



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2009 FINANCIAL STATEMENT ANNOUNCEMENT

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YANLORD LAND GROUP LIMITED

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UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

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 2009

	3Q 2009	3Q 2008	% Change	9M 2009	9M 2008	% Change
	S\$'000	S\$'000	+/(–)	S\$'000	S\$'000	+/(–)
Revenue	583,392	83,504	599	1,385,605	595,388	133
Cost of sales	(274,818)	(42,180)	552	(574,774)	(292,666)	96
Gross profit	308,574	41,324	647	810,831	302,722	168
Other operating income	9,045	5,936	52	13,575	19,562	(31)
Selling expenses	(6,175)	(4,574)	35	(17,882)	(14,887)	20
Administrative expenses	(14,313)	(11,206)	28	(44,292)	(41,241)	7
Other operating expenses	(419)	(1,226)	(66)	(1,047)	(4,734)	(78)
Finance cost	(8,744)	(619)	1313	(13,275)	(1,811)	633
Share of loss of a jointly controlled entity	(27)	-	NA	(27)	-	NA
Profit before income tax	287,941	29,635	872	747,883	259,611	188
Income tax	(156,823)	(11,422)	1273	(439,980)	(129,780)	239
Profit for the period	131,118	18,213	620	307,903	129,831	137
Profit attributable to:						
Equity holders of the						
Company	91,125	8,804	935	206,963	85,355	142
Minority interests	39,993	9,409	325	100,940	44,476	127
	131,118	18,213	620	307,903	129,831	137

NA: Not applicable



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

	3Q 2009	3Q 2008	9M 2009	9M 2008
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation expense	1,049	1,051	3,362	2,851
Dividend income from an available-for-sale investment	(1,193)	(26)	(1,193)	(3,052)
Dividend income from a held-for-trading investment	-	-	-	(18)
Equity-settled share-based payment expense	-	-	-	1,148
Fair value loss (gain) on a held-for-trading investment	289	1,008	(647)	2,381
Finance cost	8,744	619	13,275	1,811
Interest income	(1,769)	(1,587)	(3,798)	(5,464)
Gain on acquisition of additional interest from a minority shareholder	-	-	-	(15)
Net loss (gain) on disposal of property, plant and equipment	2	3	1	(5)
Net (gain) loss on disposal of investment properties	(56)	183	(102)	105
Net foreign exchange gain	(1,901)	(2,774)	(1,439)	(3,630)

Revenue and cost of sales

Benefiting from the sustained expansion of the PRC economy, the Group's revenue experienced an approximately sevenfold year on year increase to S\$583.4 million in 3Q 2009 from S\$83.5 million in 3Q 2008. 9M 2009 revenue similarly exhibited strong growth rising 132.7% or S\$790.2 million to S\$1,385.6 million compared to S\$595.4 million in 9M 2008. In addition, the Group's 9M 2009 revenue of S\$1,385.6 million has surpassed FY 2008 total revenue of S\$1,007.2 million by S\$378.4 million.

3Q 2009 revenue grew significantly due to the considerable increase of approximately 770% in GFA delivered in 3Q 2009 as compared to 3Q 2008. Average selling price ("ASP") per square metre ("sqm") in 3Q 2009 exhibited no material change as compared to 3Q 2008. ASP per sqm in 9M 2009 grew as compared to 9M 2008. Coupled with the overall increase in GFA delivered



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to customers, revenue in 9M 2009 showed significant improvement as mentioned above. The higher ASP per sqm achieved in 9M 2009 was primarily attributable to a change in the composition of product mix, whereby a higher percentage of the high-profit-margin project Yanlord Riverside City (Phase 2 and 3) (仁恒河滨城二及三期) in Shanghai was delivered as compared to the corresponding period last year.

Increasing in tandem with the higher GFA delivered, cost of sales, which mainly included land, construction and capitalised borrowing costs, rose to S\$274.8 million in 3Q 2009 from S\$42.2 million in 3Q 2008. Similarly, cost of sales in 9M 2009 rose to S\$574.8 million from S\$292.7 million in 9M 2008. In addition to the higher delivered GFA, changes in the composition of product mix to include the higher average selling price per sqm projects also partially contributed to the higher cost of sales in 9M 2009 as compared to the respective period last year.

The Group derived substantially all its revenue from the sale of residential properties while a fraction came from the provision of property management services, rental and other ancillary services. The Group's accounting policy on revenue recognition is in line with the Financial Reporting Standard 18 - Revenue⁽¹⁾.

Other operating income

Other operating income included mainly tax and government subsidies, interest income, dividend income from an available-for-sale investment, fair value gain on a held-for-trading investment and net foreign exchange gain. Income increased by S\$3.1 million in 3Q 2009 over the respective period last year mainly due to an increase in subsidy from the PRC government. The income in 9M 2009 however declined by S\$6.0 million principally due to lower dividend income from an available-for-sale investment, net foreign exchange gain and interest income as a result of a decrease in interest rates as compared to 9M 2008.

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.



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Selling expenses

Selling expenses, which primarily included staff cost, advertising, promotion and exhibition expenses, reported an increase of S\$1.6 million in 3Q 2009 and S\$3.0 million in 9M 2009 over the respective periods last year mainly attributable to the continued increase in revenue and GFA delivered as well as the increase in sales locations, the workforce cost for marketing and intermediary agency fee.

Administrative expenses

Administrative expenses, which primarily included staff cost, utilities, travel, entertainment, legal and professional fees, other tax, rental, depreciation and office expenses, grew by S\$3.1 million in both 3Q 2009 and 9M 2009 as compared to the respective periods in 2008, primarily due to the increase in staff cost and other tax which mainly included property tax, stamp duty and business tax on interest income.

Other operating expenses

Other operating expenses declined by S\$0.8 million in 3Q 2009 and S\$3.7 million in 9M 2009 as compared with the corresponding periods in 2008. The higher other operating expenses in 9M 2008 were mainly attributable to donations in response to the Sichuan earthquake relief efforts, as well as a fair value loss on a held-for-trading investment recorded as compared to a fair value gain on the same held-for-trading investment in 9M 2009, which was included in the above as "Other operating income".

Finance cost

Finance cost, net of capitalised interest, increased by S\$8.1 million in 3Q 2009 and S\$11.5 million in 9M 2009 over the respective periods last year. In accordance with the Group's accounting policy, finance cost used to finance the development of the properties is capitalised. The increase in finance cost in 3Q 2009 was primarily due to a fund raising activity. In 3Q 2009, the Group concluded new convertible notes due 2014 and charged part of the interest – for the portion of the funds yet to be used to finance the future property development – as finance cost. Coupled with the existing interest expense incurred on the Group's completed projects and a yet to be developed project, the 9M 2009 interest expense charged to finance cost in the income statements also increased. The finance cost recorded in the income statements for a given period may not be reflective of the Group's actual level of borrowings.



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Income tax

Income tax, which took into account non-deductible expenses and temporary differences, was based on the statutory enterprise income tax rate of 25%, except for certain subsidiaries which had originally benefited from the preferential tax policies of lower tax rate, but would gradually transit to the tax rate of 25% within 5 years from 1 January 2008.

Income tax, which included statutory enterprise income tax, land appreciation tax ("LAT") and dividend withholding tax, grew by S\$145.4 million in 3Q 2009 and S\$310.2 million in 9M 2009 as compared with the corresponding periods in 2008. The increases were mainly a result of higher LAT driven by the high-profit-margin project delivered at Yanlord Riverside City (Phase 2 and 3) (仁恒河滨城二及三期) in Shanghai and higher statutory enterprise income tax driven by the improved revenue stream and profit before income tax. The Group incurred LAT of S\$103.3 million and S\$277.7 million for 3Q 2009 and 9M 2009 respectively.



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1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position as at 30 September 2009

	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets:				
Property, plant and equipment	36,499	39,078	-	-
Investment properties	341,752	347,324	-	-
Properties for development	2,263,288	2,150,667	-	-
Investments in subsidiaries	-	-	515,319	515,319
Investment in a jointly controlled entity	6,219	-	-	-
An available-for-sale investment	10,319	10,445	-	-
Intangible asset	126	128	-	-
Deferred tax assets	18,810	5,637	-	-
Total non-current assets	2,677,013	2,553,279	515,319	515,319
Current assets:				
Inventories	622	477	-	-
Completed properties for sale	370,139	506,244	-	-
Properties under development for sale	1,405,996	1,246,708	-	-
Trade receivables	2,351	1,547	-	-
Other receivables and deposits	53,767	41,923	22	-
Non-trade amounts due from:				
Subsidiaries	-	-	1,492,556	1,352,640
Jointly controlled entities	344	-	-	-
Minority shareholders of subsidiaries	245,707	83,808	-	-
Other related party	111	80	-	-
A held-for-trading investment	1,709	1,101	-	-
Pledged bank deposits	6,502	8,272	-	-
Cash and bank balances	1,847,436	375,741	442,074	380
Total current assets	3,934,684	2,265,901	1,934,652	1,353,020
Total assets	6,611,697	4,819,180	2,449,971	1,868,339



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	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<u>EQUITY AND LIABILITIES</u>				
Capital and reserves:				
Share capital	1,453,484	1,226,168	1,453,484	1,226,168
Reserves	828,636	643,157	86,234	35,093
Equity attributable to equity holders of the Company	2,282,120	1,869,325	1,539,718	1,261,261
Minority interests	813,930	461,051	-	-
Total capital and reserves	3,096,050	2,330,376	1,539,718	1,261,261
Non-current liabilities:				
Bank loans – due after one year	703,965	829,366	-	-
Convertible notes	655,242	323,562	655,242	323,562
Deferred tax liabilities	99,507	46,640	-	-
Non-trade amount due to a minority shareholder of a subsidiary	40,983	69,564	-	-
Total non-current liabilities	1,499,697	1,269,132	655,242	323,562
Current liabilities:				
Trade payables	383,227	335,511	-	-
Other payables	823,868	223,790	4,999	463
Non trade amounts due to:				
A subsidiary	-	-	247,124	271,538
Directors	2,827	7,186	2,838	7,045
A shareholder	50	4,470	50	4,470
Minority shareholders of subsidiaries	30,966	3,984	-	-
Other related party	1	1	-	-
Income tax payable	511,986	297,391	-	-
Bank loans – due within one year	263,025	347,339	-	-
Total current liabilities	2,015,950	1,219,672	255,011	283,516
Total equity and liabilities	6,611,697	4,819,180	2,449,971	1,868,339



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

	GROUP	
	As at 30.09.2009	As at 31.12.2008
	S\$'000 (Unaudited)	S\$'000 (Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	209	254,979
Unsecured	290,557	95,048
Sub-total 1	290,766	350,027
Amount repayable after one year:-		
Secured	532,996	461,537
Unsecured	860,072	760,955
Sub-total 2	1,393,068	1,222,492
Total debt	1,683,834	1,572,519

Details of any collateral

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



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1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Consolidated Statements of Cash Flows for the Period Ended 30 September 2009

	3Q 2009	3Q 2008	9M 2009	9M 2008
	S\$'000	S\$'000	S\$'000	S\$'000
OPERATING ACTIVITIES				
Profit before income tax	287,941	29,635	747,883	259,611
Adjustments for:				
Depreciation expense	1,049	1,051	3,362	2,851
Dividend income from an available-for-sale investment	(1,193)	(26)	(1,193)	(3,052)
Dividend income from a held-for-trading investment	-	-	-	(18)
Equity-settled share-based payment expense	-	-	-	1,148
Fair value loss (gain) on a held-for-trading investment	289	1,008	(647)	2,381
Finance cost	8,744	619	13,275	1,811
Goodwill written off	-	-	-	632
Interest income	(1,769)	(1,587)	(3,798)	(5,464)
Gain on acquisition of additional interest from a minority shareholder	-	-	-	(15)
Net loss (gain) on disposal of property, plant and equipment	2	3	1	(5)
Net (gain) loss on disposal of investment properties	(56)	183	(102)	105
Share of loss of a jointly controlled entity	27	-	27	-
Operating cash flows before movements in working capital	295,034	30,886	758,808	259,985



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	3Q 2009	3Q 2008	9M 2009	9M 2008
	S\$'000	S\$'000	S\$'000	S\$'000
Properties for development	(126,787)	(387,721)	(256,688)	(603,485)
Inventories	(65)	91	(145)	2,736
Completed properties for sale	119,641	(3,870)	133,320	(197,995)
Properties under development for sale	(32,200)	(340,671)	8,937	(215,941)
Trade and other receivables and deposits	(14,950)	(11,265)	(12,363)	(11,190)
Trade and other payables	256,838	296,951	642,924	284,836
Cash generated from (used in) operations	497,511	(415,599)	1,274,793	(481,054)
Interest paid	(12,166)	(34,059)	(44,755)	(66,500)
Income tax paid	(81,426)	(35,210)	(166,413)	(100,650)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	403,919	(484,868)	1,063,625	(648,204)
INVESTING ACTIVITIES				
Acquisition of a subsidiary	-	-	-	(134,742)
Investment in a jointly controlled entity	(6,245)	-	(6,245)	-
Dividend received from an available-for-sale investment	1,193	26	1,193	3,052
Dividend received from a held-for-trading investment	-	-	-	18
Interest received	1,329	1,538	2,648	5,460
Decrease (increase) in pledged bank deposits	81,614	791	1,770	(2,841)
Proceeds on disposal of property, plant and equipment	8	9	170	58
Proceeds on disposal of investment properties	701	239	1,539	829
Purchase of property, plant and equipment	(267)	(2,630)	(1,578)	(8,577)
Advance to jointly controlled entities	(344)	-	(344)	-



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	3Q 2009	3Q 2008	9M 2009	9M 2008
	S\$'000	S\$'000	S\$'000	S\$'000
(Advance to) repayment from minority shareholders of subsidiaries	(73,467)	28,881	(161,035)	4,154
Repayment from (advance to) other related party	-	40	(38)	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES	4,522	28,894	(161,920)	(132,589)
FINANCING ACTIVITIES				
Dividend paid	-	-	(22,525)	(22,092)
Dividends paid to minority shareholders of subsidiaries	(7,852)	(95,939)	(7,852)	(95,939)
Net (expenses) proceeds on issue of new shares	(345)	-	225,724	-
Net proceeds on issue of new shares under Pre-IPO Share Option Scheme	1,141	5,078	1,141	5,078
Net proceeds on issue of convertible notes	369,515	-	369,515	-
Proceeds from bank loans	76,386	139,590	468,803	553,010
Repayment of bank loans	(229,023)	(46,176)	(665,247)	(117,728)
(Repayment to) advance from directors	(338)	934	(4,359)	(2,292)
Advance from (repayment to) a shareholder	25	32,740	(4,420)	49,095
(Repayment to) advance from minority shareholders of subsidiaries	(1,926)	32,025	(1,809)	32,463
Repayment to other related parties	-	-	-	(17)
Cash injection from (withdrawal by) minority shareholders of subsidiaries	-	11,210	279,919	(298)
Return of minority shareholder's share of reserves	(10,083)	-	(10,083)	-
NET CASH FROM FINANCING ACTIVITIES	197,500	79,462	628,807	401,280



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	3Q 2009	3Q 2008	9M 2009	9M 2008
	S\$'000	S\$'000	S\$'000	S\$'000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	605,941	(376,512)	1,530,512	(379,513)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,274,600	674,706	375,741	702,857
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(33,105)	191,406	(58,817)	166,256
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,847,436	489,600	1,847,436	489,600



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1(d) A statement of comprehensive income (for the issuer and Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Group Statements of Comprehensive Income for the Period Ended 30 September 2009

	3Q 2009	3Q 2008	9M 2009	9M 2008
	S\$'000	S\$'000	S\$'000	S\$'000
Profit for the period	131,118	18,213	307,903	129,831
Other comprehensive (expense) income:				
Currency translation difference	(83,111)	148,498	(68,427)	141,916
Other comprehensive (expense) income for the period	(83,111)	148,498	(68,427)	141,916
Total comprehensive income for the period	48,007	166,711	239,476	271,747
Total comprehensive income attributable to:				
Equity holders of the Company	28,839	130,205	157,460	201,785
Minority interests	19,168	36,506	82,016	69,962
	48,007	166,711	239,476	271,747



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Unaudited Company Statements of Comprehensive Income for the Period Ended 30 September 2009

	3Q 2009	3Q 2008	9M 2009	9M 2008
	S\$'000	S\$'000	S\$'000	S\$'000
(Loss) profit for the period	(36,955)	(27,444)	14,243	72,896
Other comprehensive income for the period	-	-	-	-
Total comprehensive (expense) income for the period	(36,955)	(27,444)	14,243	72,896
Total comprehensive (expense) income attributable to:				
Equity holders of the Company	(36,955)	(27,444)	14,243	72,896
Minority interests	-	-	-	-
	(36,955)	(27,444)	14,243	72,896



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1(e)(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 2009

	Share capital	Currency translation reserves	Equity reserves	Statutory reserves	Merger deficits	Other reserves	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 2009	1,226,168	83,675	49,859	69,178	(386,571)	(48,628)	875,644	1,869,325	461,051	2,330,376
Total comprehensive income for the period	-	119,320	-	-	-	-	24,267	143,587	53,543	197,130
Change of interest in a subsidiary	-	-	-	-	-	(8,879)	-	(8,879)	8,879	-
Capital injection by a minority shareholder	-	-	-	-	-	-	-	-	173,503	173,503
Balance at 31 March 2009	1,226,168	202,995	49,859	69,178	(386,571)	(57,507)	899,911	2,004,033	696,976	2,701,009
Total comprehensive (expense) income for the period	-	(106,537)	-	-	-	-	91,571	(14,966)	9,305	(5,661)
Issuance of shares pursuant to concurrent offering exercise, net of expenses	226,069	-	-	-	-	-	-	226,069	-	226,069
Capital injection by a minority shareholder	-	-	-	-	-	-	-	-	106,416	106,416
Dividends	-	-	-	-	-	-	(22,525)	(22,525)	-	(22,525)
Appropriations	-	-	-	26,011	-	-	(26,011)	-	-	-
Balance at 30 June 2009	1,452,237	96,458	49,859	95,189	(386,571)	(57,507)	942,946	2,192,611	812,697	3,005,308



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	Share capital	Currency translation reserves	Equity reserves	Statutory reserves	Merger deficits	Other reserves	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
Total comprehensive (expense) income for the period	-	(62,286)	-	-	-	-	91,125	28,839	19,168	48,007
Expenses incurred for issuance of shares pursuant to concurrent offering exercise	(345)	-	-	-	-	-	-	(345)	-	(345)
Issuance of shares under Pre-IPO Share Option Scheme	1,592	-	(451)	-	-	-	-	1,141	-	1,141
Recognition of equity component of convertible notes, net of expenses	-	-	59,874	-	-	-	-	59,874	-	59,874
Return of a minority shareholder's share of reserves	-	-	-	-	-	-	-	-	(10,083)	(10,083)
Dividends declared to a minority shareholder	-	-	-	-	-	-	-	-	(7,852)	(7,852)
Appropriations	-	-	-	(282)	-	-	282	-	-	-
Balance at 30 September 2009	1,453,484	34,172	109,282	94,907	(386,571)	(57,507)	1,034,353	2,282,120	813,930	3,096,050



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

	Share capital	Currency translation reserves	Equity reserves	Statutory reserves	Merger deficits	Other reserves	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
Total comprehensive (expense) income 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)
Return of a minority shareholder's share of reserves	-	-	-	-	-	-	-	-	(14,298)	(14,298)
Capital injection by minority shareholders	-	-	-	-	-	-	-	-	2,790	2,790
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
Total comprehensive 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



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	Share capital	Currency translation reserves	Equity reserves	Statutory reserves	Merger deficits	Other reserves	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
Total comprehensive income for the period	-	121,401	-	-	-	-	8,804	130,205	36,506	166,711
Issuance 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 declared 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



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Unaudited Company Statements of Changes in Equity for the Nine Months Ended 30 September 2009

	Share capital S\$'000	Equity reserves S\$'000	Accumulated (losses) profits S\$'000	Total S\$'000
Balance at 1 January 2009	1,226,168	49,859	(14,766)	1,261,261
Total comprehensive income for the period	-	-	41,018	41,018
Balance at 31 March 2009	1,226,168	49,859	26,252	1,302,279
Total comprehensive income for the period	-	-	10,180	10,180
Issuance of shares pursuant to concurrent offering exercise, net of expenses	226,069	-	-	226,069
Dividends	-	-	(22,525)	(22,525)
Balance at 30 June 2009	1,452,237	49,859	13,907	1,516,003
Total comprehensive expense for the period	-	-	(36,955)	(36,955)
Expenses incurred for issuance of shares pursuant to concurrent offering exercise	(345)	-	-	(345)
Issuance of shares under Pre-IPO Share Option Scheme	1,592	(451)	-	1,141
Recognition of equity component of convertible notes, net of expenses	-	59,874	-	59,874
Balance at 30 September 2009	1,453,484	109,282	(23,048)	1,539,718



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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
Total comprehensive expense 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
Total comprehensive 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
Total comprehensive expense for the period			(27,444)	(27,444)
Issuance 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



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1(e)(ii) Details of any changes in the Company's share capital arising from rights 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 2009, the issued and fully paid-up share capital of the Company, net of expenses, was S\$1,453.5 million (30 June 2009: S\$1,452.2 million). Movements in the Company's issued ordinary shares during the financial period were as follows:

	Number of ordinary shares	
	'000	S\$'000
As at 31 December 2008	1,831,334	1,226,168
As at 1 July 2009	1,941,334	1,452,237
Issuance of shares under Pre-IPO Share Option Scheme	1,240	1,592
Expenses incurred for issuance of shares pursuant to concurrent offering exercise	-	(345)
As at 30 September 2009	1,942,574	1,453,484

The Company did not hold any treasury shares as at 30 September 2009 and 31 December 2008.



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Share Options

The options to take up the unissued ordinary shares in the capital of the Company under the Company's Pre-IPO Share Option Scheme as at 30 September 2009 were as follows:

Date of grant of options	Exercise price per share (S\$)	No. of option shares outstanding as at 01.07.2009	No. of option shares lapsed	No. of option shares exercised	No. of option shares outstanding as at 30.09.2009
21.06.2006	0.92	7,402,000	Nil	1,240,000	6,162,000

Convertible Notes Due 2012

The Company had in February 2007 issued S\$477.3 million convertible notes due in 2012 ("Notes 2012" and each, a "Note 2012") at a conversion price of S\$2.7531 per share. With effect from 1 June 2007, the conversion price has been adjusted from S\$2.7531 per share to S\$2.71 per share and with effect from 5 June 2009, from S\$2.71 per share to S\$2.65 per share.

As of 30 September 2009, S\$338.3 million Notes 2012 remained outstanding for conversion into ordinary shares. No Note 2012 has been converted into ordinary shares during the current financial period.

Based on the conversion price of S\$2.65 (30 September 2008: S\$2.71) per share and assuming the Notes 2012 are fully converted, the number of new ordinary shares to be issued would be approximately 127,641,509 shares as at 30 September 2009 (30 September 2008: 124,815,535 shares).

Convertible Notes Due 2014

The Company had in July 2009 issued S\$375.0 million convertible notes due in 2014 ("Notes 2014" and each, a "Note 2014") at a conversion price of S\$2.6208 per share.

As of 30 September 2009, S\$375.0 million Notes 2014 remained outstanding for conversion into ordinary shares. No Note 2014 has been converted into ordinary shares during the current financial period.

Based on the conversion price of S\$2.6208 per share and assuming the Notes 2014 are fully converted, the number of new ordinary shares to be issued would be approximately 143,086,080 shares as at 30 September 2009.



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1(e)(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(e)(ii).

1(e)(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 2009 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.

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 2008, except as disclosed in Note 5 below.



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

In the current financial period, the Group has adopted the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual financial period beginning on or after 1 January 2009. The adoption of these new and revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current financial period and the corresponding period in 2008.

Set out below are the new and revised FRSs that are relevant to the Group and the Company:

FRS 1 – Presentation of Financial Statements (Revised)

FRS 108 – Operating Segments

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 2009 (Unaudited)	3Q 2008 (Unaudited)	9M 2009 (Unaudited)	9M 2008 (Unaudited)
EPS based on Group net profit attributable to shareholders:				
(i) On the weighted average number of shares (S\$)	4.69 cents	0.48 cents	11.06 cents	4.67 cents
- Weighted average number of shares ('000)	1,941,773	1,828,995	1,870,567	1,826,883
(ii) On a fully diluted basis (S\$)	4.43 cents	0.48 cents	10.45 cents	4.45 cents
- Adjusted weighted average number of shares ('000)	2,073,753	1,833,338	2,000,000	1,958,463



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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	
	30.09.2009 (Unaudited)	31.12.2008 (Unaudited)	30.09.2009 (Unaudited)	31.12.2008 (Unaudited)
Net asset value per share based on issued share capital at the end of the period/year (S\$)	1.17	1.02	0.79	0.69

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**

3Q 2009 vs. 3Q 2008

Underpinned by the substantial increase in GFA delivered in 3Q 2009 - approximately 770% up as compared with 3Q 2008, revenue of the Group in 3Q 2009 grew approximately seven times over the corresponding period last year and recorded a high of S\$583.4 million. The major contributor to the revenue growth was the high-profit-margin project at Yanlord Riverside City (Phase 2 and 3) (仁恒河滨城二及三期) in Shanghai, which accounted for 58.2% of the Group's gross revenue derived from the sales of properties in 3Q 2009. Other contributors included the inaugural delivery of Yanlord New City Gardens (Phase 2 – Section 1) (仁恒星园二期一段) in Zhuhai and continued delivery of Yanlord Peninsula (Townhouse) (星岛仁恒) in Suzhou, accounted for 16.0% and 12.5% respectively of the Group's gross revenue in 3Q 2009.

Gross profit grew at the same rapid pace to S\$308.6 million in 3Q 2009, representing an increase of more than seven times that of 3Q 2008 and was mainly driven by the improved GFA of properties delivered in particular from the high-profit-margin project at Yanlord Riverside City (Phase 2 and 3) (仁恒河滨城二及三期) in Shanghai. Gross profit margin grew by 3.4 percentage points to 52.9% in 3Q 2009 over 49.5% in 3Q 2008.



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As such, profit before income tax reported a considerable growth of 871.6% to S\$287.9 million in 3Q 2009 from S\$29.6 million in 3Q 2008, while the profit before income tax margin grew 13.9 percentage points at 49.4% in 3Q 2009 as compared to 35.5% in 3Q 2008. Profit for the period also grew significantly to S\$131.1 million in 3Q 2009, representing a substantial 619.9% or S\$112.9 million increase. The profit for the period margin saw a relatively flat growth rate of 0.7 percentage points over the corresponding period last year, with 22.5% in 3Q 2009 over 21.8% in 3Q 2008, in line with the growth pace of gross profit margin.

9M 2009 vs. 9M 2008

Riding on the commendable performance in 3Q 2009, revenue grew by 132.7% or S\$790.2 million to S\$1,385.6 million in 9M 2009 over the respective period last year. The increase in revenue was mainly driven by a rise in GFA delivered and higher ASP per sqm achieved as a result of the change in product mix composition – a higher percentage of the higher-profit-margin property, namely Yanlord Riverside City (Phase 2 and 3) (仁恒河滨城二及三期) in Shanghai, delivered in 9M 2009 as compared with 9M 2008. This project together with Yanlord New City Gardens (Phase 2 – Section 1) (仁恒星园二期一段) in Zhuhai, Yanlord Peninsula (Townhouse) (星岛仁恒) and Yanlord Peninsula (Apartment) (星屿仁恒) in Suzhou contributed substantially to the revenue stream in 9M 2009, each representing 70.0%, 6.8%, 6.2% and 5.4% respectively to the Group's gross revenue from the sales of property units in 9M 2009.

In tandem with the strong revenue growth, gross profit reached S\$810.8 million in 9M 2009 as compared with S\$302.7 million in 9M 2008, representing a growth rate of 167.8%. Gross profit margin reported an increase of 7.7 percentage points over 9M 2008 to 58.5% in 9M 2009, primarily due to the increase in percentage of GFA delivered in Yanlord Riverside City (Phase 2 and 3) (仁恒河滨城二及三期) in Shanghai out of the total GFA delivered in 9M 2009 as compared to 9M 2008.

In 9M 2009, profit before income tax was higher at S\$747.9 million with the profit before income tax margin at 54.0%, representing a 188.1% increase in amount and a 10.4 percentage points increase in margin over the corresponding period last year. Profit for the period also increased by 137.2% to S\$307.9 million in 9M 2009 from S\$129.8 million in 9M 2008, but at a lower growth rate when compared to the growth on profit before income tax mainly due to the higher LAT driven by the high-profit-margin at Yanlord Riverside City (Phase 2 and 3) (仁恒河滨城二及三期) in Shanghai and the higher enterprise income tax driven by the improved revenue in 9M 2009. The Group's profit for the period margin remained the same at about 22% in both 9M 2009 and 9M 2008.



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

STATEMENTS OF FINANCIAL POSITION

Convertible notes

Convertible notes increased to S\$655.2 million as at 30 September 2009 from S\$323.6 million as at 31 December 2008 mainly attributable to the issue of new convertible notes due 2014 in July 2009. The difference between the nominal value of convertible notes of S\$713.3 million (as mentioned in Note 1(e)(ii) of S\$338.3 million for Notes 2012 and S\$375.0 million for Notes 2014) and the book value of S\$655.2 million (as recorded herein) was mainly attributable to the fair value of conversion options (recorded as "Reserves" in the statements of financial position in accordance with the relevant accounting standards) and the cumulative interest charged.

Cash and bank balances

Cash and bank balances as at 30 September 2009 increased by about five times to S\$1,847.4 million from S\$375.7 million as at 31 December 2008 mainly due to the increase in net cash of S\$1,063.6 million from operating activities, net proceeds of S\$595.2 million from issue of new shares in June 2009 and convertible notes due 2014 in July 2009.

Other payables

Consequent to the increase in the receipt of pre-sales proceeds from customers, other payables, included primarily advances received from customers rose to S\$823.9 million as at 30 September 2009 from S\$ 223.8 million as at 31 December 2008.

STATEMENTS OF CASH FLOWS

Net cash from/used in operating activities

The Group improved its cash position in operating activities, where net cash from operating activities of S\$403.9 million in 3Q 2009 and S\$1,063.6 million in 9M 2009 was recorded as compared to the usage of net cash of S\$484.9 million in 3Q 2008 and S\$648.2 million in 9M 2008. The surplus in cash from operations was mainly driven by the increase in operating profits as a result of sound revenue streams and the increase in pre-sales proceeds received from the customers which were included in "Trade and other payables" in the statements of cash flows.



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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

Underscored by the sustained expansion of the PRC economy, China's GDP expanded 8.9% year on year in 3Q 2009, cumulative residential property investment value for 9M 2009 grew 15.4% year on year to RMB2.1 trillion based on statistics released by the PRC National Bureau of Statistics. This continued increase in real estate investment was due to the pent-up demand for residential housing and was driven by the key initiatives promulgated by the PRC Central Government as part of its RMB4.0 trillion economic stimulus package to mitigate the effects of slower economic growth in the PRC and support the housing sector which has been viewed as a key pillar to the country's economic development.

The Group believes that while the global economy has exhibited preliminary signs of recovery, uncertainty over the rate of recovery may continue to place pressures on market demand. Despite this, the Group remains confident about the long term potential of the PRC real estate sector as the continued introduction of comprehensive economic policies by the PRC authorities will serve to encourage the sustained development of the PRC economy and bodes well for the development of its real estate sector.

COMPANY OUTLOOK

As of 30 September 2009, the Group has received advances for pre-sold properties – recorded as "Other payables" in the statement of financial position – amounting to approximately S\$778.3 million. Based on existing sales contracts of these pre-sold units, the total pre-contracted sales amounting to S\$987.5 million as of 30 September 2009 will be progressively recognised as revenue in the subsequent quarters.



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Capitalising on the progressive recovery of the PRC real estate industry, the Group shall continue to launch new batches of its projects in 4Q 2009, namely, Yanlord Riverside City (Phase 3) (仁恒河滨城三期), Yunjie Riverside Gardens (Phase 2) (运杰河滨花园二期) in Shanghai and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai.

The Group continues to actively pursue opportunities to expand its land bank. In September 2009, the Group announced its strategic acquisition of four prime residential development sites with a total planned GFA of approximately 162,074 sqm in Waigaoqiao District, Pudong, Shanghai for RMB2.6 billion through a public land auction.

With an enlarged land bank of approximately 320,000 sqm in the Waigaoqiao district, the Group will leverage on the greater scalability to develop a large-scale international community within the area that will tap on Waigaoqiao's buoyant economic development to contribute positively to the Group's future performance.

In October 2009, the Group announced that it has signed a memorandum of understanding with the Tangshan Nanhu Eco-city Administrative Committee (唐山市南湖生态城市管理委员会) to explore joint investment and development of high-end residential development within the 91 square kilometres Nanhu Eco-city (唐山市南湖生态城) in Tangshan, Hebei. This latest agreement will serve to further enhance the Group's penetration into the emerging Bohai Economic Region.

In 4Q 2009, the Group has slated to commence construction works on a number of key projects, namely Shanghai New Jiangwan Urban Area Land (仁恒怡庭) in Shanghai, Yanlord Yangtze Riverbay Town (Phase 2) (仁恒江湾城二期) in Nanjing and Yanlord Lakeview Bay (Phase 1) (仁恒双湖湾一期) in Suzhou, Tianjin Haihe Land (Phase 1) (天津海河地块 - 仁恒滨河水岸一期) in Tianjin and Yanlord Marina Centre (仁恒滨海中心) in Zhuhai, PRC. Sited in prime locations, the Group believes that these projects, as with other Yanlord developments, will contribute significantly to the future performance of the Group.

Outlook

Despite operating in a challenging market environment, the Group will continue to maintain its strong cash position and prudent financial policy to ensure the sustainable development of the Group. Led by an experienced and dedicated management team with extensive industry knowledge of the PRC real-estate sector, we will continue to focus on our business strategies and comparative advantages in the development of quality residential apartments in prime locations within high growth PRC cities to ensure the sustainable growth of our core business segments.



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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.

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 2009 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
10 November 2009