



Yanlord Land Group Limited

PRESS RELEASE – 4Q2006 AND FY2006 UNAUDITED RESULTS

YANLORD'S FY2006 NET PROFIT ROSE 39.7% TO S\$170.7 MILLION ON INCREASED PRICES AND DEMAND FOR ITS PROPERTIES IN THE PRC DESPITE TIGHTER REGULATORY ENVIRONMENT

- FY2006 revenue increased 22.3% to S\$952.1 million while net profit attributable to shareholders rose 39.7% to S\$170.7 million on strong demand for its properties and higher average selling prices realized despite regulatory and control measures imposed by the PRC Government
- Average selling price for FY2006 reached RMB12,593 per sqm from RMB11,446 per sqm in FY2005, representing an increase of 10.0%. Gross floor area sold increased by 19.2% to 408,152 sqm in FY2006 from 342,293 sqm in FY2005
- Gross profit margin for FY2006 rose to 39.5% from 34.0% for FY2005. Net profit margin also increased from 17.9% for FY2006 compared to 15.7% for FY2005. ROA and ROE for FY2006 remain healthy at 7.9% and 18.8% respectively
- Barring any unforeseeable circumstances, the Board remains confident of the Group's performance for the next reporting period and the next 12 months based on the number of units pre-sold to-date and expected to be delivered, and our sales records.
- Proposes inaugural dividend of S\$0.0289 per share representing payout ratio of 30% of net profit attributable to shareholders

	4Q2006	4Q2005	% Change	FY2006	FY2005	% Change
Revenue (S\$ million)	345.1	310.5	11.1	952.1	778.4	22.3
Gross Profit (S\$ million)	114.1	128.2	(11.0)	376.1	264.9	42.0
Net Profit attributable to shareholders (S\$ million)	47.5	76.1	(37.5)	170.7	122.2	39.7
EPS (Singapore cents)*	2.93	5.56	(47.3)	11.36	8.93	27.2
NAV (S\$)	-	-	-	0.56**	0.39***	43.6
Gross Profit Margin	33.0%	41.3%	(8.3% points)	39.5%	34.0%	5.5% points
Net Profit Margin	13.8%	24.5%	(10.7% points)	17.9%	15.7%	2.2% points
ROA****	-	-	-	7.9%	7.4%	0.5% points
ROE****	-	-	-	18.8%	22.9%	(4.1% points)

* Based on net profit attributable to equity holders with weighted average number of shares

** Based on 1,629,464 ordinary shares in issue

*** Based on 1,368,000 ordinary shares in issue

**** Excluding minority interest in income statement and balance sheet

Singapore – 28 February 2007 – Yanlord Land Group Limited (“Yanlord” or the “Company”, and together with its subsidiaries, the “Group”), a real estate developer focused on developing high-end integrated commercial and residential property projects in strategically selected key and high-growth cities in the People’s Republic of China (“PRC”), announced today its unaudited financial results for the financial year ended 31 December 2006 (“FY2006”), its first set of full year results since its listing on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) in June 2006.

Benefiting from higher average selling prices realized for properties delivered, in particular units from Yanlord Riverside Gardens (仁恒河滨花园) in Shanghai – which accounted for 73.4% of

the Group's revenue from sales of properties in 4Q2006 – revenue for 4Q2006 grew 11.1% to S\$345.1 million from S\$310.5 million in 4Q2005. Gross profit for 4Q2006 decreased by 11.0% from S\$128.2 million in 4Q2005 to S\$114.1 million in 4Q2006 due to a one-off charge for the clearing of project construction equipment and materials at various projects which increased Group's cost of sales to S\$231.1 million in 4Q2006 from S\$182.4 million in 4Q2005. However, gross profit before tax increased to S\$138.1 million in 4Q2006 from S\$119.4 million in 4Q2005, due mainly to a fair value gain on investment properties of S\$33.6 million credited directly to the income statement for 4Q2006.

For the full year 2006, Yanlord posted a significant 39.7% gain in net profit attributable to shareholders to S\$170.7 million from S\$122.2 million in FY2005 as revenue grew 22.3% to S\$952.1 million from S\$778.4 million, respectively, despite the tighter regulatory environment. Underlying the significant increase were higher average selling prices realized and a 19.2% increase in gross floor area ("GFA") sold to 408,152 square metres ("sqm") despite regulatory and control measures imposed by the PRC government to curb over-investment in the property market.

Reflecting Yanlord's brand recognition in the high-quality residential sector, gross profit margin rose 39.5% for FY2006 from 34.0% in FY2005 as the Group recorded progressively higher prices for units sold. Average selling prices rose 10.0% to RMB12,593 per sqm for FY2006 from RMB11,446 per sqm in FY2005 despite the recent regulatory and control measures. The measures included curbs on foreign ownership, tax on resale transactions, restrictions on project development, credit tightening and stricter adherence to existing rules and regulations to curb speculation and better regulate the real estate sector.

Earnings per share ("EPS") calculated on the weighted average number of shares for FY2006 increased by 26.8% to 11.32 Singapore cents from 8.93 Singapore cents in FY2005.

Net Asset Value ("NAV") per share soared 43.6% to S\$0.56 as at 31 December 2006 from S\$0.39 cents as at 31 December 2005, reflecting the strong increase in net profit attributable to shareholders and the cash and cash equivalents mainly due to cash flows from operations and the proceeds of its initial public offering ("IPO") on the SGX-ST.

Yanlord's Return on Assets ("ROA") increased to 7.9% for FY2006 from 7.4% for FY2005. However, Return on Equity ("ROE") remained healthy although it declined to 18.8% for FY2006 from 22.9% for FY2005 mainly due to the significant increase in the share capital due to the IPO.

Commenting on the Group's performance, Chairman and Chief Executive Officer, Mr Zhong Sheng Jian, said, "Despite the tighter regulatory environment especially in the second half of 2006, we are encouraged by our performance as we have been able to deliver strong increases in revenue and profit for FY2006 as compared to FY2005. In addition, our growth was achieved without compromising our gross and net profit margins. Our performance underscores our emphasis on high-end quality development projects which are fully fitted, our focus on operating efficiency and our commitment to enhancing shareholder value. We will continue to leverage on our brand recognition to attract an increasing number of discerning customers who are willing to pay for quality housing that caters to their growing affluence and changing lifestyle needs."

Moving forward, commenting on the outlook of the Group, Mr Zhong said, "The Group continues to receive encouraging response, both in terms of high take-up rates and average selling prices in various project developments in its recent launches. Barring any unforeseeable circumstances, the Board remains confident of the Group's performance for the next reporting period and the next 12 months based on the number of units pre-sold to-date and expected to be delivered, and our sales records."

Dividend

The Board of Directors has proposed Yanlord's inaugural dividend of S\$0.0289 per share in appreciation of the support from its shareholders, representing a payout of 30% of FY2006 net profit attributable to shareholders.

"Our inaugural dividend payout conveys our appreciation of the support from our loyal shareholders and represents our aim to strike a balance between future growth objectives and returning value to shareholders. Moving forward, we will maintain the practice of regular dividend payouts to reward our shareholders," said Mr Zhong.

As at 31 December 2006, the Group has completed GFA of 1.87 million sqm, and currently owns development sites in prime locations with a total expected GFA of 3.21 million sqm of which approximately 1.30 million sqm is currently under development.

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 and commercial property projects in strategically selected key and 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 its geographical reach into second-tier cities of PRC, i.e. Guiyang, Chengdu, Zhuhai, Tianjin and Suzhou. Its typical residential property developments projects are large-scale, multi-phased projects designed and built by international architects, leading designers and contractors.

In FY2006, the Group extended into integrated residential and commercial property developments. Out of its total land bank of approximately of 3.21 million sqm, a total GFA of approximately 404,000 sqm of commercial properties have been retained as investment properties. These property developments are located at prime location of various cities for retail mall, office, hotel and serviced apartment developments which will generate stable recurring income and increasing the asset value of the Group.

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