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YANLORD

PRESS RELEASE – Land Appreciation Tax Clarification

FOR IMMEDIATE RELEASE

18 January 2007, Singapore – The management of **Yanlord Land Group Limited** (“**Yanlord**” and its group of companies, together the “**Group**”) (the “**Management**”) wishes to clarify with regard to the document on land appreciation tax (“**LAT**”) as promulgated by the People’s Republic of China Central Tax Bureau (“**PRC Tax Bureau**”) on 28 December 2006 (“**LAT Regulation**”) and released on 16 January 2007.

The levy of LAT has been promulgated since 1994 by the PRC government. The Group has complied with the relevant requirements imposed by the various local tax bureaus in the PRC with regard to the payment of LAT. The LAT Regulation will take effect on 1 February 2007 with the detailed execution and implementation of the LAT Regulation to be determined by provincial tax bureaus.

Based on the above, the Management wishes to comment on the LAT issue with respect to the individual project developments of the Group:

With regard to property developments in Shanghai:

Puxi (浦西) Property Development:

Yanlord Riverside Gardens

Based on the current Changning District regulation, with regard to Yanlord Riverside Gardens, the Group has pre-paid LAT on the basis of 1% of our sales of apartment units. As of 30 September 2006, according to the Singapore Financial Reporting Standards, the Group has made full provision for LAT with regard to this project development. After the full provision for the LAT for this development, the Management expects an increase in the Group’s net profit for financial year (“FY”) 2006 over FY2005.

As Yanlord Riverside Gardens is expected to be completed in 2007, the full LAT settlement based on completion of the development is expected to take place in this financial year.

Pudong (浦东) Property Developments:

Yanlord Riverside City

The local tax bureau of Pudong, Shanghai, has not required properties developed in Pudong to pay LAT prior to 30 September 2006. Since 1 October 2006, the Pudong Tax Bureau has informed the Group to pre-pay LAT, and the Group has already complied, on the basis of 1% of apartment sales since 1 October 2006.

Yanlord Riverside City is expected to be completed in 2010. The Group will make the necessary provision based on prevailing tax regulations.

With regard to property developments in Nanjing:

Bamboo Gardens

The Group has prepaid LAT liabilities on Phases 1 and 2 of Bamboo Gardens on the basis of 1% of sales of apartment units. The Management estimates that the prepayment made will be sufficient to offset any additional payment, if any, in the event of full settlement of tax liabilities upon completion. For Phase 3 of Bamboo Gardens which is currently under development, the Group will make the necessary provision based on prevailing tax regulations.

Orchid Mansions

The Group has prepaid LAT based on 3% of sales of villa units for this development. Based on our financial records, the total gross floor area (GFA) sold for this development is approximately 65,566 sq.m. as of 30 September 2006. As the total GFA sold for this development is not significant, the Management does not expect additional LAT payable, if any, based on full settlement upon completion, expected to be in 2007, to have any material impact on the financial condition of the Group

Plum Mansions

As the gross profit margin of Plum Mansions is relatively low, the Group has prepaid LAT based on 1% of sales of apartment units. The Management estimates that the prepayment made will be sufficient to offset any additional payment, if any, in the event of full settlement of tax liabilities upon completion.

With regard to property developments in Guiyang:

Yanlord Villas and Xintian Centre

As the gross profit margins of Yanlord Villas and Xintian Centre are relatively low, the Group has prepaid LAT based on 1% of sales of villa units for Yanlord Villas and Xintian Centre commercial units. The Management estimates that the prepayment made will be sufficient to offset any additional payment, if any, in the event of full settlement of tax liabilities upon completion.

Other Projects under Development and Future Project Developments:

For our properties under development and for future project developments, we will make the necessary provision based on prevailing tax regulations.

In addition, as of 30 September 2006, the GFA of the commercial component of the integrated properties under development and intended for future development amounted to 404,178 sq. m., representing approximately 15.1% of the total GFA of our properties under development and intended for future development. Based on current PRC regulations, the LAT will not be applicable to commercial properties held for lease.

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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 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. Since 2001 Yanlord has extended the geographical reach of its land bank portfolio of integrated residential and commercial developments into second-tier cities in the PRC, including Guiyang, Chengdu, Zhuhai, Tianjin and Suzhou. Typical Yanlord residential property developments are characterised as large-scale, multi-phased projects designed and built by international architects, leading designers and reputable contractors. The Group has also extended into integrated residential and commercial developments for generating the recurring income and increasing asset value. As of 30 September 2006, the GFA of the commercial component of our integrated properties under development and intended for future development amounted to 404,178 sq. m., representing approximately 15.1% of the total GFA of our properties under development and intended for future development.

According to recently announced nine months (“9M”) ending 31 December 2006 results, Yanlord recorded a 167% year-on-year growth to S\$123.1 million from S\$46.1 million in profit attributable to equity holders and achieved healthy gross profit margin and profit before tax margin of 43.2% and 41.5% respectively.