quarter last year. The considerable increase in 9M 2006 over the corresponding period last year was principally attributable to an increase in average selling price of the properties sold in Shanghai in Yanlord Riverside City (仁恒河滨城) and Yanlord Riverside Gardens (仁恒河滨花园), and a greater number of properties sold in Shanghai in Yanlord Riverside City (仁恒河滨城) and in Nanjing in Bamboo Gardens (翠竹园).

The Group's revenue is recognized in accordance with the Financial Reporting Standard 18 - Revenue [1].

[1] Revenue from properties developed for sale is recognized 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.

Cost of sales

Cost of sales comprised principally land costs, construction costs and capitalized borrowing costs. The cost of sales decreased by S$163.9 million in 3Q 2006 and increased by S$13.8 million in 9M 2006 over the corresponding periods last year, in line with the movement in revenue.

Other operating income

Other operating income consisted mainly dividend income, interest income, tax subsidies, change in fair value of investment properties and other miscellaneous income, increased by S$26.0 million in 3Q 2006 and S$23.8 million in 9M 2006 over the corresponding periods in 2005. The increase was largely attributable to a fair value gain on revaluation of investment properties and an increase in interest income and subsidies received from the tax authorities in the PRC, partially offset by a decrease in dividend income from available-for-sale investments and marketable securities. The Group has adopted the fair value model to account for the change in value of its investment properties in 3Q 2006, details of which are set out in item 4 below.

Selling expenses

Selling expenses comprised mainly staff expenses, advertising and promotion expenses, agency fees and other sundry expenses. These expenses in 3Q 2006 and 9M 2006 were S$1.5 million and S$3.6 million higher respectively than those of the corresponding periods in 2005. The increase was principally on account of higher advertising and promotion costs for property selling activities in Chengdu, Nanjing, Shanghai and Suzhou, and higher agency fees for sales of properties in Shanghai.

Administrative expenses

Administrative expenses included primarily staff costs, depreciation, rental, utilities, travel, entertainment expenses and share-based payment expense. The increase of S$5.0 million in 3Q 2006 and S$9.0 million in 9M 2006 as compared to the corresponding periods in 2005 was mainly due to an increase in number of staff employed to support the continuous growth of the group. The recognition of share-based payment in 3Q 2006 and the general increase in traveling expenses, rental payment and property management fund of Yanlord Riverside City (Phase 1) (仁恒河滨城一期) also contributed to the increase in administration expenses.

Other operating expenses

Other operating expenses comprised impairment of goodwill on acquisition of additional interests in subsidiaries, donation and realized loss from investment in marketable securities. The expenses decreased by S$0.2 million in 3Q 2006 and S$0.6 million in 9M 2006 over the corresponding periods in 2005, mainly due to the decrease in donation expenses partially offset by the increase in impairment of goodwill on acquisition of additional interests in subsidiaries.

Finance cost

Finance cost consisted interest on borrowings, net of any capitalized interest, decreased by S$0.2 million in 3Q 2006 and S$0.3 million 9M 2006 over the corresponding periods last year. The decrease in finance cost was principally on account of higher interest capitalization and less interest charged to the income statement.

Income tax

Income tax was derived by applying statutory tax rates, ranging from 15% to 33%, of different regions in PRC in which the Group's companies are operating in, and taking into account non-deductible expenses and temporary timing differences.

Income tax in 3Q 2006 and 9M 2006 were S$0.1 million lower and S$22.7 million higher respectively than that of the corresponding periods last year. The increase in 9M 2006 principally arose from higher profit before income tax as a result of increased revenue. The effective tax rates for the Group in 3Q 2006 and 9M 2006 were 33.8% and 24.4% respectively.

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 2006

	Group		Company	
	30.09.2006	**31.12.2005**	**30.09.2006**	**31.12.2005**
	S$'000	**S$'000**	**S$'000**	**S$'000**
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets:				
Property, plant and equipment	23,303	24,537	-	-
Investment properties	50,894	-	-	-
Properties for development	199,212	350,005	-	-
Investment in an associate	158	-	-	-
Investments in subsidiaries	-	-	515,319	-
Other investments	9,814	10,264	-	-
Deferred tax assets	14,059	44,378	-	-
Total non-current assets	297,440	429,184	515,319	-
Current assets:				
Inventories	1,075	461	-	-
Completed properties for sale	116,057	153,764	-	-
Properties under development for sale	1,076,335	889,575	-	
Trade receivables	518	565	-	-
Other receivables	43,077	28,644	-	-
Prepaid income tax	9,322	-	-	-
Non-trade amounts due from:				
Subsidiaries	-	-	54,516	-
Minority shareholders of subsidiaries	21,752	15,067	-	-
Other related parties	87	-	-	-
Held-for-trading investments	4,203	6,323	-	-
Pledged bank deposits	1,256	8,206	-	-
Cash and bank balances	608,707	115,142	212,617	-
Total current assets	1,882,389	1,217,747	267,133	-
Total assets	2,179,829	1,646,931	782,452	-

YANLORD LAND GROUP LIMITED

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	Group		Company	
	30.09.2006	31.12.2005	30.09.2006	31.12.2005
	S$'000	S$'000	S$'000	S$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
EQUITY AND LIABILITIES				
Capital and reserves:				
Share capital	779,929	144,328	779,929	-
Reserves	93,214	388,991	1,863	-
Equity attributable to equity holders of the parent	873,143	533,319	781,792	-
Minority interests	104,771	108,302	-	-
Total capital and reserves	977,914	641,621	781,792	-
Non-current liabilities:				
Bank loans – due after one year	358,983	136,597	-	-
Deferred tax liabilities	7,751	-	-	-
Non-trade amounts due to:				
Minority shareholders of subsidiaries	26,385	-	-	-
Total non-current liabilities	393,119	136,597	-	-
Current liabilities:				
Trade payables	154,952	143,683	-	-
Other payables	534,294	415,350	660	-
Non-trade amounts due to:				
An associate	36	-	-	-
A shareholder	17,856	49,969	-	-
Minority shareholders of subsidiaries	18,963	42,492	-	-
Other related parties	1,084	8,275	-	-
A director	8,642	-	-	-
Income tax payable	-	26,991	-	-
Bank loans – due within one year	72,969	181,953	-	-
Total current liabilities	808,796	868,713	660	-
Total equity and liabilities	2,179,829	1,646,931	782,452	-

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

	Group	
	As at 30.09.2006	**As at 31.12.2005**
	S$'000	**S$'000**
	(Unaudited)	(Audited)
Amount repayable in one year or less, or on demand:-		
Secured	53,080	127,086
Unsecured	19,889	54,867
Sub-total 1	72,969	181,953
Amount repayable after one year:-		
Secured	358,983	128,278
Unsecured	-	8,319
Sub-total 2	358,983	136,597
Total debt	431,952	318,550

Details of any collateral

Secured borrowings are generally secured by the borrowing companies' land and building, investment properties or properties under development for sale.

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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 2006

	3Q 2006	3Q 2005	9M 2006	9M 2005
	S$'000	S$'000	S$'000	S$'000
OPERATING ACTIVITIES				
Profit before income tax	106,978	103,457	251,977	114,529
Adjustments for:				
Impairment of goodwill	84	-	524	482
Depreciation of property, plant and equipment	620	631	1,805	1,717
(Gain) loss on disposal of property, plant and equipment	1	(10)	45	100
Fair value gain on investment properties	(23,761)	-	(23,761)	-
Dividend income from available-for-sale investments	-	(17)	-	(1,679)
Dividend income from investments held-for-trading	-	(4)	(77)	(566)
Realised (gain) loss on investments held-for-trading	-	(8)	135	(1,477)
Share of loss of an associate	21	-	21	-
Share-based payment expense	641	-	641	-
Interest expense	94	307	335	627
Interest income	(1,550)	(367)	(3,285)	(1,384)
Operating cash flows before movements in working capital	83,128	103,989	228,360	112,349
Increase in properties for development	(36,266)	(22,982)	(68,513)	(96,644)
Increase in inventories	(578)	(45)	(614)	(1)
(Increase) decrease in completed properties for sale	(18,384)	2,594	37,707	24,831
Decrease (increase) in properties under development for sale	35,980	136,685	28,348	(29,566)
Increase in trade and other receivables	(5,110)	(3,322)	(14,386)	(14,170)
(Decrease) increase in trade and other payables	(6,226)	(260,688)	130,213	(37,452)
Cash generated from (used in) operations	52,544	(43,769)	341,115	(40,653)

	3Q 2006 S$'000	3Q 2005 S$'000	9M 2006 S$'000	9M 2005 S$'000
Interest paid	(10,841)	(4,435)	(23,268)	(16,045)
Income taxes paid	(21,146)	(2,503)	(61,158)	(41,065)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	20,557	(50,707)	256,689	(97,763)
INVESTING ACTIVITIES				
Interest received	1,550	367	3,287	1,384
Dividend received from investments held-for trading	-	4	77	566
Dividend received from available-for-sale investments	-	26	-	1,679
Purchase of property, plant and equipment	(389)	(500)	(1,842)	(4,256)
Proceeds on disposal of property, plant and equipment	16	45	69	932
Purchase of investments held-for-trading	-	(5,239)	-	(34,116)
Proceeds on disposal of investments held-for-trading	-	178	1,677	29,921
Decrease (increase) in pledged bank deposits	269	(503)	6,950	1,958
Acquisition of additional interests in associates	-	-	-	(40,769)
Investment in an associate	(179)	-	(179)	-
Advance to a shareholder	-	(6,712)	-	(26,681)
(Advance to) repayment from related companies	(87)	23,791	(87)	40,329
(Advance to) repayment from associates	-	(151)	-	521
Advance to minority shareholders of subsidiaries	(6,337)	(1,861)	(6,685)	(44,772)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(5,157)	9,445	3,267	(73,304)

	3Q 2006 S$'000	3Q 2005 S$'000	9M 2006 S$'000	9M 2005 S$'000
FINANCING ACTIVITIES				
Advance from (repayment to) a associate	36	-	36	(10,482)
(Repayment to) advance from related companies	(6,994)	(8,646)	(7,191)	66,649
Repayment to a shareholder	(6)	-	(7)	-
Advance from (repayment to) minority shareholders of subsidiaries	14,981	(5,189)	2,856	(57,534)
Repayment to a director	(405)	-	(41,326)	-
Proceeds from bank loans	81,902	88,342	355,999	145,109
Repayment of bank loans	(64,109)	(51,590)	(228,628)	(119,458)
Net proceeds on issue of new shares	11,688	-	264,610	-
Dividend paid to minority shareholders of subsidiaries	(18,360)	-	(62,800)	-
Cash (withdrawal by) injection from minority interests	(6,466)	1,092	(6,466)	20,993
NET CASH FROM FINANCING ACTIVITIES	12,267	24,009	277,083	45,277
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,667	(17,253)	537,039	(125,790)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	581,318	103,381	115,142	197,221
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(278)	26,326	(43,474)	41,023
CASH AND CASH EQUIVALENTS AT END OF PERIOD	608,707	112,454	608,707	112,454

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 2006

	Share capital	Currency translation reserve	Equity reserve	Statutory reserves	Merger reserve (deficit)	Retained earnings	Attributable to equity holders of the parent	Minority interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 01.01.2006	**144,328**	**(13,605)**	-	**39,208**	**2,420**	**360,968**	**533,319**	**108,302**	**641,621**
Exchange diff. arising on translation of overseas operations	-	(15,312)	-	-	-	-	(15,312)	(849)	(16,161)
Net profit for the period	-	-	-	-	-	8,085	8,085	4,898	12,983
Balance as at 31.03.2006	**144,328**	**(28,917)**	-	**39,208**	**2,420**	**369,053**	**526,092**	**112,351**	**638,443**
Transfer of equity in RE defined below(2)	(144,328)	-	-	-	(388,991)	-	(533,319)	-	(533,319)
Issue of 1,367,999,999 shares (RE defined below(2))	515,319	-	-	-	-	-	515,319	-	515,319
Issue of 242,000,000 shares, net of IPO expenses	252,922	-	-	-	-	-	252,922	-	252,922
Exchange diff. arising on translation of overseas operations	-	(14,677)	-	-	-	-	(14,677)	(573)	(15,250)
Change of interests in subsidiaries	-	-	-	-	-	-	-	274	274
Net profit for the period	-	-	-	-	-	76,126	76,126	30,549	106,675
Dividend	-	-	-	-	-	-	-	(44,440)	(44,440)
Balance as at 30.06.2006	**768,241**	**(43,594)**	**-**	**39,208**	**(386,571)**	**445,179**	**822,463**	**98,161**	**920,624**

	Share capital	Currency translation reserve	Equity reserve	Statutory reserves	Merger reserve (deficit)	Retained earnings	Attributable to equity holders of the parent	Minority interests	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Issue of 14,523,000 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
Exchange diff. arising on translation of overseas operations	-	(581)	-	-	-	-	(581)	(655)	(1,236)
Cost of share-based payment	-	-	641	-	-	-	641	-	641
Change of interests in subsidiaries	-	-	-	-	-	-	-	(6,224)	(6,224)
Net profit for the period	-	-	-	-	-	38,932	38,932	31,849	70,781
Dividend	-	-	-	-	-	-	-	(18,360)	(18,360)
Balance as at 30.09.2006	**779,929**	**(44,175)**	**641**	**39,208**	**(386,571)**	**484,111**	**873,143**	**104,771**	**977,914**

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Unaudited Group Statements of Changes in Equity for the Nine Months Ended 30 September 2005

	Share capital	Currency translation reserve	Statutory reserves	Merger reserve	Retained earnings	Attributable to equity holders of the parent	Minority interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 01.01.2005	**144,328**	**(33,896)**	**37,104**	**2,420**	**310,745**	**460,701**	**72,127**	**532,828**
Exchange differences arising on translation of overseas operations	-	(3,029)	-	-	-	(3,029)	(109)	(3,138)
Net profit for the period	-	-	-	-	3,718	3,718	1,643	5,361
Cash injection	-	-	-	-	-	-	89	89
Balance as at 31.03.2005	**144,328**	**(36,925)**	**37,104**	**2,420**	**314,463**	**461,390**	**73,750**	**535,140**
Exchange differences arising on translation of overseas operations	-	11,691	-	-	-	11,691	440	12,131
Net profit for the period	-	-	-	-	2,566	2,566	535	3,101
Cash injection	-	-	-	-	-	-	19,811	19,811
Appropriation	-	-	1,224	-	(1,224)	-	-	-
Balance as at 30.06.2005	**144,328**	**(25,234)**	**38,328**	**2,420**	**315,805**	**475,647**	**94,536**	**570,183**

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	Share capital	Currency translation reserve	Statutory reserves	Merger reserve	Retained earnings	Attributable to equity holders of the parent	Minority interests	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Exchange differences arising on translation of overseas operations	-	15,636	-	-	-	15,636	1,538	17,174
Net profit for the period	-	-	-	-	39,800	39,800	27,407	67,207
Cash injection	-	-	-	-	-	-	1,092	1,092
Appropriation	-	-	13	-	(13)	-	-	-
Balance as at 30.09.2005	**144,328**	**(9,598)**	**38,341**	**2,420**	**355,592**	**531,083**	**124,573**	**655,656**

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

	Share capital	Equity reserve	Accumulated profit/(loss)	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**
Balance as at 31.03.2006	[1]	**-**	**-**	[1]
Issue of 1,367,999,999 ordinary shares pursuant to the RE defined below [2]	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
Loss for the period	-	-	(1)	(1)
Balance as at 30.06.2006	**768,241**	**-**	**(1)**	**768,240**
Issue of 14,523,000 ordinary 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
Cost of share-based payment	-	641	-	641
Profit for the period	-	-	1,223	1,223
Balance as at 30.09.2006	**779,929**	**641**	**1,222**	**781,792**

Notes:

1. 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 principal activities of the Company are that of an investment holding company.
2. On 9 May 2006, the Company completed its restructuring exercise as set out in the Company's prospectus dated 15 June 2006 (the "RE") to rationalize the Group's structure in preparation for the public listing of the Company's shares on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company was listed on the SGX-ST on 22 June 2006.
3. For the purpose of this announcement, the consolidated financial information had been prepared by adopting the uniting of interests method of accounting as a result of the Restructuring Exercise completed on 9 May 2006 involving the entities under common control. Under this method, the Company had been treated as the holding company of its subsidiaries for the financial periods presented rather than from the date of acquisition of the subsidiaries.

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 3Q 2006, the company issued 14,523,000 ordinary shares pursuant to the exercise of the over-allotment option by the stabilizing manager of the Company's IPO. The Company's issued and paid up capital has increased from S$768.2 million (1,610,000,000 ordinary shares) as at 30 June 2006 to S$779.9 million (1,624,523,000 ordinary shares) net of IPO and over-allotment expenses as at 30 September 2006.

Share Options

On 21 June 2006, the options to subscribe for an aggregate of 14,592,000 ordinary shares in the capital of the Company pursuant to the Pre-IPO Share Option Scheme (the "Scheme") as set out in the Company's prospectus dated 15 June 2006, have been duly granted. The Scheme is one-off and there will be no further issue of any options under the Scheme. The options granted under the Scheme will be exercisable after the second anniversary of the date of grant of the options and all options must be exercised before the fifth anniversary from the date of grant of the options.

As at 30 September 2006, the options to take up the unissued ordinary shares in the capital of the Company under the Scheme are as follows:-

Date of grant of options	Exercise price per share (S$)	No. of option shares granted	No. of option shares lapsed	No. of option shares outstanding as at 30.09.2006
21.06.2006	0.92	14,592,000	500,000	14,092,000

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

The figures have been reviewed by the Company's auditors in accordance with the Singapore Statement of Auditing Practice 11, Review of Interim Financial Information.

The comparative financial information for the three months and nine months ended 30 September 2005 have not be audited or reviewed.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)

Please refer to Appendix A for review report.

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 period compared to those for the audited financial statements for the year ended 31 December 2005 except for early adoption of Financial Reporting Standards (FRS) 40 - Investment Properties with effect from 3Q 2006. The investment property was stated at the professional valuation of the property as of 31 December 2005 as the Group was of the view that there was no material difference in its market value from 1 January 2006 to 30 September 2006. The early adoption of FRS 40 is also in line with the general market practice of PRC property developers listed in Hong Kong and therefore provide meaningful comparative figures in respect of market performance / market share of the Group in the industry.

The Group has changed its accounting policy on investment properties from cost model to fair value model with the adoption of FRS 40 to account for the fair value of its first investment property which was completed and generated income in 3Q 2006. Gains or losses arising from changes in the fair value of investment properties to be recognised directly in the income statement for the year in which they arise. The adoption of FRS 40 has resulted in an increase in fair value of the Group's investment property by S$23.8 million which was credited to the income statement for the period ended 30 September 2006. The relevant deferred income tax liabilities arising from the revaluation of investment property of S$7.8 million was recognised on the basis of tax consequences that would follow from recovery of the carrying amount of the property through sale. The net impact of the change in accounting policy to the Group's attributable net profit in 3Q 2006 is S$8.1 million as the investment property is 51% attributable to the Group. FRS 40 has been adopted with effect from 3Q 2006 and its adoption does not have any effect for prior year as there were no investment property then.

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

Except for those mentioned in item 4 above, there are no changes in accounting policies and methods of computations.

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 2006	**3Q 2005 ***	**9M 2006**	**9M 2005 ***
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
EPS based on Group net profit attributable to shareholders:				
(i) On the weighted average number of shares (S$)	2.40 cents	2.91 cents	8.43 cents	3.37 cents
- Weighted average number of shares (‘000)	1,620,261	1,368,000	1,460,989	1,368,000
(ii) On a fully diluted basis (S$)	2.40 cents	2.91 cents	8.41 cents	3.37 cents
- Adjusted weighted average number of shares (‘000)	1,623,297	1,368,000	1,464,025	1,368,000

* EPS for 3Q 2005 and 9M 2005 have been calculated based on the profit attributable to the equity holders of the parent for the corresponding periods ended and on the 1,368,000,000 ordinary shares in issue during the period on the assumption that the Group’s Restructuring Exercise has been effective on 1 January 2005.

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	
	30.09.2006	**31.12.2005 ***	**30.09.2006**	**31.12.2005**
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
Net assets value per share based on issued share capital at the end of the period (S$)	0.54	0.39	0.48	-

* Net asset value of the Group for the financial year ended 31 December 2005 has been calculated based on the 1,368,000,000 ordinary shares in issue during the period on the assumption that the Group's Restructuring Exercise has been effective on 1 January 2005.

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>3Q 2006 vs 3Q 2005</u>

In 3Q 2006, revenue decreased to S$226.0 million from S$406.2 million in 3Q 2005. As with last reporting period, the Group's revenue is recognized in accordance with the Financial Reporting Standard 18 - Revenue [(2)]. As we derived substantially all our revenue from the sale of properties, which to a major extent depended on the timing of delivery of properties sold to customers, quarter to quarter volatility would be expected and hence 9M 2006 is a better indication of the Group's performance. The magnitude of the decrease in 3Q 2006 only reflected a smaller number of properties delivered to customers compared to 3Q 2005 in

[2] Revenue from properties developed for sale is recognized 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.

particular in Yanlord Riverside City (Phase 1) (仁恒河滨城一期) and Yanlord Riverside Gardens (仁恒河滨花园) partially offset by the increase in number of properties delivered in Nanjing in Bamboo Gardens (Phase 2) (翠竹园二期) and in Guiyang in Xintian Centre (新天商业中心) and the launch of Yanlord Villas (仁恒别墅) in 3Q. However, this decrease in revenue in 3Q 2006 did not affect the Group's overall performance in 9M 2006 which generated strong revenue stream of S$607.0 million compared to S$467.8 million in 9M 2005.

In line with the lower revenue, gross profit declined by S$16.3 million from S$112.1 million in 3Q 2005 to S$95.8 million in 3Q 2006.

Gross profit margin in 3Q 2006 was 42.4% compared with 27.6% in the corresponding period last year. The major contributing factor was a change in the composition of the product mix, in which a higher percentage of high-margin properties was sold in Yanlord Riverside Gardens (仁恒河滨花园) in 3Q 2006 compared to 3Q 2005.

Profit before tax was higher at S$107.0 million in 3Q 2006 compared to S$103.5 million in 3Q 2005 mainly attributable to the change in accounting policy in respect of the investment properties from the cost model to fair value model resulting in a fair value gain of S$23.8 million credited directly to the income statement for 3Q 2006. Accordingly, profit before tax margin rose to 47.3% in 3Q 2006 from 25.5% in 3Q 2005.

In 3Q 2006, the Group's profit after tax rose in line with the increase in profit before tax by S$3.6 million to S$70.8 million from S$67.2 million in 3Q 2005. As a result, net profit margin rose sharply from 16.5% in 3Q 2005 to 31.3% in 3Q 2006.

9M 2006 vs 9M 2005

The performance of the Group remained strong for the 9M 2006. Group revenue rose from S$467.8 million in 9M 2005 to S$607.0 million in 9M 2006, representing an increase of S$139.2 million or 29.8%. This improvement was driven by the increase in demand of our properties, which resulted in more units of properties delivered and more properties delivered at higher average selling price. The increase in properties sold was mainly attributable to the delivery of Yanlord Riverside City (Phase 1) (仁恒河滨城一期) and Bamboo Gardens (Phase 2) (翠竹园二期), partially offset by the decrease in delivery for Yanlord Riverside Gardens (仁恒河滨花园). The higher in average selling price reflected both improved market conditions during the period when the sales of properties were made and our ability to set a higher unit price in Bamboo Gardens (Phase 2) (翠竹园二期), Yanlord Riverside City (Phase 1) (仁恒河滨城一期) and Yanlord Riverside Gardens (仁恒河滨花园) compared to 9M 2005 due to the success of our premium brand name developed in the PRC.

Group gross profit accelerated by S$125.4 million or 91.8% to S$262.1 million in 9M 2006 compared with S$136.7 million in previous corresponding period. This significant increase was mainly attributable to higher average selling price as mentioned above and lower average unit cost in respect of Yanlord Riverside Gardens (仁恒河滨花园).

Profit before tax soared by S$137.5 million or 120.1% over the comparative period last year to S$252.0 million in 9M 2006 from S$114.5 million in 9M 2005, in line with the improvement in revenue. This growth resulted in a 17.0% increase in profit before tax margin to 41.5% in 9M 2006 from 24.5% in 9M 2005.

With the above strong underlying foundation, the Group's profit after tax grew from S$75.7 million in 9M 2005 to S$190.4 million in 9M 2006. Net profit margin rose sharply recorded high at 31.4% in 9M 2006 compared to 16.2% in corresponding period last year in 9M 2005.

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

As at 30 September 2006, cash and bank balances of the Group remained high at S$608.7 million (after netting off the effects of depreciation of relevant exchange rates amounting to S$43.5 million), an increase of S$496.2 million compared to S$112.5 million as at 30 September 2005. This improvement in cash flow was primarily attributable to higher net cash from operating activities and net cash from financing activities. The ongoing success of the Group in generating revenue stream underpinned the significant increase in net cash from operating activities to S$256.7 million as at 30 September 2006 from S$97.8 million net cash used in operating activities as of 30 September 2005. The increase in net cash from financing activities from S$45.3 million as at 30 September 2005 to S$277.1 million as at 30 September 2006 was mainly on account of net proceeds on issue of new shares of S$264.6 million and net loan drawdown of S$127.4 million, which was considered necessary for the Group to execute its medium to long term growth strategy in particular for development of new and existing property projects in various cities.

The Group's reserves dropped to S$93.2 million as at 30 September 2006 from S$389.0 million as at 31 December 2005, mainly attributable to restructuring of the Group for the purpose of the IPO partially off-set by continuing improvement in net profit.

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 has 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

China's real estate sector, particularly in the coastal areas, has witnessed strong growth in the last few years. Since May 2006, the PRC government has imposed a series of measures to curb speculation in the sector, including control on foreign ownership, taxation on resale transactions, restrictions on project development, and credit tightening.

Despite these measures, underlying demand for quality property projects remains strong, particularly in major cities with a fast-growing urban population. Having developed a strong brand presence and reputation for quality, the Group is confident that, barring unforeseen circumstances, these measures are not expected to have any material impact on its revenue and earnings in the next reporting period and the next 12 months. At the launches of our properties in various project developments in recent months, the Group continued to receive encouraging response, both in terms of take-up rates and average selling prices. Based on the number of units pre-sold to-date and our sales record, the Group's revenue and earnings for the next reporting period and the next 12 months are expected to remain robust. As such, the Directors are confident of the future performance of the Group.

To ensure future growth and development of the Group, it is imperative for the Group as a property developer to continually acquire development sites in prime locations at commercially viable prices. The Group targets to maintain a land bank of development sites sufficient to support a development pipeline of three to five years on a rolling basis. As at 30 September 2006, the Group owned development sites in prime locations with a total expected GFA of 2,762,482 sq.m, of which approximately 1,535,727 sq.m is currently under development.

There remain growth opportunities for the Group due to its financially strong position with stable operating cash flows resulting from its choice land bank and a reputation for quality and reliability. Following the successful public listing of the Company on the SGX-ST in June 2006, it is the intention of the Group to utilise up to S$240 million of the IPO proceeds, and its cash and bank balances to increase its land bank holdings either through direct land acquisitions or through the acquisition of, or joint-ventures with, other companies that own development sites.

<u>Outlook</u>

Barring unforeseen circumstances, and in line with the disclosure made at its second quarter and half year financial results for FY 2006, the Group is confident that its financial performance in 2H 2006 will continue to improve upon that of 1H 2006, and that its overall performance for FY 2006 will be better than that of FY 2005.

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 2006 to be false or misleading in any material aspects.

ON BEHALF OF THE BOARD

Zhong Sheng Jian	Zhong Siliang
Chairman and Chief Executive Officer	Director

ON BEHALF OF THE BOARD

Zhong Sheng Jian
Chairman and Chief Executive Officer
13 November 2006

Appendix A

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November 13, 2006

The Board of Directors
Yanlord Land Group Limited
9 Temasek Boulevard
#36-02 Suntec Tower Two
Singapore 038989

Dear Sirs

YANLORD LAND GROUP LIMITED AND SUBSIDIARIES

REVIEW OF THE INTERIM FINANCIAL INFORMATION AS OF AND FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2006

We have performed a review on certain interim financial information of Yanlord Land Group Limited ("the Company") and its subsidiaries (collectively known as "the Group") as of September 30, 2006 and for the nine months period ended September 30, 2006. Such interim financial information has been prepared by the Company for announcement on the Singapore Exchange.

The accompanying interim financial information comprises of the following:

- Balance sheets of the Group and Company as at September 30, 2006;
- Consolidated profit and loss, Statements of Changes in Equity for the Group and the Company and Consolidated Cash Flow Statement for the nine months period ended September 30, 2006;
- Additional information on the Group's Borrowings and Debt Securities as at September 30, 2006;
- Earnings Per Share of the Group (basic and diluted) for the nine months period ended September 30, 2006; and
- Net Asset Value per ordinary share of the Group and Company as at September 30, 2006.

Such interim financial information has been prepared by Yanlord Land Group Limited by applying the same accounting policies and methods of computation used in the latest audited consolidated financial statements for the year ended December 31, 2005 except for the early adoption of Financial Reporting Standards 40 – Investment Properties.

The comparative interim financial information for the nine months and three months periods ended September 30, 2005 has not be audited or reviewed.

Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual ("Listing Manual") requires the preparation of interim financial information to be in compliance with the relevant provisions thereof.

The interim financial information is the responsibility of, and has been approved by, the directors. Our responsibility is to issue a report solely for the use of the directors on the interim financial information based on our review.

Deloitte.

We conducted our review in accordance with the Singapore Statement of Auditing Practice 11, Review of Interim Financial Information. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of, and having discussions with, persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with Singapore Standards on Auditing, the objective of which is the expression of an opinion regarding the financial information taken as whole. We have not performed an audit and, accordingly, we do not express such an audit opinion. Our review does not provide any assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our review, nothing has come to our attention that causes us to believe that there is any material modification that needs to be made to the accompanying interim financial information for it to be in accordance with Appendix 7.2 of the Listing Manual.

Yours faithfully

Deloitte & Touche

Certified Public Accountants
Singapore