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YANLORD

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**YANLORD ACQUIRES 75% STAKE IN SHENZHEN-BASED COMPANY FOR RMB 238.7 MILLION; EXPANDING Foothold IN PEARL RIVER DELTA AND ADDING APPROXIMATELY 599,000 SQM TO TOTAL LAND BANK HOLDINGS**

- Acquisition will allow Yanlord to penetrate into Shenzhen as eighth city for PRC development, and expand its foothold in the Pearl River Delta
- Acquisition will boost Yanlord's land bank by approximately 599,000 sqm

**(27<sup>th</sup> September 2007 – Singapore/Hong Kong) -- YANLORD LAND GROUP LIMITED** (“Yanlord”, and together with its subsidiaries, the “Group”), a real estate developer focusing on developing high-end integrated residential and commercial properties in strategically selected high-growth cities in the People's Republic of China (“PRC”) announced that it had, through its wholly owned subsidiary, Yanlord Land Pte. Ltd., acquired a 100% stake in East Hero Investment Limited (东亨投资有限公司) (“East Hero Investment”), for a total consideration of RMB238.7 million.

East Hero Investment is incorporated in Hong Kong and currently holds a 75% stake in Shenzhen Long Wei Xin Investment Co., Ltd. (深圳市龙威信投资实业有限公司) (“Long Wei Xin Investment”), a company incorporated in the PRC whose main assets include land parcels in Shenzhen. Details on these assets are listed as follows:

**(a) Shenzhen Longgang District, Ailian Shihuo Area City Redevelopment Project**  
(深圳市龙岗区爱联石火村城中村改造项目) (“Ailian City Redevelopment Project”)

Slated for development into a high-end residential estate, the Ailian City Redevelopment Project has a total planned gross floor area (“GFA”) of not less than 390,000 sqm and is strategically located adjacent to the Shenzhen Longgang Olympic New City, which will host the World University Games (世界大学生运动会) in the summer of 2011. It is also within walking distance to one of the Line 3 metro stations which is under construction that will link it to Shenzhen city centre when it is completed in 2010.

**(b) Shenzhen City Longgang District in Baolong Industrial Area Project (深圳市龙岗区宝龙工业区) (“Baolong Land Project”)**

Baolong Land Project has an expected GFA of approximately 144,064 sqm and has been slated for economic residential development.

**About Shenzhen City and Longgang District:**

**Shenzhen City:**

Due to the ensuing rapid economic growth, based on preliminary statistics from the city government of Shenzhen, the gross domestic product (“GDP”) of the city has grown tremendously and had reached RMB568.4 billion by 2006, the fourth highest amongst nationwide cities in the PRC, and representing an increase of 15.0% over the previous year. The GDP growth over the previous year was in excess of 15.0% annually since 2002. The total population of Shenzhen is estimated to be around 17 million even though the official population is listed at around 8.5 million.

According to statistics from the PRC National Development and Reform Commission in August 2007, average selling prices for residential developments grew 8.2% over the corresponding period last year in seventy large and mid-sized cities in the PRC. In particular, Shenzhen recorded price increases of 17.6% for new residential developments, and 22.0% for secondary residential developments – the highest amongst all the large- and mid-sized cities in the PRC. Based on available statistics from the Shenzhen city government, the average selling prices for mid-end and high-end residential development in Shenzhen were approximately RMB10,000 and RMB15,000 respectively in 2006.

**Longgang District:**

Due to rapid urbanization of Shenzhen, based on statistics from Longgang District government, for the first half of 2007, investment in real estate developments in the district totaled RMB54.5 billion which represented an increase of 38.3% over the corresponding period last year, and in contrast to 10.7% increase in the first half of 2006 compared to the first half of 2005. The investment in the real estate development in Longgang District also represented 27.8% of the total real estate investment in Shenzhen for the first half of 2007.

The average selling price for apartment units for residential development in Longgang District was RMB9,468 for the first half of 2007 compared to RMB6,216 for the corresponding period last year. This represented an increase of 52.3%, which was in itself doubled the increase of 26.1% for the first half of 2006 compared with the first year of 2005.

Commenting on the acquisition, Yanlord's Chairman and Chief Executive Officer, Mr. Zhong Sheng Jian, said, "As part of Yanlord's geographical expansion strategy, it is imperative for the Group to secure additional development sites in locations with strong growth potential. The acquisition of East Hero Investment marks Yanlord's maiden entry into the rapidly expanding Shenzhen real estate sector and together with our earlier investments in Zhuhai, serve to consolidate our foothold within the rapidly expanding real estate sector of the Pearl River Delta region."

"Shenzhen is one of the fastest-growing and wealthiest cities in the PRC. Capitalising on Yanlord's reputation for high-end quality developments, we are confident that this latest acquisition will serve to boost our development pipeline and provide a fresh impetus for the Group's development," Mr Zhong added.

Prior to this acquisition, Yanlord's property developments in southern PRC had focused largely on Zhuhai city which is also located in the Pearl River Delta.

**### END ###**

## **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, Suzhou and, most recently, Shenzhen. 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 rental income for the Group and increase the asset value of the Group.

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