



YANLORD POSTS S\$860.0 MILLION IN CONTRACTED PRE-SALES AS AT 30 JUNE 2007; PROGRESSIVE RECOGNITION IN 2H2007 TO SIGNIFICANTLY BOOST PERFORMANCE FOR FY2007

- 1H2007 revenue lower at S\$110.9 million due to the Group's revenue recognition method which recognises contracted sales upon delivery. Profits correspondingly declined mainly due to lower revenue recognised
- Accumulated total contracted pre-sales increased significantly from S\$455.6 million as at 31 March 2007 to S\$860.0 million as at 30 June 2007. Bulk of the contracted pre-sales will be progressively recognised in 2H2007
- Yanlord targets to launch new tranches of existing projects in 2H2007 – Yanlord Riverside City (Phase 2), Yanlord Town, Yunjie Riverside Garden (Phase 1) in Shanghai; Hengye Star Gardens in Chengdu, Bamboo Garden (Phase 3) in Nanjing, Yanlord New City Gardens (Phase 1) in Zhuhai and Yanlord Peninsula in Suzhou – to meet strong demand from customers in respective cities
- The Group expects that the performance in 3Q2007 will be significantly better than that of 2Q2007, based on the number of units pre-sold to-date, expected delivery schedules and on-schedule construction works in progress

(S\$ mil)	1H2007	1H2006	% Change
Revenue	110.9	382.1	(70.9)
Gross Profit	40.8	166.3	(75.4)
Net Profit attributable to shareholders	(19.5)	84.2	NM
Cash and Cash Equivalents	991.5	581.3	70.6
NAV (S\$)	0.66	0.56*	17.9

* Value as at 31 December 2006

Singapore/ Hong Kong – 14 August 2007 – Singapore Exchange (“SGX”) listed **Yanlord Land Group Limited** (“Yanlord” or the “Company”, and together with its subsidiaries, the “Group”), a real estate developer focused on developing high-end integrated commercial and residential property projects in strategically selected key and high-growth cities in the People’s Republic of China (“PRC”), announced today its financial results for the January-June 2007 (“1H2007”) period.

Review of 1H2007 results

Under Financial Reporting Standards 18 which recognises contracted sales only upon transfer of the legal title to the buyer, the total revenue in 1H2007 decreased by S\$271.2 million to S\$110.9 million from S\$382.1 million in 1H2006. The revenue for 1H2007 was mainly derived from the sales of apartment units in Yanlord Riverside Gardens (Phase 2) and Yunjie Riverside Garden (Phase 1) in Shanghai, Bamboo Gardens (Phase 2) in Nanjing, and Yanlord Villas in Guiyang – which contributed 65.2%, 12.7% 6.5% and 5.9% respectively to the Group’s sales revenue in 1H2007. The total gross floor area (“GFA”) recognised in 1H2007 was approximately 37,000 square metres, and represented an overall average selling price achieved of approximately RMB13, 791 per square metre.

The Group’s gross profit in 1H2007 was lower than the corresponding period of last year, representing a decrease of S\$125.4 million to S\$40.8 million, which was mainly due to the decrease in recognised revenue and an increased LAT. Gross profit margin decreased to 36.8% in 1H2007 compared to 43.5% in 1H2006 primarily attributable to the change of composition of product mix and increased LAT.

Profit before tax declined to S\$4.4 million in 1H2007 compared to S\$145.0 million achieved in 1H2006. In addition to the decline in recognised revenue, increased LAT and finance cost in the period, increased selling and administrative expenses incurred for enhanced marketing and promotional efforts and the future business growth also contributed to the lower profit before tax result in 1H 2007 than that of 1H2006. Accordingly, profit before tax margin decreased to 4.0% in 1H2007 compared to that of 38.0% in 1H 2006. The Group recorded a net loss after tax of S\$2.8 million in 1H2007, which was S\$122.5 million lower than the profit after tax in 1H2006.

The Group’s financial position remains robust, as at 30 June 2007, the Group’s cash and bank balances grew S\$410.2 million to S\$991.5 million from S\$581.3 million as at 30 June 2006. The

major contributor to the improved cash flow mainly came from the increase in net cash from financing activities, which was partly offset by increased net cash used in operating activities.

Commenting on the Group's financial performance, Mr. Zhong Sheng Jian, Yanlord's Chairman and Chief Executive Officer said, "The second quarter is a transitional quarter for us as we continue to build on our strengths to consolidate our position within the PRC high-end residential development industry. We are highly encouraged by the strong pre-sales response from the buyers in the recent batches of sales that we launched in 2Q2007, particularly sales in new cities in Zhuhai and Suzhou, with strong take-up rates and current average selling prices ("ASPs") per sqm of approximately RMB8,000 and RMB13,000 respectively. This is a reaffirmation of the Group's successful expansion outside the Yangtze River Delta and a reflection of the strong recognition of the 'Yanlord' brand."

"Consistent with our revenue recognition method, net profit was impacted for the second quarter and 1H2007. However, the growth potential for the Company remains strong. We have achieved S\$860.0 million in accumulated contracted pre-sales, of which S\$722.7 million has already been received as advances from the customers and included as 'Other Payables' in our balance sheet as at 30 June 2007. The bulk of these contracted pre-sales will be progressively recognised in 2H2007 and is expected to significantly boost our performance for the following quarters and drive our performance for FY2007," added Mr. Zhong.

"Capitalising on the sustained growth of the PRC property sector and building on our strong sales record, we will progressively launch new tranches of our existing developments for sale in 2H2007 – mainly Yanlord Riverside City (Phase 2), Yanlord Town, and Yunjie Riverside Garden (Phase 1) in Shanghai; Bamboo Gardens (Phase 3) in Nanjing; Hengye Star Garden in Chengdu; Yanlord New City Gardens (Phase 1) in Zhuhai and Yanlord Peninsula in Suzhou to meet the strong demands of the buyers at these respective cities," said Mr. Zhong.

Outlook

Driven by a domestic economy which grew 11.5% in the first year of 2007 – statistics from the PRC National Bureau of Statistics ("NBS"), the domestic real estate sector continues to exhibit strong growth potential. According to further figures released by the NBS, total real estate investment in the PRC rose 28.5% over the corresponding period last year to RMB 988.7 billion in 1H2007.

High-end residential property prices in 70 large and medium-sized cities rose 8.5% in 1H2007 compared to 1H2006. This exceeds the 7.1% average increase in housing prices which reflects the buoyant demand situation for high-end residential properties in the PRC.

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 urbanisation of the PRC population, there exists significant potential for further growth for high-end quality developments at prime locations in major cities.

In 2Q2007, the Group continued to enhance its developmental pipeline with the acquisition of a 336,788 sqm prime residential site in Suzhou for RMB 2.16 billion. This acquisition follows the successful launch of its existing development – Yanlord Peninsula – in Suzhou and demonstrates the Group's confidence in the potential of the real estate sector in the vicinity of the picturesque Dushu and Jinji Lakes.

"The acquisition of the new development site demonstrates our continued ability to acquire prime land banks at commercially viable prices. This acquisition is our second major acquisition following the 688,000 sqm site in Nanjing which will serve to enhance our developmental pipeline and cement our strategic presence in the Yangtze River Delta region. With our strong balance sheet, in particular, our cash and cash equivalents of S\$991.5 million as at 30 June 2007, we will continue to assess acquisition of sites with prime potential and may also consider expanding our geographical footprint into other key cities within the PRC" Mr. Zhong concluded.

Barring any unforeseen circumstances, the Directors remain confident of the Group's performance for the next 12 months and in particular, it is expected that the Group's performance in 3Q2007 will be significantly better than that of 2Q2007 based on the number of units pre-sold to-date, expected delivery schedules and on-schedule construction works in progress.

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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 integrated residential projects and integrated property development projects in strategically selected key and high-growth cities in the PRC. Since Yanlord took its first step to enter the PRC market in 1993, Yanlord has successfully developed a number of large-scale international communities of residents, such as Yanlord Gardens, Yanlord Riverside Gardens, Plum Mansions and Orchid Mansions. The “Yanlord” name has been developed into a premium brand - synonymous with quality - within the property development industry of PRC. Since 2001, Yanlord has extended its geographical reach into other cities of PRC, i.e. Guiyang, Chengdu, Zhuhai, Tianjin and Suzhou. Its typical residential property developments projects are large-scale, multi-phased projects designed and built by international architects and leading designers.

The Group has proactively extended its commercial property development projects, acquired a considerable amount of land portions for commercial use and commenced the construction of retail mall, office, hotel and serviced residence developments. Upon the completion of the projects, it is expected to generate stable recurrent income for the Group and enhance the asset value of the Group.

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