



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2008 FINANCIAL STATEMENT ANNOUNCEMENT

TABLE OF CONTENT

<u>Item No.</u>	<u>Description</u>	<u>Page</u>
1(a)	Unaudited Group Income Statements	2-6
1(b)(i)	Balance Sheets	7-8
1(b)(ii)	Aggregate Amount of Group's Borrowings and Debt Securities	9
1(c)	Unaudited Consolidated Cash Flow Statements	10-12
1(d)(i)	Unaudited Group and Company Statements of Changes in Equity	13-20
1(d)(ii)(iii)(iv)	Details of Any Changes in Company's Issued Share Capital	21-22
2&3	Audit Statement	22
4&5	Changes in Accounting Policies	23
6	Earnings per Share	23
7	Net Asset Value per Share	24
8	Review of Performance	24-27
9	Variance from Previous Forecast or Prospect Statement	27
10	Outlook and Prospects	27-28
11&12	Dividend	29
13	Confirmation of the Board of Directors	29



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 AND Q4), 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 2008

	3Q 2008	3Q 2007	% Change	9M 2008	9M 2007	% Change
	S\$'000	S\$'000	+/(–)	S\$'000	S\$'000	+/(–)
Revenue	83,504	184,646	(55)	595,388	295,564	101
Cost of sales	(42,180)	(101,945)	(59)	(292,666)	(160,364)	83
Gross profit	41,324	82,701	(50)	302,722	135,200	124
Other operating income	5,936	15,366	(61)	19,562	32,402	(40)
Selling expenses	(4,574)	(4,532)	1	(14,887)	(13,471)	11
Administrative expenses	(11,206)	(14,204)	(21)	(41,241)	(46,480)	(11)
Other operating expenses	(1,226)	(172)	613	(4,734)	(619)	665
Finance cost	(619)	(14,757)	(96)	(1,811)	(26,572)	(93)
Profit before income tax	29,635	64,402	(54)	259,611	80,460	223
Income tax	(11,422)	(25,556)	(55)	(129,780)	(44,410)	192
Profit for the period	18,213	38,846	(53)	129,831	36,050	260
Attributable to:						
Equity holders of the						
Company	8,804	34,578	(75)	85,355	15,032	468
Minority interests	9,409	4,268	120	44,476	21,018	112
	18,213	38,846	(53)	129,831	36,050	260



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

	3Q 2008	3Q 2007	9M 2008	9M 2007
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Gain) loss on acquisition of additional interest from a minority shareholder	-	-	(15)	37
Equity-settled share-based payment expense	-	583	1,148	1,743
Depreciation expense	1,051	692	2,851	2,037
Net loss (gain) on disposal of property, plant and equipment	3	21	(5)	22
Fair value loss (gain) on held-for-trading investments	1,008	(400)	2,381	(1,931)
Gain on disposal of held-for-trading investments	-	(3,881)	-	(4,123)
Loss (gain) on disposal of investment properties	183	(122)	105	(206)
Finance cost	619	14,757	1,811	26,572
Provision for decrease in value of completed properties for sale	-	651	-	651
Dividend income from held-for-trading investments	-	-	(18)	(44)
Dividend income from available-for-sale investments	(26)	-	(3,052)	-
Interest income	(1,587)	(4,905)	(5,464)	(17,796)
Net foreign exchange gain	(2,774)	(2,777)	(3,630)	(2,082)
Adjustments for under provision of tax in respect of prior years	22	-	391	-

Revenue

The revenue of the Group grew by 101.4% or S\$299.8 million from S\$295.6 million in 9M 2007 to S\$595.4 million in 9M 2008. The increase in revenue was attributable to more gross floor area ("GFA") delivered and higher average selling price ("ASP") achieved. As at 30 September 2008, the Group contracted pre-sale contracts totalling S\$533.3 million which will be progressively recognised as revenue in subsequent periods. The increase in GFA delivered in 9M 2008 was



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

attributable to a greater diversity in sales of properties in Shanghai, Suzhou, Nanjing and Chengdu compared to the single city revenue contribution from Shanghai in 9M 2007 and a more evenly distribution schedule for GFA delivery in FY 2008 compared to FY 2007. The higher ASP achieved in 9M 2008 is the result of growing ASP of the residential units sold in Yanlord Riverside City (Phase 2) (仁恒河滨城二期) which contributed 53.9% in 9M 2008 and 58.1% in 9M 2007 to the Group's revenue derived from sales of properties. Hence, the gross profit margin for the Group grew from 45.7% in 9M 2007 to 50.8% in 9M 2008. Revenue in 3Q 2008 declined by 54.8% or S\$101.1 million from S\$184.6 million in 3Q 2007 to S\$83.5 million in 3Q 2008 owing to more GFA delivered in 3Q 2007. The gross profit margin for the Group grew from 44.8% in 3Q 2007 to 49.5% in 3Q 2008.

Revenue of the Group is arrived at net of business tax. A substantial part of its revenue was derived from the sale of residential properties while a small portion came from the provision of property management service and other services. The Group's accounting policy on revenue recognition is in line with the Financial Reporting Standard 18 - Revenue ⁽¹⁾.

Cost of sales

Cost of sales primarily comprised land, construction and capitalised borrowing costs, but excluded land appreciation tax ("LAT") which had been reclassified as an income tax item. To conform to the current period's presentation, the LAT in 3Q 2007 and 9M 2007 financial statement announcement, which was included in cost of sales, had been reclassified as an income tax item.

In line with the increased GFA delivered in 9M 2008, the cost of sales increased by S\$132.3 million from S\$160.4 million in 9M 2007 to S\$292.7 million in 9M 2008. Cost of sales decreased by S\$59.8 million from S\$101.9 million in 3Q 2007 to S\$42.2 million in 3Q 2008 due to lesser GFA delivered.

Other operating income

Other operating income primarily comprised interest income, tax subsidy, dividend income from available-for-sale investments and net foreign exchange gain. Compared with the corresponding periods in 2007, there were increases in both tax refund on profit re-investment

¹ Revenue from properties developed for sale is recognised 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.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

received from the tax authorities in the People's Republic of China (the "PRC") and dividend income generated from the available-for-sale investments. However, due to the higher interest income in corresponding periods in 2007, other operating income in 3Q 2008 and 9M 2008 declined by S\$9.4 million and S\$12.8 million respectively. The higher interest income in 2007 was largely attributable to higher cash and bank balances as a result of concurrent offerings of new shares and convertible bonds concluded in February 2007.

Selling expenses

Selling expenses, which mainly comprised staff costs, advertising, promotion and exhibition expenses, grew by 0.9% or S\$0.04 million in 3Q 2008 and by 10.5% or S\$1.4 million from S\$13.5 million in 9M 2007 to S\$14.9 million in 9M 2008. As the Group's revenue and GFA of properties being delivered continued to grow in 9M 2008 together with increasing sales locations, the marketing workforce cost rose accordingly. Alongside with more diverse advertising campaigns and promotion initiatives, the overall selling expenses increased during the current reporting periods.

Administrative expenses

Administrative expenses, which comprised staff costs, utilities, travel, entertainment, legal and professional fee, other tax, rental, depreciation, equity-settled share-based payment expense and other miscellaneous expenses – declined by S\$3.0 million in 3Q 2008 and S\$5.2 million in 9M 2008 over the corresponding periods in 2007.

Other operating expenses

Other operating expenses, which primarily comprised donations and change in fair value of held-for-trading investments, grew by S\$1.1 million in 3Q 2008 and S\$4.1 million in 9M 2008 over the same periods in 2007. These increases were largely due to an increase in fair value loss on the held-for-trading investments and donations made by the Group's subsidiaries in the PRC during 2Q 2008 in response to the Sichuan earthquake relief efforts.

Finance cost

After netting off capitalised interest, interest expense on borrowings in 3Q 2008 and 9M 2008 decreased significantly by S\$14.1 million and S\$24.8 million respectively over the comparable periods in 2007. The lower interest cost was principally driven by capitalisation of interest for convertible notes during the current reporting periods as compared to charging the convertible note interest as finance cost in the respective periods in 2007. In accordance with the Group's accounting policy, borrowing cost used to finance the development of the properties is capitalised.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Hence, part of the convertible notes' finance cost incurred in 3Q 2007 and 9M 2007 relating to property development was capitalised. As such, the finance cost recorded in the income statements for a given period may not be reflective of the Group's actual level of borrowings.

Income tax

For the financial period ended 30 September 2007, income tax was charged by the application of various statutory enterprise income tax rates, ranging from 15% to 33% for the different regions in the PRC which the Group has businesses and development operations. Due to the new tax law, the PRC subsidiaries are subject to statutory enterprise income tax rate of 25% from 1 January 2008, except for certain subsidiaries which had originally benefited from the preferential tax policies of low tax rate, shall gradually transit to the new legal tax rate within 5 years from the enforcement of the new tax law.

Income tax included LAT as set out under the heading of "Cost of sales" as it is of the view that it would be more appropriate after the reassessment of the nature of the LAT and a study of market practices. The LAT which was reclassified from cost of sales to income tax in 3Q 2007 and 9M 2007 amounted to S\$17.0 million and S\$28.7 million respectively.

Income tax, which included statutory enterprise income tax and LAT, decreased by S\$14.1 million from S\$25.6 million in 3Q 2007 to S\$11.4 million in 3Q 2008 because of the decrease of profit before income tax. Income tax increased by S\$85.4 million from S\$44.4 million in 9M 2007 to S\$129.8 million in 9M 2008, which was driven by higher revenue and profit before income tax generated during the reporting periods. There was no material movement in the effective tax rates, which included LAT, in 3Q 2008 and 9M 2008 compared with the corresponding periods in 2007, which was 38.5% and 50.0% respectively. As LAT incurred S\$15.9 million in 3Q 2008 and S\$91.4 million in 9M 2008, the reported effective tax rates were higher than the statutory enterprise income tax rates.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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 2008

	GROUP		COMPANY	
	30.09.2008	31.12.2007	30.09.2008	31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<u>ASSETS</u>				
Non-current assets:				
Property, plant and equipment	35,132	28,669	-	-
Investment properties	232,136	219,901	-	-
Properties for development	2,295,271	1,443,124	-	-
Investments in subsidiaries	-	-	515,319	515,319
Available-for-sale investments	10,468	52,384	-	-
Deferred tax assets	10,620	6,849	-	-
Total non-current assets	2,583,627	1,750,927	515,319	515,319
Current assets:				
Inventories	525	3,261	-	-
Completed properties for sale	315,479	117,484	-	-
Properties under development for sale	1,434,559	1,067,147	-	-
Trade receivables	1,900	449	-	-
Other receivables	61,245	51,496	639	588
Non trade amounts due from:				
Subsidiaries	-	-	1,401,215	1,195,969
Minority shareholders of subsidiaries	79,564	83,718	-	-
An other related party	80	80	-	-
Held-for-trading investments	833	3,323	-	-
Pledged bank deposits	5,996	3,155	-	-
Cash and bank balances	489,600	702,857	1,062	93,459
Total current assets	2,389,781	2,032,970	1,402,916	1,290,016
Total assets	4,973,408	3,783,897	1,918,235	1,805,335



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	GROUP		COMPANY	
	30.09.2008	31.12.2007	30.09.2008	31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<u>EQUITY AND LIABILITIES</u>				
Capital and reserves:				
Share capital	1,226,168	1,219,081	1,226,168	1,219,081
Reserves	494,943	316,111	45,794	(4,149)
Equity attributable to equity holders of the Company	1,721,111	1,535,192	1,271,962	1,214,932
Minority interests	428,954	454,607	-	-
Total capital and reserves	2,150,065	1,989,799	1,271,962	1,214,932
Non-current liabilities:				
Bank loans – due after one year	814,175	525,940	-	-
Convertible notes	317,304	299,195	317,304	299,195
Deferred tax liabilities	25,252	23,926	-	-
Non trade amount due to a minority shareholder of a subsidiary	58,900	-	-	-
Total non-current liabilities	1,215,631	849,061	317,304	299,195
Current liabilities:				
Trade payables	423,140	311,565	-	-
Other payables	587,195	275,395	333	794
Non trade amounts due to:				
A subsidiary	-	-	273,416	287,434
Directors	6,319	8,611	6,115	2,980
A shareholder	49,105	10	49,105	-
Minority shareholders of subsidiaries	10,525	36,962	-	-
An other related party	1	18	-	-
Income tax payable	215,573	165,408	-	-
Bank loans – due within one year	315,854	147,068	-	-
Total current liabilities	1,607,712	945,037	328,969	291,208
Total equity and liabilities	4,973,408	3,783,897	1,918,235	1,805,335



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

	GROUP	
	As at 30.09.2008	As at 31.12.2007
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	253,914	114,052
Unsecured	61,940	59,618
Sub-total 1	315,854	173,670
Amount repayable after one year:-		
Secured	430,614	164,075
Unsecured	759,765	661,060
Sub-total 2	1,190,379	825,135
Total debt	1,506,233	998,805

Details of any collateral

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



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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 2008

	3Q 2008	3Q 2007	9M 2008	9M 2007
	S\$'000	S\$'000	S\$'000	S\$'000
OPERATING ACTIVITIES				
Profit before income tax	29,635	64,402	259,611	80,460
Adjustments for:				
(Gain) loss on acquisition of additional interest from a minority shareholder	-	-	(15)	37
Equity-settled share-based payment expense	-	583	1,148	1,743
Write-off of goodwill	-	-	632	-
Depreciation expense	1,051	692	2,851	2,037
Net loss (gain) on disposal of property, plant and equipment	3	21	(5)	22
Fair value loss (gain) on held-for-trading investments	1,008	(400)	2,381	(1,931)
Gain on disposal of held-for-trading investments	-	(3,881)	-	(4,123)
Loss (gain) on disposal of investment properties	183	(122)	105	(206)
Finance cost	619	14,757	1,811	26,572
Provision for decrease in value of completed properties for sale	-	651	-	651
Dividend income from held-for-trading investments	-	-	(18)	(44)
Dividend income from available-for-sale investments	(26)	-	(3,052)	-
Interest income	(1,587)	(4,905)	(5,464)	(17,796)
Operating cash flows before movement in working capital	30,886	71,798	259,985	87,422
Properties for development	(387,721)	(230,142)	(603,485)	(668,017)
Inventories	91	(1,996)	2,736	(2,803)
Completed properties for sale	(3,870)	(57,420)	(197,995)	(3,826)
Properties under development for sale	(340,671)	(98,610)	(215,941)	(346,861)
Trade and other receivables	(11,265)	(114,823)	(11,190)	(150,611)



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	3Q 2008	3Q 2007	9M 2008	9M 2007
	S\$'000	S\$'000	S\$'000	S\$'000
Trade and other payables	296,951	296,123	284,836	689,331
Cash used in operations	(415,599)	(135,070)	(481,054)	(395,365)
Interest paid	(34,059)	(7,791)	(66,500)	(23,053)
Income tax paid	(35,210)	(15,128)	(100,650)	(75,027)
NET CASH USED IN OPERATING ACTIVITIES	(484,868)	(157,989)	(648,204)	(493,445)
INVESTING ACTIVITIES				
Interest received	1,538	3,442	5,460	14,914
Dividends received from held-for-trading investments	-	-	18	44
Dividends received from available-for-sale investments	26	-	3,052	-
Purchase of property, plant and equipment	(2,630)	(1,695)	(8,577)	(2,805)
Purchase of held-for-trading investments	-	(4,137)	-	(13,817)
Proceeds on disposal of property, plant and equipment	9	43	58	43
Proceeds on disposal of held-for-trading investments	-	18,250	-	22,027
Proceeds on disposal of investments properties	239	713	829	2,553
Acquisition of subsidiaries	-	(9,708)	(134,742)	(9,708)
Acquisition of additional interest in a subsidiary	-	-	-	(48,629)
Repayment from (advance to) an other related party	40	397	-	(5)
Repayment from minority shareholders of subsidiaries	28,881	564	4,154	564
Repayment from a third party	-	-	-	503
Decrease (increase) in pledged bank deposits	791	(149,509)	(2,841)	(159,091)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	28,894	(141,640)	(132,589)	(193,407)



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	3Q 2008	3Q 2007	9M 2008	9M 2007
	S\$'000	S\$'000	S\$'000	S\$'000
FINANCING ACTIVITIES				
Dividend paid	-	-	(22,092)	(51,284)
Advance from (repayment to) a shareholder	32,740	15,567	49,095	(1,099)
Advance from (repayment to) directors	934	3,267	(2,292)	242
Advance from minority shareholders of subsidiaries	32,025	3,500	32,463	140,842
Repayment to related parties	-	-	(17)	(1,092)
Net proceeds on issue of new shares under Pre-IPO Share Option Scheme	5,078	-	5,078	-
Net proceeds on issue of new shares	-	-	-	299,213
Net proceeds on issue of convertible notes	-	-	-	459,855
Proceeds from bank loans	139,590	194,727	553,010	238,968
Repayment of bank loans	(46,176)	(132,497)	(117,728)	(197,450)
Dividends paid to minority shareholders of subsidiaries	(95,939)	(2,870)	(95,939)	(63,329)
Capital injection from (withdrawal by) minority shareholders of subsidiaries	11,210	-	(298)	1,521
NET CASH FROM FINANCING ACTIVITIES	79,462	81,694	401,280	826,387
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(376,512)	(217,935)	(379,513)	139,535
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	674,706	991,497	702,857	622,237
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	191,406	15,224	166,256	27,014
CASH AND CASH EQUIVALENTS AT END OF PERIOD	489,600	788,786	489,600	788,786



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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 2008

	Share capital	Currency translation reserve	Equity reserves	Statutory reserves	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2008	1,219,081	(40,483)	50,720	43,142	(386,571)	(48,628)	697,931	1,535,192	454,607	1,989,799
Currency translation difference	-	(24,328)	-	-	-	-	-	(24,328)	5,080	(19,248)
Net (expense) income recognised directly in equity	-	(24,328)	-	-	-	-	-	(24,328)	5,080	(19,248)
Net profit for the period	-	-	-	-	-	-	9,311	9,311	769	10,080
Total recognised income and expenses for the period	-	(24,328)	-	-	-	-	9,311	(15,017)	5,849	(9,168)
Recognition of equity-settled share-based payment expense	-	-	557	-	-	-	-	557	-	557
Change of interest in a subsidiary	-	-	-	-	-	-	-	-	(20)	(20)
Capital withdrawal by minority shareholders	-	-	-	-	-	-	-	-	(11,508)	(11,508)
Appropriations	-	-	-	6	-	-	(6)	-	-	-
Balance at 31 March 2008	1,219,081	(64,811)	51,277	43,148	(386,571)	(48,628)	707,236	1,520,732	448,928	1,969,660



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	Share capital	Currency translation reserve	Equity reserves	Statutory reserves	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Currency translation difference	-	19,357	-	-	-	-	-	19,357	(6,691)	12,666
Net income (expense) recognised directly in equity	-	19,357	-	-	-	-	-	19,357	(6,691)	12,666
Net profit for the period	-	-	-	-	-	-	67,240	67,240	34,298	101,538
Total recognised income for the period	-	19,357	-	-	-	-	67,240	86,597	27,607	114,204
Recognition of equity-settled share-based payment expense	-	-	591	-	-	-	-	591	-	591
Change of interest in a subsidiary	-	-	-	-	-	-	-	-	5	5
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	637	637
Dividends	-	-	-	-	-	-	(22,092)	(22,092)	-	(22,092)
Balance at 30 June 2008	1,219,081	(45,454)	51,868	43,148	(386,571)	(48,628)	752,384	1,585,828	477,177	2,063,005



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	Share capital	Currency translation reserve	Equity reserves	Statutory reserves	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Currency translation difference	-	121,401	-	-	-	-	-	121,401	27,097	148,498
Net income recognised directly in equity	-	121,401	-	-	-	-	-	121,401	27,097	148,498
Net profit for the period	-	-	-	-	-	-	8,804	8,804	9,409	18,213
Total recognised income for the period	-	121,401	-	-	-	-	8,804	130,205	36,506	166,711
Issue of shares under Pre-IPO Share Option										
Scheme	7,087	-	(2,009)	-	-	-	-	5,078	-	5,078
Capital injection by minority shareholders	-	-	-	-	-	-	-	-	11,210	11,210
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	(95,939)	(95,939)
Appropriations	-	-	-	23,225	-	-	(23,225)	-	-	-
Balance at 30 September 2008	1,226,168	75,947	49,859	66,373	(386,571)	(48,628)	737,963	1,721,111	428,954	2,150,065



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Unaudited Group Statements of Changes in Equity for the Nine Months Ended 30 September 2007

	Share capital	Currency translation reserve	Equity reserves	Statutory reserves	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2007	780,175	(55,884)	1,265	39,571	(386,571)	-	531,286	909,842	153,178	1,063,020
Acquisition of additional interest in a subsidiary	-	-	-	-	-	(48,628)	-	(48,628)	-	(48,628)
Currency translation difference	-	13,160	-	-	-	-	-	13,160	1,174	14,334
Net income (expense) recognised directly in equity	-	13,160	-	-	-	(48,628)	-	(35,468)	1,174	(34,294)
Net profit for the period	-	-	-	-	-	-	2,906	2,906	5,979	8,885
Total recognised income and expenses for the period	-	13,160	-	-	-	(48,628)	2,906	(32,562)	7,153	(25,409)
Issuance of shares pursuant to international offering exercise, net of expenses	299,213	-	-	-	-	-	-	299,213	-	299,213
Recognition of equity component of convertible notes, net of expenses	-	-	66,546	-	-	-	-	66,546	-	66,546
Recognition of equity-settled share-based payment expense	-	-	565	-	-	-	-	565	-	565
Change of interest in a subsidiary	-	-	-	-	-	-	-	-	37	37
Balance at 31 March 2007	1,079,388	(42,724)	68,376	39,571	(386,571)	(48,628)	534,192	1,243,604	160,368	1,403,972



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	Share capital	Currency translation reserve	Equity reserves	Statutory reserves	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Currency translation difference	-	6,261	-	-	-	-	-	6,261	1,525	7,786
Net income recognised directly in equity	-	6,261	-	-	-	-	-	6,261	1,525	7,786
Net (loss) profit for the period	-	-	-	-	-	-	(22,452)	(22,452)	10,771	(11,681)
Total recognised income and expenses for the period	-	6,261	-	-	-	-	(22,452)	(16,191)	12,296	(3,895)
Recognition of equity-settled share-based payment expense	-	-	595	-	-	-	-	595	-	595
Capital injection by a minority shareholder	-	-	-	-	-	-	-	-	1,521	1,521
Dividends	-	-	-	-	-	-	(51,284)	(51,284)	-	(51,284)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	(60,459)	(60,459)
Appropriations	-	-	-	(4)	-	-	4	-	-	-
Balance at 30 June 2007	1,079,388	(36,463)	68,971	39,567	(386,571)	(48,628)	460,460	1,176,724	113,726	1,290,450



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	Share capital	Currency translation reserve	Equity reserves	Statutory reserves	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Currency translation difference	-	22,485	-	-	-	-	-	22,485	841	23,326
Net income recognised directly in equity	-	22,485	-	-	-	-	-	22,485	841	23,326
Net profit for the period	-	-	-	-	-	-	34,578	34,578	4,268	38,846
Total recognised income for the period	-	22,485	-	-	-	-	34,578	57,063	5,109	62,172
Conversion of convertible notes	21,604	-	(3,032)	-	-	-	-	18,572	-	18,572
Recognition of equity-settled share-based payment expense	-	-	583	-	-	-	-	583	-	583
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	401	401
Dividend paid to a minority shareholder	-	-	-	-	-	-	-	-	(2,870)	(2,870)
Balance at 30 September 2007	1,100,992	(13,978)	66,522	39,567	(386,571)	(48,628)	495,038	1,252,942	116,366	1,369,308



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Unaudited Company Statements of Changes in Equity for the Nine Months Ended 30 September 2008

	Share capital S\$'000	Equity reserves S\$'000	Accumulated (losses) profits S\$'000	Total S\$'000
Balance at 1 January 2008	1,219,081	50,720	(54,869)	1,214,932
Net loss for the period	-	-	(8,345)	(8,345)
Total recognised expenses for the period	-	-	(8,345)	(8,345)
Recognition of equity-settled share-based payment expense	-	557	-	557
Balance at 31 March 2008	1,219,081	51,277	(63,214)	1,207,144
Net profit for the period	-	-	108,685	108,685
Total recognised income for the period	-	-	108,685	108,685
Recognition of equity-settled share-based payment expense	-	591	-	591
Dividends	-	-	(22,092)	(22,092)
Balance at 30 June 2008	1,219,081	51,868	23,379	1,294,328
Net loss for the period	-	-	(27,444)	(27,444)
Total recognised expense for the period	-	-	(27,444)	(27,444)
Issue of shares under Pre-IPO Share Option Scheme	7,087	(2,009)	-	5,078
Balance at 30 September 2008	1,226,168	49,859	(4,065)	1,271,962



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Unaudited Company Statements of Changes in Equity for the Nine Months Ended 30 September 2007

	Share capital S\$'000	Equity reserves S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 January 2007	780,175	1,265	(2,807)	778,633
Net profit for the period	-	-	72	72
Total recognised income for the period	-	-	72	72
Issuance of shares pursuant to international offering exercise, net of expenses	299,213	-	-	299,213
Recognition of equity component of convertible notes, net of expenses	-	66,546	-	66,546
Recognition of equity-settled share-based payment expense	-	565	-	565
Balance at 31 March 2007	1,079,388	68,376	(2,735)	1,145,029
Net profit for the period	-	-	51,855	51,855
Total recognised income for the period	-	-	51,855	51,855
Recognition of equity-settled share-based payment expense	-	595	-	595
Dividends	-	-	(51,284)	(51,284)
Balance at 30 June 2007	1,079,388	68,971	(2,164)	1,146,195
Net loss for the period	-	-	(8,735)	(8,735)
Total recognised expense for the period	-	-	(8,735)	(8,735)
Conversion of convertible notes	21,604	(3,032)	-	18,572
Recognition of equity-settled share-based payment expense	-	583	-	583
Balance at 30 September 2007	1,100,992	66,522	(10,899)	1,156,615



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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

As at 30 September 2008, the issued and fully paid-up share capital of the Company was S\$1,226.2 million (30 June 2008: S\$1,219.1 million). Movements in the Company's issued ordinary shares during the following periods were as follows:

	Number of ordinary shares	
	'000	S\$'000
As at 31 December 2007	1,825,814	1,219,081
As at 1 July 2008	1,825,814	1,219,081
Issue of shares under Pre-IPO Share Option Scheme	5,520	7,087
As at 30 September 2008	1,831,334	1,226,168

The Company did not hold any treasury shares as at 30 September 2008 and 31 December 2007.

Share Options

The details of options to take up unissued ordinary shares in the capital of the Company under the Company's Pre-IPO Share Option Scheme as at 30 September 2008 were as follows:

Date of grant of options	Exercise price per share (S\$)	No. of option shares outstanding as at 01.07.2008	No. of option shares lapsed	No. of option shares exercised	No. of option shares outstanding as at 30.09.2008
21.06.2006	0.92	12,922,000	Nil	5,520,000	7,402,000



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Convertible Notes Due 2012

As previously announced, the Company had in February 2007 issued S\$477.3 million convertible notes due in 2012 ("Notes" and each, a "Note") at a conversion price of S\$2.7531 per share. With effect from 1 June 2007 and as previously announced, the conversion price has been adjusted from S\$2.7531 per share to S\$2.71 per share.

As of 30 September 2008, S\$338.3 million Notes remained outstanding for conversion into ordinary shares. No Note has been converted into ordinary shares during the current financial period.

Based on the conversion price of S\$2.71 per share and assuming the Notes are fully converted, the number of new ordinary shares to be issued would be approximately 124,815,535 shares as at 30 September 2008 (30 September 2007: 168,081,185 shares).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to Note 1(d)(ii).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

The figures for the third quarter and nine months ended 30 September 2008 have neither been audited nor reviewed by the auditors.

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

Not applicable.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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 in the audited financial statements for the year ended 31 December 2007.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, the effect of, the change

There is no change in the accounting policies and methods of computation.

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 2008	3Q 2007	9M 2008	9M 2007
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
EPS based on Group net profit attributable to shareholders:				
(i) On the weighted average number				
of shares (S\$)	0.48 cents	1.94 cents	4.67 cents	0.86 cents
- Weighted average number of				
shares ('000)	1,828,995	1,778,403	1,826,883	1,755,501
(ii) On a fully diluted basis (S\$)				
0.48 cents	1.93 cents	4.45 cents	0.85 cents	
- Adjusted weighted average				
number of shares ('000)	1,833,338	1,787,842	1,958,463	1,764,378



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (i) current period reported on; and**
- (ii) immediately preceding financial year**

	GROUP		COMPANY	
	30.09.2008 (Unaudited)	31.12.2007 (Unaudited)	30.09.2008 (Unaudited)	31.12.2007 (Unaudited)
Net asset value per share based on issued share capital at the end of the period/year (S\$)	0.94	0.84	0.69	0.67

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**

9M 2008 vs. 9M 2007

Revenue in 9M 2008 increased as a result of the Group's strategies in project development and marketing. With the increase in GFA delivered and higher ASP achieved in 9M 2008, the Group recorded a revenue of S\$595.4 million, an increase of S\$299.8 million or 101.4% over the corresponding period in 2007. Revenue was primarily derived from the sales of properties in Yanlord Riverside City (Phase 2) (仁恒河滨城二期) in Shanghai, Yanlord Peninsula (星島仁恒) in Suzhou, Yanlord International Apartments (Tower B) (仁恒国际公寓B栋) in Nanjing and Hengye Star Gardens (恒业星园) in Chengdu – which contributed 53.9%, 16.2%, 12.1% and 9.0% respectively to the Group's revenue derived from sales of apartment units in 9M 2008.

Underpinned by the sound performance on sales of properties, a gross profit of S\$302.7 million was attained in 9M 2008, representing an increase of 123.9% or S\$167.5 million over the comparable period in 2007. Gross profit margin rose to 50.8% in 9M 2008 from 45.7% in 9M 2007.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Profit before income tax increased by S\$179.2 million to S\$259.6 million in 9M 2008 from S\$80.5 million in 9M 2007; mainly due to higher revenue generated from property sales. Profit before income tax margin in 9M 2008 was higher at 43.6% as compared to 27.2% in 9M 2007.

In line with the increase in profit before income tax, profit for the period increased by \$93.8 million to S\$129.8 million in 9M 2008 from S\$36.1 million in 9M 2007. The Group's profit margin for the period attained 21.8% in 9M 2008 as compared to 12.2% in 9M 2007.

3Q 2008 vs. 3Q 2007

Revenue of the Group in 3Q 2008 declined by 54.8% reflecting a decrease of S\$101.1 million from S\$184.6 million in 3Q 2007 to S\$83.5 million in 3Q 2008. Even higher ASP in 3Q 2008 by the delivery of the higher-profit-margin project at Yanlord Riverside City (Phase 2) (仁恒河滨城二期) in Shanghai over the corresponding period in 2007, the decline in revenue was primarily attributable to one-third of pre-sold properties being delivered in 3Q 2008 compared to 3Q 2007. Apart from the delivery of this project, the Group also delivered three new developments in 3Q 2008 – namely, Yanlord New City Gardens (仁恒星园) in Zhuhai, Yanlord International Apartments (Tower B) (仁恒国际公寓 B 栋) in Nanjing and Hengye Star Gardens (恒业星园) in Chengdu. In summary, revenue was primarily derived from the sales of properties in Yanlord Riverside City (Phase 2) (仁恒河滨城二期), Yanlord New City Gardens (仁恒星园), Yanlord International Apartments (Tower B) (仁恒国际公寓 B 栋) and Hengye Star Gardens (恒业星园) – which contributed 70.6%, 10.5%, 7.2% and 5.5% respectively to the Group's revenue derived from sales of properties in 3Q 2008.

Despite gross profit decreasing to S\$41.3 million in 3Q 2008 from S\$82.7 million in 3Q 2007 due to lesser GFA delivered, the Group achieved higher ASP for apartments delivered and recorded a gross profit margin increase from 44.8% in 3Q 2007 to 49.5% in 3Q 2008.

The Group's profit before income tax and profit for the period in 3Q 2008 were S\$29.6 million and S\$18.2 million compared to S\$64.4 million and S\$38.8 million respectively in 3Q 2007. The decrease in both profit before income tax and profit for the period in 3Q 2008 was due to lesser GFA delivered. However, the margins on profit before income tax and profit for the period increased slightly to 35.5% and 21.8% in 3Q 2008 from 34.9% and 21.0% in 3Q 2007 respectively.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

BALANCE SHEETS

Properties for development

Properties for development increased by 59.0% or S\$852.1 million to S\$2,295.3 million as at 30 September 2008 from S\$1,443.1 million as at 31 December 2007 and the increase was mainly attributed to the increase in investments relating to the acquisition of land parcels in the PRC.

Available-for-sale investments

As at 31 December 2007, the Group acquired a shareholding interest of 9.4% in Tianjin Yanlord Haihe Development Co., Ltd. ("TYHD"), which was recorded as an "Available-for-sale investments" item in the balance sheet. During 1H 2008, the Group increased its shareholding interest in TYHD from 9.4% to 80.0%. As such, the investment amount under the "Available-for-sale investments" was transferred to "Investments in subsidiaries" in the balance sheet, which led to a reduction in available-for-sale investments by 80.0% or S\$41.9 million to S\$10.5 million as at 30 September 2008 from S\$52.4 million as at 31 December 2007.

Other payables

Other payables, which primarily included advances received from customers for properties pre-sold and un-paid investment cost for the acquisition of a subsidiary, grew by 113.2% or S\$311.8 million to S\$587.2 million as at 30 September 2008 from S\$275.4 million as at 31 December 2007. The increase was due to the increase in advances received from customers and remaining balance of the investment costs for the acquisition of additional interest in TYHD as mentioned above.

CASH FLOW STATEMENTS

Net cash used in operating activities

The Group recorded net cash used in operating activities of S\$484.9 million in 3Q 2008 as compared to S\$158.0 million in 3Q 2007, representing an increase of 206.9% or S\$326.9 million and S\$648.2 million in 9M 2008 as compared to S\$493.4 million in 9M 2007, representing an increase of 31.4% or S\$154.8 million. The deficits in cash from operations in 3Q and 9M 2008 were mainly due to the payment for the acquisition of land parcels in the PRC, payment of construction cost for the completed properties for sale and the projects under development for sale.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Net bank loan drawdown

Net bank loan drawdown, which represented proceeds from bank loans net of repayment of bank loans, was higher at S\$93.4 million in 3Q 2008 and S\$435.3 million in 9M 2008, amounting to an increase of S\$31.2 million and S\$393.8 million respectively over the corresponding periods in 2007. These increases were primarily due to increased PRC loans to finance the construction cost for the various projects under development.

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 for the current financial period 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

INDUSTRY OUTLOOK

The current weakness in global financial markets and ensuing downturn in international economies present a challenging operating environment for corporations across the broader market.

In view of the global financial crisis and the prospects of slower economic growth in the PRC, the central government has promulgated a broad array of economic stimulus plans such as the fiscal injection of over RMB4.0 trillion and the easing of rules and regulations governing home ownership to spur domestic consumption. Moreover, the PRC authorities have recently instituted a reduction of the bank reserve requirement ratio to increase the liquidity of the market, interest rate cut to reduce cost of borrowing which is believed to be beneficial to both corporate and individual customers and reduction in downpayment requirements for new homes from 30% to 20%, which have helped to ease the impact of a weaker global economy. The Government has also decentralised policy making to city level so that each city can customise policies benefiting the sustainable development of the property sector in the respective cities. It also allows individual commercial banks to evaluate their lending policies. Given the current challenges in the market, we believe the regulatory changes would benefit the industry in the near future.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

COMPANY OUTLOOK

New Project Launches

As of 30 September 2008, the Group has received advances for pre-sold properties – recorded as other payables in the balance sheet – amounting to approximately S\$407.5 million. Based on existing sales contracts of these pre-sold units, the total pre-sale contracts amounting to S\$533.3 million as at 30 September 2008 will be progressively recognised as revenue in subsequent financial periods.

In August 2008, the Group launched the second batch of its Shanghai Yanlord Riverside City (Phase 3) (仁恒河滨城三期) apartments. Opening to strong responses from the market, the 56 apartment units sold in the opening weekend garnered total contracted pre-sales of RMB610.0 million. This translates to an ASP of approximately RMB41,500 per sqm or 6.4% increase over ASP for the apartment units launched in June 2008.

Land Acquisition

In July 2008, the Group announced the acquisition of two adjacent land parcels in the Waigaoqiao district of Pudong, Shanghai for RMB1.19 billion. Earmarked for high-end residential development, these latest sites lie between the Group's Yanlord Riverside City (仁恒河滨城) in Lianyang area and Yanlord Town (仁恒家园) in Waigaoqiao and underscores the Group's long term positive outlook and confidence in the Shanghai residential market.

The Group currently has a total land bank with GFA of approximately 4.0 million sqm and targets to maintain a land bank that will cater to its developmental needs.

Outlook

Faced with a challenging market environment, the Group will continue to maintain strong cash position and prudent financial policy to ensure the sustainable development of the Group. At the operating level, we will continue to build on our core business strategies to develop high-quality residential apartments in prime location of high growth PRC cities where we already have presence.

Barring any unforeseen circumstances, the Board of Directors is confident of the Group's performance relative to the industry trend for the next reporting period and the next 12 months based on the number of units pre-sold to-date, expected delivery schedules and on-schedule construction works in progress.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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 Chan Yiu Ling, 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 2008 to be false or misleading in any material aspects.

ON BEHALF OF THE BOARD

Zhong Sheng Jian
Chairman and Chief Executive Officer

Chan Yiu Ling
Director

ON BEHALF OF THE BOARD

Zhong Sheng Jian
Chairman and Chief Executive Officer
12 November 2008