



YANLORD LAND GROUP LIMITED
(Incorporated with limited liability in the Republic of Singapore)
(Registration Number: 200601911K)

RESPONSE TO SGX QUERY ON THE UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

The Board of Directors of Yanlord Land Group Limited (the "Company") would like to respond to the following queries raised by Singapore Exchange Securities Trading Limited ("SGX-ST") with regard to the unaudited third quarter and nine months financial statement announcement for the period ended 30 September 2007 ("Reporting Period") dated 7 November 2007 ("Announcement"):

SGX Query:

We note on Page 7 of the results announcement that "Other receivables" is S\$209.1 million as at 30 September 2007 as compared to S\$20.4 million as at 31 December 2006. In respect of the above, please provide the following information:

- (i) Breakdown on major items contributing to increase in "Other receivables"; and
- (ii) Reasons for the increase in "Other receivables".

Company's response:

- (i) Major items contributing to the increase in "Other Receivables" for the Reporting Period:
 - 1) Refundable advances of RMB500 million (approximately S\$102.0 million) for proposed land acquisitions; and
 - 2) Prepaid sales and income taxes of RMB358.1 million (approximately S\$73.0 million).

- (ii) Reasons for the increase in the above-mentioned items:
 - 1) **Refundable advances of RMB500 million (approximately S\$102.0 million) for proposed land acquisitions**
The refundable advances were made for purposes of proposed land acquisitions. In the event such acquisitions are not successful, such advances will be refunded to the Group. In October 2007, a total of RMB200 million (approximately S\$40.8 million) has been refunded to the Group.

 - 2) **Prepaid sales and income taxes of RMB358.1 million (approximately S\$73.0 million) in China**
As provided in the Announcement, advances received from pre-sale properties were recorded as "Other Payables" instead of being recognised as revenue for the Reporting Period pursuant to the Group's adoption of the FRS 18 - Revenue. Accordingly, sales and income taxes which were paid for in China when pre-sale proceeds were received were recorded as "Other Receivables". The prepaid sales and income taxes will be charged to Income Statement as an expense when the corresponding revenues are recognized in accordance with FRS 18 - Revenue.

On behalf of the Board

Zhong Sheng Jian
Chairman and Chief Executive Officer

14 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.