英利国际置业
YING LI INTERNATIONAL
REAL ESTATE

YING LI INTERNATIONAL REAL ESTATE LIMITED
Company Registration Number : 199106356W

CLARIFICATION ON 2Q2009 RESULTS ANNOUNCEMENT

The Board of Directors of Ying Li International Real Estate Ltd. (the "Company") wishes to provide our response to the following queries raised by Singapore Exchange Securities Trading Limited:

Question

We note from the income statement that the Company has generated revenues amounting to RMB34,443,000 for 2nd quarter 2009. The Company recorded RMB58,360,000 of trade and other receivables as at 30 June 2009, a 141% increased from RMB24,151,000 as at 31 December 2008. Noting that the amount of outstanding receivables is significantly higher than the revenue generated:-

i) Please explain the substantial increase in trade and other receivables.
ii) Whether the Company is facing any problems with the collection of the outstanding receivables.
iii) Please provide the aging of the receivables.

Company's Response

As per our 2Q2009 results announcement dated 13 Aug 09, the breakdown of our trade and other receivables is as follows:

	30 Jun 2009 RMB ('000)	31 Dec 2008 RMB ('000)	Variance RMB ('000)
Trade receivables	7,427	8,651	(1,224)
Other receivables			
- Deposits	1,258	1,766	(508)
- Prepayments	2,395	114	2,281
- GST receivables	551	782	(231)
- Advances to sub-contractors & management agents	44,937	9,469	35,468
- Advances to staff	1,548	1,124	424
- Distribution of net capital from Showy (Shanghai) Impex Ltd	-	1,288	(1,288)
- Others	244	957	(713)
Total	58,360	24,151	34,209

i) As can be seen from the breakdown provided, the increase in our total trade and other receivables relates mainly to the advance payment for construction materials required for our International Financial Centre (IFC) development, a 66 storey prime A office and commercial building in the heart of Chongqing's financial district.

ii) As can be seen from the breakdown provided, trade and other receivables, except for pre-payments fell. Thus the Company is not facing any problem with the collection of outstanding receivables.

iii) Aging of trade receivables are as follows:

	30 Jun 2009 RMB ('000)	31 Dec 2008 RMB ('000)
Less than 3 months	385	981
3 to 6 months	-	305
More than 6 months	7,042	7,365
	7,427	8,651

Subsequent to 30 June 2009, an amount of RMB690,500 (9.3%) has been collected.

By order of the Board

Xie Xin
Director
19 August 2009