Yanlord Land Group Limited

PRESS RELEASE – 3Q2006 and 9M2006 UNAUDITED FINANCIAL RESULTS

YANLORD 9M2006 NET PROFIT LEAPS 167% TO S$123.1 MILLION AS GROUP RECORDS STRONG DEMAND FOR PROPERTIES IN CHINA

- **9M2006 revenue rose 30% to S$607.0 million with gross floor area sold and delivered increasing 40.1% to 267,921 sqm and higher average selling price recorded despite control measures imposed by the PRC government**
- **9M2006 net profit attributable to shareholders soared 167% to S$123.1 million compared to S$46.1 million for 9M2005**
- **3Q2006 revenue and net profit 44% and 2% lower, respectively, in line with timing of delivery of sold projects**
- **Yanlord is confident that its financial performance in 2H2006 will continue to improve upon that of 1H2006 and that its overall performance for FY2006 will be better than that of FY2005**

	3Q2006	3Q2005	% Change	9M2006	9M2005	% Change
Revenue (S$ mil)	226.0	406.2	(44)	607.0	467.8	30
Gross Profit (S$ million)	95.8	112.1	(15)	262.1	136.7	92
Profit Before Tax (S$ mil)	107.0	103.5	3	252.0	114.5	120
Net Profit attributable to shareholders (S$ mil)	38.9	39.8	(2)	123.1	46.1	167
EPS (cents)*	2.40	2.91	(18)	8.41	3.37	150
NAV (S$)	-	-	-	0.54**	0.39***	38

*** Based on net profit attributable to equity holders with adjusted weighted average number of shares**

**** Based on 1,623,297 ordinary shares in issue**

***** Based on 1,368,000 ordinary shares in issue**

	3Q2006	3Q2005	% Change	9M2006	9M2005	% Change
Gross Profit Margin	42.4%	27.6%	14.8 % points	43.2%	29.2%	14.0 % points
PATMI Margin	17.2	9.8	7.4 % points	20.3	9.9	10.4 % points
ROE (%)****	-	-	-	18.8	11.5	7.3% points
ROA (%)****	-	-	-	7.5	3.7	3.8% points

****** Annualized basis**

Singapore – 13 November 2006 – Yanlord Land Group Limited ("Yanlord" or "the Group" or "仁恒置地集团有限公司"), a real estate developer focusing on developing high-end residential property projects in strategically selected key and high-growth cities in the People's Republic of China ("PRC"), announced its unaudited financial results for the third quarter ("3Q2006") and the first nine months ("9M2006") of the financial year ending 31 December 2006 ("FY2006").

Listed on the Main Board of SGX-ST, Yanlord said its net profit for 9M2006 rose 167% over the corresponding period last year to S$123.1 million on the back of a 30% increase in turnover to S$607.0 million due to the increase in demand of its properties, which resulted in more units of properties delivered and more properties delivered at higher average selling price despite control measures imposed by the PRC government to curb over-investment in the property market.

For 3Q2006, revenue was 44% lower at S$226.0 million while net profit attributable to shareholders declined 2% to S$38.9 million over the corresponding period last year. The lower quarterly revenue and profit are due to the timing of delivery of projects sold, which can lead to period-on-period volatility for Yanlord. However, for 9M2006, revenue was 30% higher at $607.0 million while net profit attributable to shareholders leaped by 167% to S$123.1 million over the corresponding period last year.

Although gross profit for 3Q2006 dropped 15% to S$95.8 million as compared to S$112.1 million for 3Q2005, gross profit margin rose to 42.4% for 3Q2006 from 27.6% for 3Q2005 due to 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 3Q2006 compared to 3Q2005. Gross profit margin for 9M2006 also increased to 43.2% as compared to 29.2% for 9M2005 which was mainly attributable to the higher average selling price for units sold and delivered in existing property developments, i.e. Yanlord Riverside City (仁恒河滨城) and Yanlord Riverside Gardens (仁恒河滨花园), both projects in Shanghai, and Bamboo Gardens (翠竹园) in Nanjing in 9M2006 compared to 9M2005.

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 Financial Reporting Standards (FRS) 40 to account for the fair value of its first investment property which was completed and generated income in 3Q2006. Based on fair value model rather than cost model, the net impact of the change in accounting policy to the Group's net profit in 3Q2006 was S$8.1 million as the investment property is 51% attributable to the Group.

The adoption of FRS 40 partly contributed to Yanlord recording S$107.0 million in profit before tax in 3Q2006 compared to S$103.5 million in 3Q2005. Accordingly, profit before tax margin rose to 47.3% in 3Q2006 from 25.5% in 3Q2005 while net profit after tax margin rose to 31.3% from 16.5%, respectively. Profit before tax for 9M2006 also soared by S$137.5 million or 120.1% over the comparative period last year to S$252.0 million from S$114.5 million for 9M2005, in line with the improvement in revenue. This growth resulted in a 17.0% increase in profit before tax margin to 41.5% in 9M2006 from 24.5% in 9M2005.

Based on the weighted average number of shares, earnings per share ("EPS") for 3Q2006 declined to 2.40 cents from 2.91 cents for 3Q2005 but rose to 8.41 cents for 9M2006 from 3.37 cents for 9M2005. Net Asset Value ("NAV") per share rose significantly by 38% to 54 cents as at 30 September 2006 from 39 cents as at 31 December 2005 with cash and bank balances of S$608.7 million as at 30 September 2006.

Return on Equity ("ROE") for the Group improved, on an annualised basis, to 18.8% as at 30 September 2006 from 11.5% over the corresponding period last year. In addition, Yanlord's Return on Assets ("ROA") for the Group also rose, on an annualised basis, to 7.5% as at 30 September 2006 from 3.7% over the corresponding period last year. The ROE and ROA underscore the continual success of Yanlord's focus on high-end quality development project which are fully-fitted, and its commitment to generating and unlocking shareholder value.

Despite recent measures announced by the PRC government to regulate the real estate sector, including control of foreign ownership, taxation on resale transactions and credit tightening to curb speculation, Yanlord has experienced continual strong demand for its brand of premium, fully furnished properties.

As a result, the Group was able to set higher unit prices for properties sold in 9M2006 for Yanlord Riverside City (仁恒河滨城) and Yanlord Riverside Gardens (仁恒河滨花园), both property developments in Shanghai, and Bamboo Gardens (翠竹园) in Nanjing compared to units sold throughout 9M2005, boosting average selling price ("ASP") for 9M2006 across all current development projects and raising total GFA sold by 40.1% to 267,921 sqm.

Speaking on the Group's performance, Chairman and Executive Director, Mr Zhong Sheng Jian, said, "Against a backdrop of curbs imposed by the PRC government on the property sector, we have recorded a commendable performance. The strength of the Yanlord brand and the quality of our products have enabled us to achieve a higher GFA and command higher average selling price."

Commenting on the outlook, he said, "Barring unforeseen circumstances, the Group is confident that its financial performance in 2H2006 will continue to improve upon that of 1H2006 and that its overall performance for FY2006 will be better than that of FY2005."

"To ensure future growth and development, 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 and we are always assessing development sites with prime potential, for direct acquisitions or through joint-ventures," Mr Zhong added.

As at 30 September 2006, the Group has completed GFA of approximately 1,740,000 sqm, and currently owns development sites in prime locations with a total expected GFA of approximately 2,710,000 sqm of which approximately 1,480,000 sqm is currently under development.

Leveraging on its established brand equity in Shanghai and Nanjing, the Group has outlined a growth strategy that combines continued focus and expansion into high growth cities; continued focus on high-end residential property development; expansion into the commercial and integrated property market; and accumulation of land bank for future development.

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About Yanlord Land Group Limited

Yanlord Land Group Limited is a real estate developer based in the PRC that focuses on developing high-end residential property projects in strategically selected key and high-growth cities in the PRC. Building on its established track record for developing high-quality residential property developments in prime locations within affluent Shanghai and Nanjing, the “Yanlord” name has been developed into a premium brand - synonymous with quality - within the property development industry. Leveraging on its reputation and expertise, Yanlord has extended the geographical reach of its residential property development business into Suzhou, Zhuhai, Chengdu, Guiyang and Tianjin. Its typical residential property developments projects are large-scale, multi-phased projects designed and built by international architects, leading designers and contractors.

From its simple roots as a start-up property developer in 1993 with approximately 53,000 sqm Gross Floor Area (GFA) development project, Yanlord has grown to become one of the major players in the high-end property development market in seven cities in the PRC. As at 30 September 2006, it has a portfolio of completed property developments with a total GFA of approximately **1,740,000 sqm**, **1,480,000 sqm** GFA of properties currently under development, and a further **1,230,000 sqm** GFA of properties held for future development.

Not resting on its laurels, Yanlord recently expanded its business portfolio to include the development of high-grade commercial properties, such as office buildings, retail space and serviced apartments, for sale and lease. Yanlord also provides property management services primarily for their developed projects. For 9M2006, Yanlord posted a net profit attributable to shareholders of S$123.1 million compared to FY2005 of S$122.2 million which were generated mainly through the sale of residential properties. Following the completion of its commercial property development projects, Yanlord expects contribution from this segment to grow substantially and contribute to the future performance of the Group.