

仁恒置地集团
YANLORD LAND GROUP LIMITED

2006 Annual Result Presentation
March 2007

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Presentation Content



I. Company Overview

II. Key Financial Highlights

III. Business and Operations Review



IV. Prospect and Outlook

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Company Overview



- **Top tier property developer**
 - Incorporated in Singapore
 - Properties and land bank based in People's Republic of China (PRC)
- **"Yanlord" brand**
 - Strong market brand recognition
 - Premium high-quality, fully-fitted residential development projects
- **Project Milestones:**
 - 1993 in Shanghai
 - 1994 in Nanjing
 - By 2005, expanded geographical reach to 7 cities including Suzhou, Zhuhai, Chengdu, Guiyang and Tianjin
- **Total of 22 projects**
 - Total Gross Floor Area (GFA) ~ 5.08 million sqm (incl. completed projects)
 - 7 cities across 4 main economic regions in PRC

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Company Overview



- **Share and Convertible Bonds**
 - Listed on SGX-ST Main Board on 22 June 2006
 - Initial Public Offering (IPO) at S\$1.08 per share
 - Concurrent Equity (150 million new shares at S\$2.07) and CB Offerings (total funds raised at S\$477.25 million) in Feb 07
 - Market cap. S\$3.64 billion as at 28 Feb 07 (based on S\$2.05 per share)
 - Public Float ~ 24.8%
- The Group's revenue is recognized in accordance with the **Financial Reporting Standard 18** - 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.

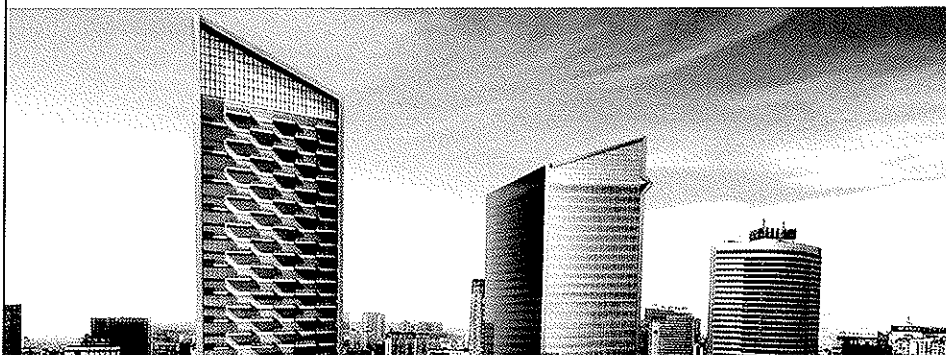
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Results Highlights



- FY2006 Net profit up **39.7%** to S\$170.7million on the back of a 22.3% increase in revenue to S\$952.1 million
- Despite a tighter regulatory environment, prices and demand for its properties in the PRC continues to increase
- Gross floor area sold increased **19.2%** to **408,152 sqm** from 342,293 sqm in FY2005
- Based on pre-sales and sales record, Yanlord revenue and earnings for FY2007 are expected to remain robust
- Proposes inaugural dividend of **2.89** Singapore cents per share representing a **30%** payout ratio of net profits

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Financial Performance

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Income Statement – 4Q2006



4Q2006 revenue grew a steady 11.1% to S\$345.1 million, mainly attributed to delivery of properties in Shanghai and higher ASPs despite tighter regulatory environment

	4Q2006	4Q2005	% Change	Margin Ratio 4Q2006
	S\$'000	S\$'000	+/(−)	
Revenue	345,125	310,544	11.1	
Cost of sales	(231,069)	(182,350)	26.7	
Gross profit	114,056	128,194	(11.0)	33.0%
Profit before tax	138,106	119,400	15.7	40.0%
Income tax	(47,474)	(9,735)	387.7	
Profit for the period	90,632	109,665	(17.4)	26.3%
Attributable to: Equity holders of the parent	47,538	76,075	(37.5)	13.8%

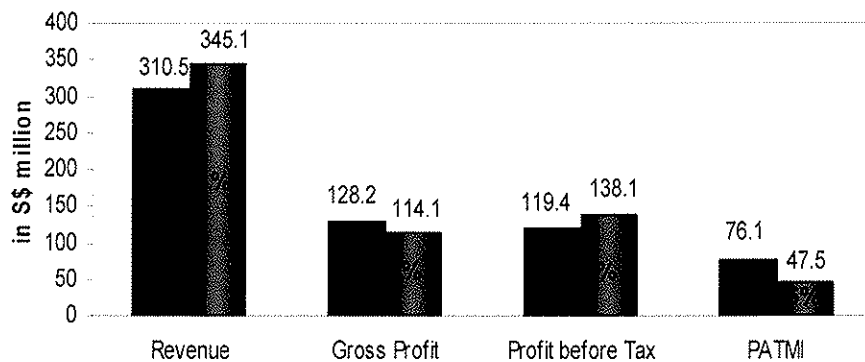
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4Q2006 vs 4Q2005



For period ended 31 December 2006

■ 4Q2005 ■ 4Q2006



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Income Statement – FY2006



FY2006 net profit surged 39.7% to S\$170.68 million on the back of a 22.3% increase in revenue to S\$952.15 million. Growth driven by increase in properties sold and rising ASPs

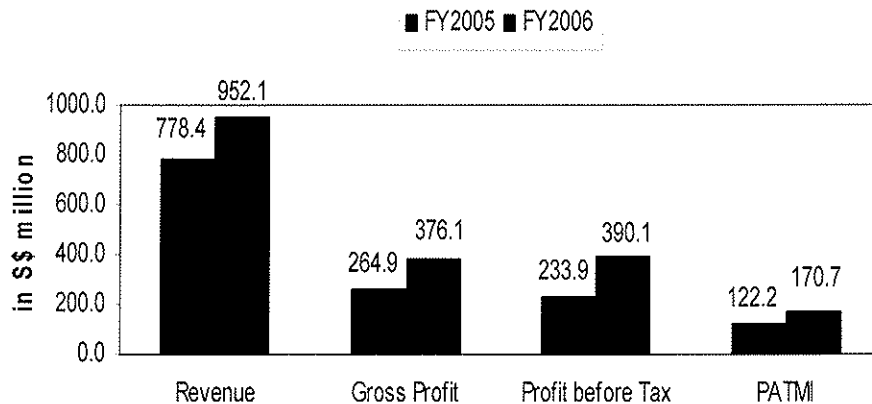
	FY2006	FY2005	% Change	Margin Ratio FY2006
	S\$'000	S\$'000	+/(–)	
Revenue	952,146	778,358	22.3	
Cost of sales	(576,021)	(513,503)	12.2	
Gross profit	376,125	264,855	42.0	39.5%
Profit before tax	390,083	233,929	66.8	41.0%
Income tax	(109,012)	(48,594)	124.3	
Profit for the period	281,071	185,335	51.7	29.5%
Attributable to:				
Equity holders of the parent	170,681	122,160	39.7	17.9%

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FY2006 vs FY2005



For period ended 31 December 2006

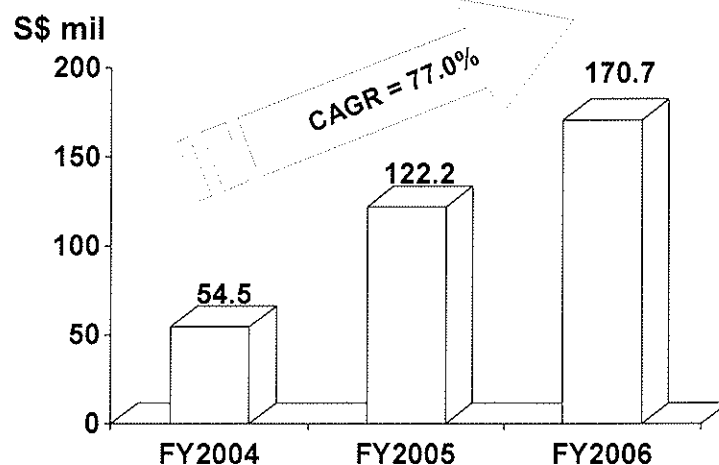


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PROFITS ATTRIBUTABLE



PROFIT ATTRIBUTABLE TO EQUITY HOLDERS



For financial year ended 31 December

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Balance Sheet – FY2006



Cash balances as at 31 December 2006 increased significantly by S\$507.1 million to S\$622.2 million mainly due to cashflow from operations and the proceeds of the successful IPO in June 2006

	As at 31 Dec 06	As at 31 Dec 05	% Change
	S\$'000	S\$'000	+/(-)
Total Current Assets	1,763,332	1,217,747	44.8
Total Current Liabilities	628,685	868,713	(27.6)
Total Assets	2,150,359	1,646,931	30.6
Total Equity (Excl. MI)	909,842	533,319	70.6
Cash and Cash Equivalents	622,237	115,142	440.4
Net Cash Position	194,717	(203,408)	N.M.

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KEY FINANCIAL RATIOS

Key Ratios (%)	4Q2006	4Q2005	FY2006	FY2005
Gross Profit	33.0	41.3	39.5	34.0
PBT Margin	40.0	38.4	41.0	30.5
PATMI Margin	13.8	24.5	17.9	15.7
ROE	-	-	18.8	22.9
ROA	-	-	7.9	7.4
Net Gearing	-	-	Net Cash*	38.1%

*Net Cash Position of S\$194.7 million, cash and bank balances of S\$622.2million

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Financial Overview

Recent LAT Developments and Yanlord's Treatment of LAT

Recent Developments

- State Administration of Taxation announced on January 16, 2007 that from February 1, 2007, the LAT will be levied on developers on a progressive rate from 30% - 60%, depending on the appreciation amount
- Developers to pay the LAT three years after obtaining the sales permit for a project
- Developers would pay the tax once 85% of a project was sold as opposed to the existing policy of making payment only at the start of each year

Yanlord's Treatment of LAT

All Developments¹ (ex-Shanghai Pudong)

- Made pre-payment of S\$7.5 million.
- Made full provisions of S\$62.3 million for all projects

Shanghai Pudong

- Before 1 October 2006, Local tax authority did not levy or require prepayment or payment
- We have prepaid 1% of the sales proceeds for the LAT levy

Current and Future (since October 1, 2006)

- Prepayment on apartments and villas based on the amount required by the respective local tax authorities
- Provision for any remaining amount for each projection by completion

- Necessary provision to be made based on prevailing tax regulations
- Based on PRC regulations, the LAT will not be applicable to commercial properties held for lease

¹ Includes developments in Shanghai (outside of Pudong), Nanjing, Guiyang, and other future projects

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Financial Overview

Revenue Driver: GFA sold by Project



	Year Ended December 31,		
	2004	2005	2006
GFA delivered (sq. m.)			
Shanghai			
Yanlord Town	-	-	-
Yunjie Riverside Garden	-	-	57,338
Yanlord Plaza	2,543	-	-
Yanlord Apartments	-	-	-
Yanlord Gardens	24,114	4,245	5,957
Yanlord Riverside City (Phase 1)	-	162,882	99,049
Yanlord Riverside Gardens	65,697	111,901	120,570
Nanjing			
Yanlord International Apartments	-	-	-
Plum Mansions, including Lakeside Mansions	1,159	1,563	94
Bamboo Gardens	55,000	40,190	107,902
Orchid Mansions	31,801	17,803	3,519
Guiyang			
Xintian Centre	-	3,711	2,697
Yanlord Villas	-	-	11,025
Chengdu			
Hengye International Plaza (Phase 1)	-	-	-
Total	180,314	342,293	408,153
Year on Year GFA % Increase	89.8%	19.2%	15

Financial Overview

Revenues Driver: ASP by Project



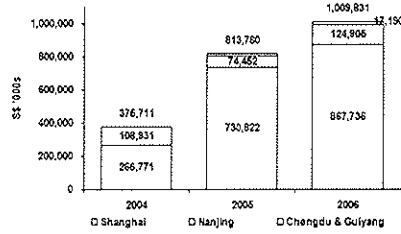
	Year Ended December 31,		
	2004	2005	2006
Average realized gross selling price (RMB)			
Shanghai			
Yanlord Town	-	-	-
Yunjie Riverside Garden	-	-	7,038
Yanlord Plaza	5,870	-	-
Yanlord Apartments	-	-	-
Yanlord Gardens	20,679	20,940	10,729
Yanlord Riverside City (Phase 1)	-	12,025	14,821
Yanlord Riverside Gardens	11,095	13,436	20,580
Nanjing			
Yanlord International Apartments	-	-	-
Plum Mansions, including Lakeside Mansions	5,541	9,666	6,183
Bamboo Gardens	4,405	5,067	5,627
Orchid Mansions	8,294	7,669	7,947
Guiyang			
Xintian Centre	-	11,231	10,969
Yanlord Villas	-	-	5,253
Chengdu			
Hengye International Plaza (Phase 1)	-	-	-
Total	9,735	11,446	12,593
Year on Year ASP % Increase	17.6%	10.0%	16

Financial Overview

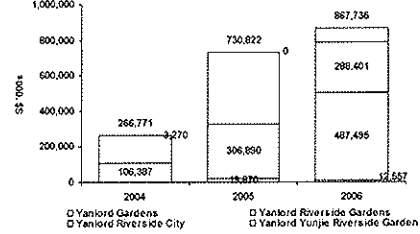
Revenue Composition by Geographical Region



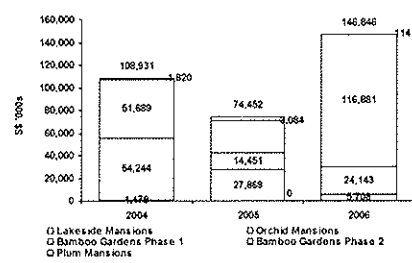
By City



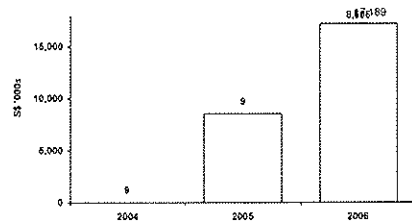
Shanghai



Nanjing



Chengdu & Guiyang

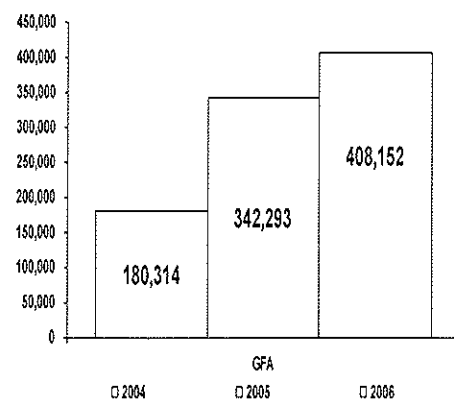


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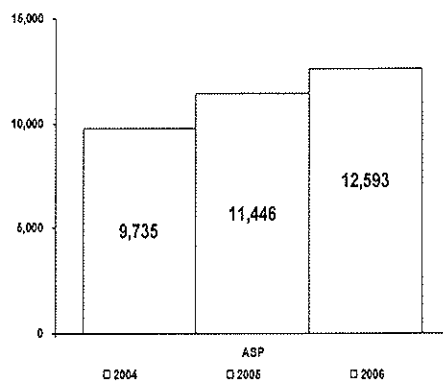
GFA & ASP Overview



GFA (sqm)

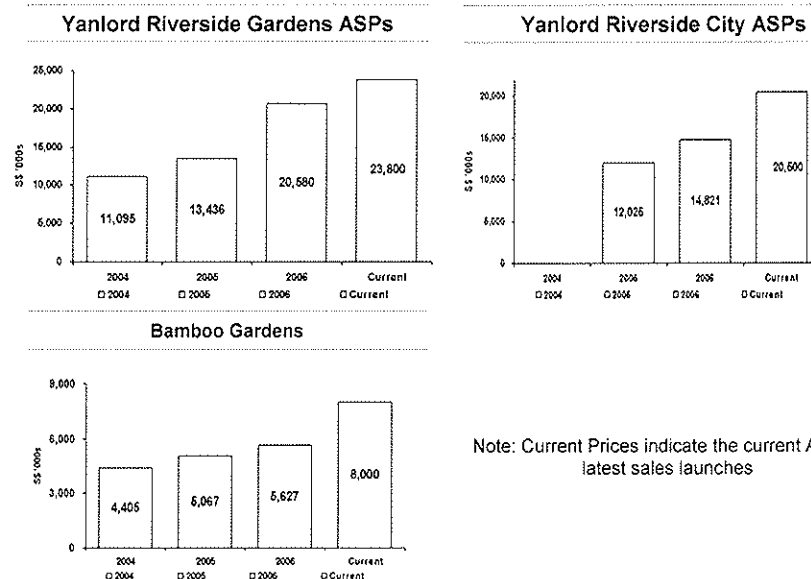


Overall ASP (RMB per sqm)



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GFA & ASP Overview (Main Existing Projects)



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Financial Overview

Prudent Financial Management Policies

Margins & Returns

- Target gross margin of 30% initial launch of new projects
- Achieved gross profit margin of more than 39.5% for all projects for FY2006

Liquidity

- Target cash and cash equivalents of about US\$100 million on a consolidated basis at any point in time

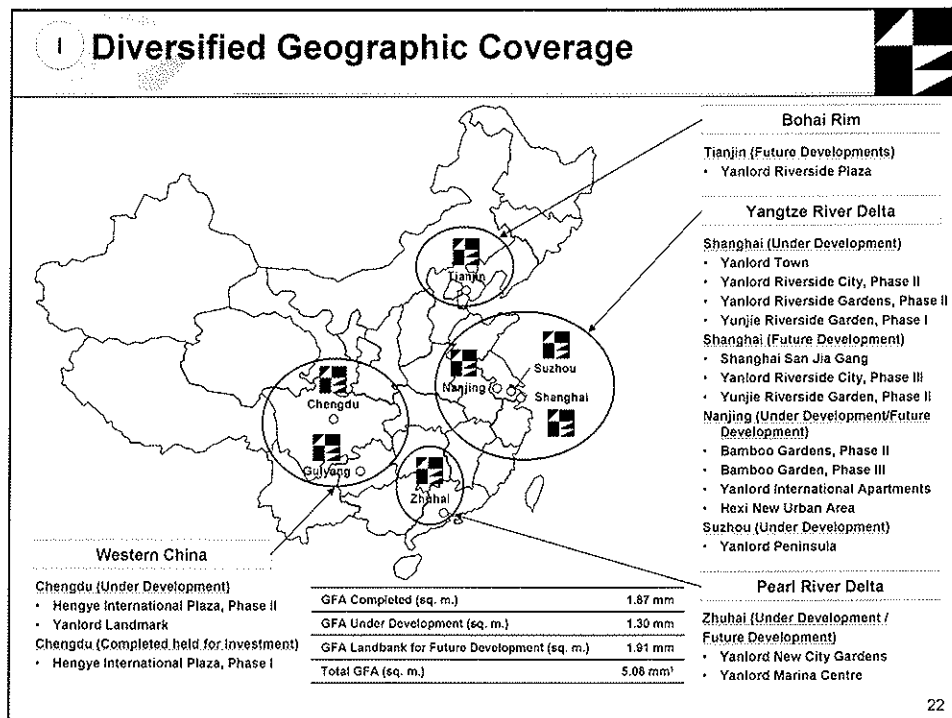
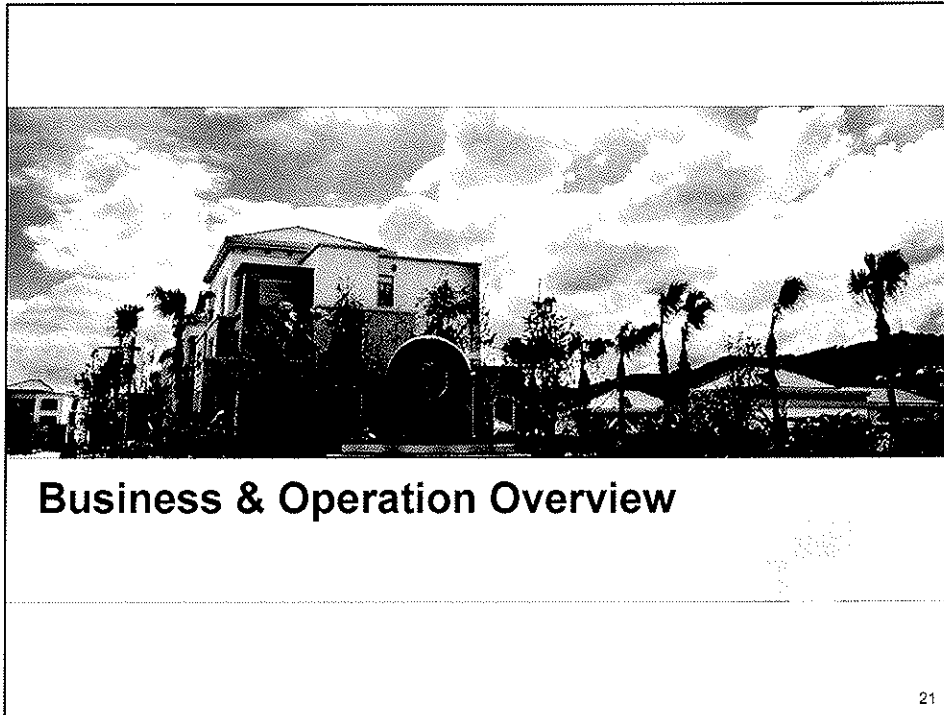
Leverage & Interest Coverage

- Gross gearing ratio of 37% pre-IPO
- Target gross gearing level of 50%
- Banks in China typically require that each property development is funded by at least 35% of equity
- Principal is repaid from scheduled project pre-sales and completion

Dividend Policy

- Target 30% dividend payout ratio for 2006 and 2007

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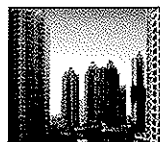


II

Proven Track Record

Leading, High Quality Developer

High-End Residential Properties



Project	Yanlord Garden (3 Phases)	Orchid Mansions	Yanlord Riverside Gardens (Phases 1 and 2)	Yanlord Riverside City (Phases 1, 2, 3)
Location	Shanghai	Nanjing	Shanghai	Shanghai
Uses	Residential	Residential	Residential	Residential
Total GFA (sq. m.)	415,360	69,649	327,362	742,886
Interest in the Project	67%	100%	56%	67%
Start of Pre-Sale or Opening	Nov-1997	Nov-2000	May-2002	May-2003
Year of Completion (Final Phase)	Sep-2003	Sep-2003	1Q 2007	4Q 2010

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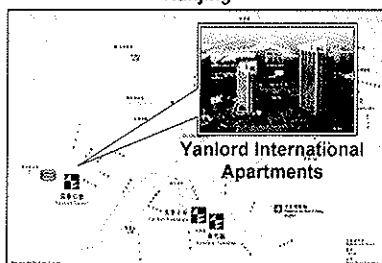
II

Proven Track Record

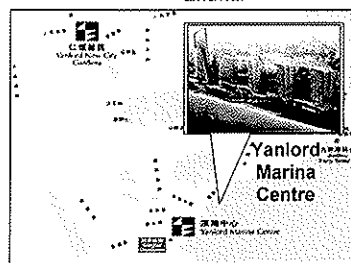
Leading, High Quality Developer

Mixed-Use Properties

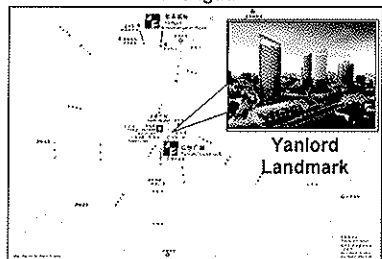
Nanjing



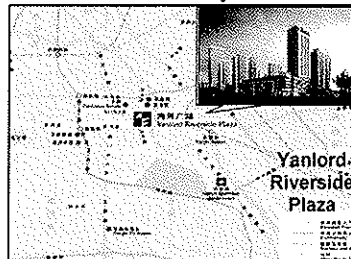
Zhuhai



Chengdu



Tianjin

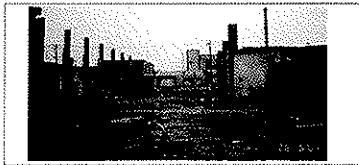


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II

Proven Track Record Win-Win Proposition

Successful at creating value to surrounding communities



Before

- Conduct market analysis and feasibility studies
- Employ reputable architects, contractors, planners
- Execution experience



After

- International communities complete with amenities
- Enhance living environment and general living standards in the vicinity
- Provide broad range of property services

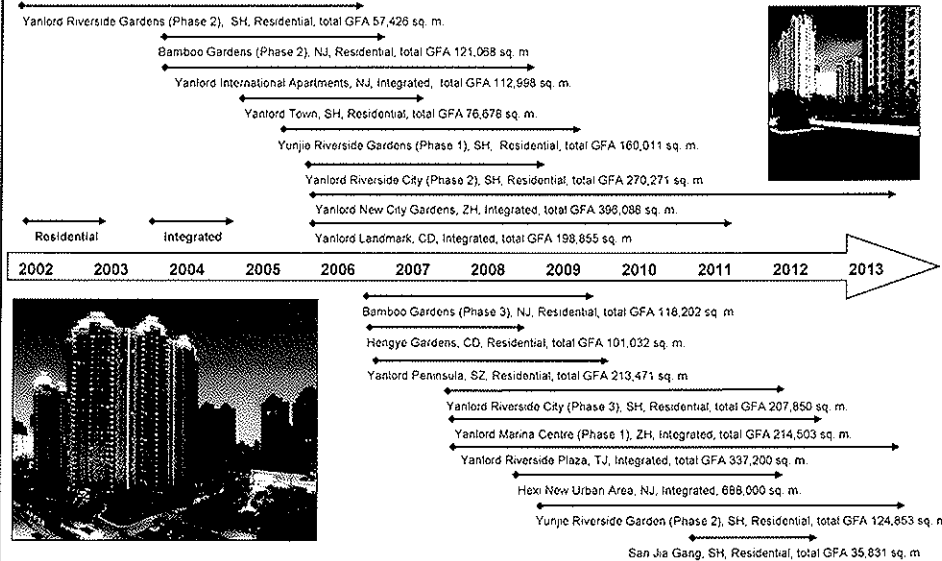
Ability to replicate model

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III

Long-Term Sustainable Land Bank 17 Diverse Projects in the Pipeline

A sustainable development pipeline to drive profitability and cash flow in the long term



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III

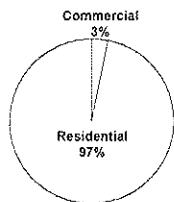
Long-Term Sustainable Land Bank - GFA Break-down



Our future development will be more diversified both by building type and geographically

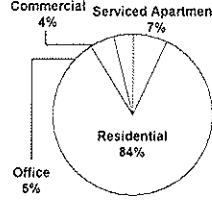
Completed Properties

Total GFA = 1.87 million sq. m.



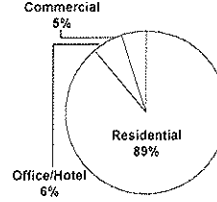
Under Development

Total GFA = 1.30 million sq. m.

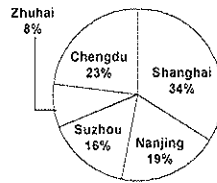
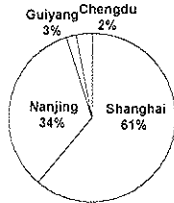


Landbank

Total GFA = 1.91 million sq. m.



By City



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IV

Premium Brand Name Award Winning "Yanlord" Brand



Yanlord's brand is synonymous with high-quality, community conscious properties



Yanlord Chengdu – "AAA Trustworthy Enterprise Award" (2006)



Orchid Mansions – "Best Living Community in Nanjing" (2006)



Bamboo Gardens – "Ten Most Valuable Buildings in Nanjing" (2006)



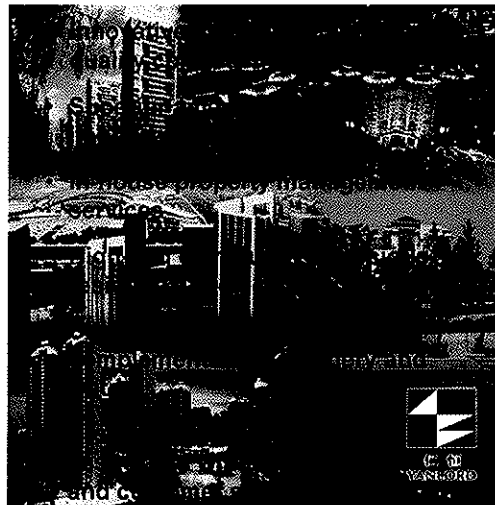
"2005 Top 10 Brands in Nanjing City" (2006)



"Ranked #2 Shanghai Property Developer by Sales" (2005)



"Ranked #9 Shanghai Property Developer by GFA Sold" (2005)



"Most Respected Real Estate Brand in China" (2005)



Yanlord Gardens, Shanghai – "Top Four Excellent Community Award" (2004)



Yanlord Riverside Garden – "Ministry of Construction Award in Property Management" (2004)



Shanghai – "Class AAA Credit" (2004)



Shanghai – "Ministry of Construction Award Shanghai City Excellent Living Gold Award" (2001)



"China City Estate Management Excellent Living Community Plum Mansions" (1997)



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V

Superior In-House Sales Expertise and After-Sales Services

Established Sales Expertise

- Well-trained, experienced and in-house trained sales team of over 100 employees
- Local knowledge, consistency of experience and quality guarantee
- Effective approaches to maximize demand
 - Positioning
 - Sales/Advertising
 - After Sale Services



"Ranked #2 Shanghai Property Developer by Sales Revenues (2005)"

After Sale Services

- High standard in-house property management team guarantees quality control at all stages of the property management process
- Special care for customer satisfaction with living environment
 - Preserve greenery
 - Organize social and residential community functions
 - ISO certified in Shanghai and Nanjing since 1996, ISO9001-2000 in Shanghai in 2002 and ISO14000 in 2006



"China City Estate Management Excellent Living Community - Plum Mansions" (1997)

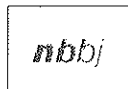
High Quality Control and Assurance

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VI

Strong Relationships with International Reputable Partners

International Partners and Associates



Top Tier International Architectural Firms



• Market leader in managing serviced residences worldwide

Joint Venture with GIC

- November 17, 2006 - Yanlord and GIC Real Estate sets up JV for property development in China
- December 28, 2006 -- JV purchased residential-commercial mixed use site in Nanjing for RMB 2.405 billion (\$473.0 million)



仁恒
YANLORD



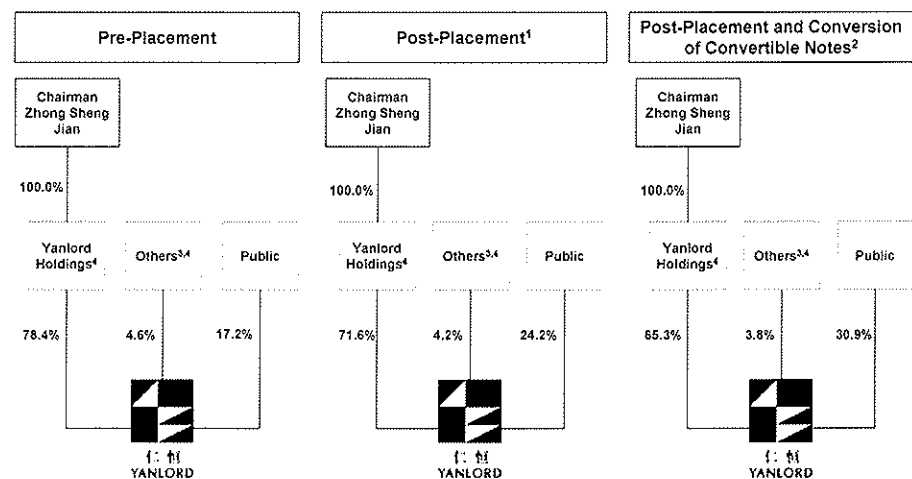
60%

Yanlord / GIC RE
Joint Venture

40%

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VII Shareholding Structure with increasing Public Float



Note: Total offering size of S\$787.75 million (consists of an equity tranche of 150 million primary shares and a S\$477.25 million convertible tranche inclusive of a 15% green shoe)

¹ Offer price of S\$2.07

² Conversion price of S\$2.7531 is based on conversion premium of 33% to equity placement price

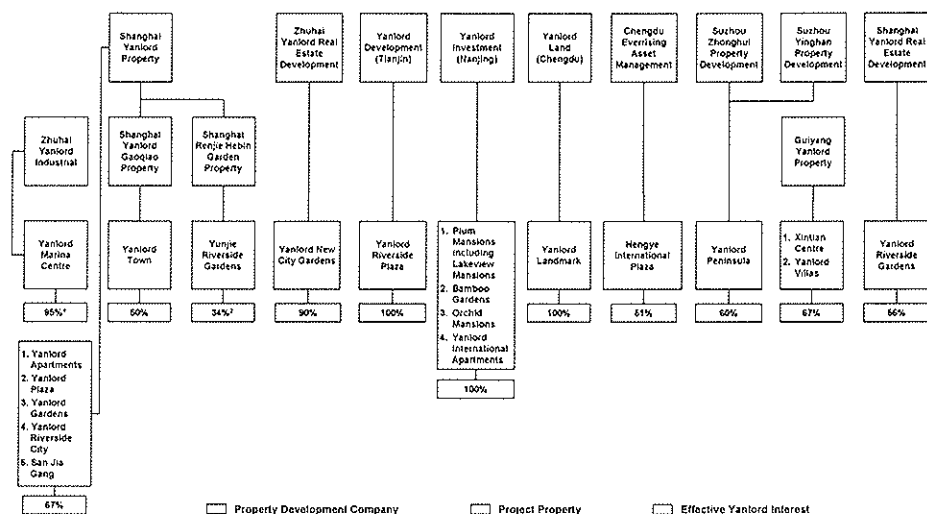
³ "Others" include Directors Ronald Seah Lim Siang, Ng Ser Miang, Ng Shin Eui, and Investor Growth Co. Limited, Chu Yi Bin, Billion Bonus Gain Limited.

⁴ Assuming Yanlord Holdings and "Others" do not participate in acquiring shares from either the equity or convertible notes tranche.

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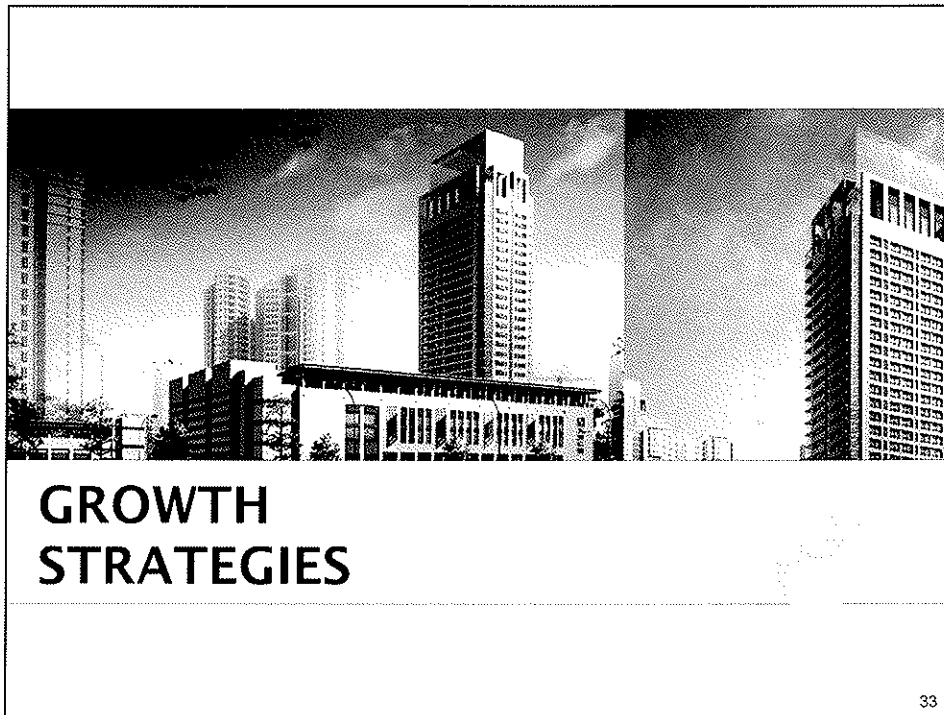
VIII Projects Organizational Structure

Effective Interest in Projects



*Subsequent to the end of the year, Yanlord increased its holdings to 95% following the acquisition from minority shareholders

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GROWTH STRATEGIES

- ▼ Building on competitive strengths**
 - ▲ Core strategy of high-end city centre development
 - ▲ Leverage on experienced local management teams
 - ▲ Build on reputation and “Yanlord” branding
- ▼ Leverage on financial strengths**
 - ▲ Capitalize on opportunities to grow land bank in major cities and to build on economies of scale
 - ▲ Net cash position provides opportunity to fund additional growth through leveraging
- ▼ Penetration into integrated residential and commercial property developments**
 - ▲ Build on familiarity with property development to generate an additional revenue stream
 - ▲ Smoothens revenue cycle; providing stable and recurring cash flows

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PROSPECTS AND OUTLOOK

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Positive Macro-Economic and Property Market Fundamentals



Strong growth of PRC macro economy

- From 2000 to 2005, China's nominal GDP grew at a compounded annual growth rate of 16.6%, from RMB 9,921 billion in 2000 to RMB 18,308 billion in 2005*
- Preliminary estimates places 2006 nominal GDP at RMB 20.94 trillion up 10.7% from 2005. 2005 year-on-year growth was 10.4%*

Increasing average disposable income

- In 2006, the per capita disposable income of urban population was RMB11,759, a year-on-year growth of 12.1 percent, or a real growth of 10.4 percent which was 0.8 percentage point higher over that in the previous year*

Stable price growth, especially for larger properties

- The prices of larger apartments in the high-end market are expected to increase
- This is due to the central government's efforts in adjusting the land supply structure to provide a greater stock of lower-end, smaller-apartments.

Source: * National Bureau of Statistics of China

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PROSPECTS

- **Long term growth of PRC Economy and Real Estate sector remains intact with increasing affluence and urbanisation:**
 - Annual investment in real estate increased from RMB498.4 billion in 2000 to RMB1,509.9 billion in 2005, CAGR of 26.1% over the period*
 - ASPs of residential and commercial properties increased at CAGR 8.6% and 9.0% respectively from 2000 to 2005*
 - Urbanisation rate reached 41.8% in 2004 and 43.0% in 2005, with number of people moving to cities averaging 21.1 million from 2000 to 2004. Urbanisation rate targeted to reach 50% by 2020 and 70% by 2050*
 - In spite of recent measures, property prices in 70 large and medium-sized cities registered year on year increase of 5.4% in Dec 06 and 5.6% for Jan 07**
 - Regulatory measures may lead to a consolidation process which will benefit well-managed property developers

Source: * CBRE
** National Bureau of Statistics of China

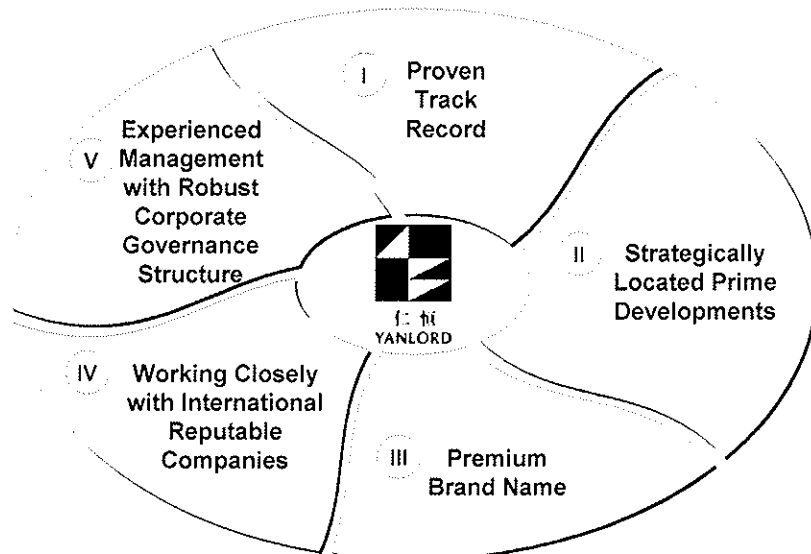
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OUTLOOK

- **Near term:**
 - Existing residential developments, i.e., Yanlord Riverside City (Phase 2), Bamboo Gardens (Phases 2 & 3), coupled with new projects i.e., Suzhou Yanlord Peninsula, Zhuhai New City Gardens (Phase 1) and Chengdu Hengye Gardens will drive revenue moving forward
- **Medium Term:**
 - Commence construction on Integrated residential and commercial developments which generate stable recurrent rental income
- **Yanlord continues to receive encouraging response in sales:**
 - Strong take-up rates at development launches
 - Increasing ASPs within phase and across phases
- **Based on the number of units pre-sold to-date and expected to be delivered, and our sales records, barring any unforeseeable circumstances, the Board remains confident of the Group's performance for the next reporting period and the next 12 months**

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Competitive Strength Summary



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Thank You

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2006 Key Milestones



Listing and Fund Raising Exercises

- IPO Listed on SGX since June 2006 with a total net proceed of S\$268million
- Concurrent ordinary shares and convertible note in Feb 2007 with a total net proceed of S\$760million

Strategic Initiatives

- Setting up of cooperation management company with Frasers Hospitality for service residence component of Nanjing International Apartments
- Joint Venture with GIC in November 2006

Land Acquisition

- Land Acquisition of Nanjing Hexi New CBD Area of a total GFA of 688,000sqm. in Dec 2006.
- Acquisition of the minority interests of the Zhuhai Marina Centre increased from 60% to 95% in Feb 2007

Total Land Bank at 31 Dec. 2006 was 3.21 million sqm GFA

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