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YING LI INTERNATIONAL REAL ESTATE LIMITED

(Company Registration No. 199106356W)
(the "**Company**")

ISSUE OF CONVERTIBLE BONDS – APPROVAL IN-PRINCIPLE FOR LISTING AND QUOTATION OF CONVERTIBLE BONDS AND CONVERSION SHARES

The Board of Directors of the Company (the "**Board**") refers to:

- (a) the announcement dated 22 January 2010 in relation to the proposed issue of S\$200 million in aggregate principal amount of 4.00% convertible bonds due 2015, and an additional S\$75 million in aggregate principal amount of 4.00% convertible bonds due 2015 pursuant to the exercise of an upside option granted by the Company to the Lead Manager; and
- (b) the announcement dated 22 January 2010 in relation to the financial effects of the proposed issue of the Convertible Bonds on the Group

(collectively, the "**Announcements**").

All capitalized terms and expressions used in this announcement shall, unless otherwise defined herein, bear the same meanings as ascribed to them in the Announcements.

Further to the Announcements, the Board wishes to announce that the Company has obtained approval in-principle (the "**AIP**") on 5 February 2010 for the listing and quotation of the Convertible Bonds and the Conversion Shares on the Main Board of the SGX-ST. The AIP is subject to:

- (a) compliance with the SGX-ST's listing requirements;
- (b) specific Shareholders' approval for the proposed issue of the Convertible Bonds and the issue of the Conversion Shares pursuant to the conversion;

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- (c) submission of a confirmation from the Company and the Lead Manager that the Convertible Bonds to be allotted and issued will not be placed to any of the persons set out in Rules 812 of the Listing Manual;
- (d) announcement of the conditions under which the price of the Conversion Shares may be adjusted and the conditions under which the Bonds may be redeemed;
- (e) submission of an undertaking from the Company to make periodic announcements as and when proceeds from the Convertible Bonds issue are materially deployed, and to provide a status report on the use of the proceeds in the Company's annual report;
- (f) submission of a confirmation from the Company that it will comply with Rule 830 of the Listing Manual to announce any adjustment of the terms of the Convertible Bonds made pursuant to Rule 829(1) of the Listing Manual;
- (g) submission of a confirmation that the Company will comply with Rule 829(2) of the Listing Manual which requires the announcement of the expiry of company warrants or other convertible securities and notice of expiry to be sent to all holders of the company warrants or other convertible securities at least one (1) month before the expiration date;
- (h) submission of a confirmation that the Company will comply with Rule 829(3) of the Listing Manual which requires the Company to obtain shareholder approval for any material alteration to the terms of company warrants or other convertible securities after issue to the advantage of the holders of such securities, except where the alterations are made pursuant to the terms of the issue;
- (i) submission of an undertaking from the Company to make announcements via SGXNET on the details of the conversion of the Convertible Bonds (including the Conversion Price and its basis) whenever the right to convert the Convertible Bonds into shares of the Company is exercised;
- (j) submission of an undertaking from the Company that the Convertible Bonds will be offered only to persons specified in Sections 274 and 275 of the Securities and Futures Act in Singapore (or such equivalent terms in the relevant jurisdiction where the Convertible Bonds are offered);
- (k) submission of an undertaking from the Company that the Convertible Bonds will be traded in a minimum board lot size of not less than \$200,000, or its equivalent in foreign currencies, for so long as the Convertible Bonds are listed on the SGX-ST;
- (l) submission of a written confirmation that the offering circular contains all the information that investors would customarily expect to see in the offering circulars or introductory documents for similar debt issues;
- (m) submission of a duly signed undertaking in the format set out in Appendix 2.3.1 of the Listing Manual;
- (n) submission of a copy of the signed Subscription Agreement, agent bank agreement, and fiscal and agency agreement; and
- (o) confirmation from the Company that the requirements in Rule 316 and Part VI of Chapter 7 of the Listing Manual will be complied with.

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Please note that the AIP is not to be taken as an indication of the merits of the Convertible Bonds, the Conversion Shares and the Company.

By Order of the Board
Ying Li International Real Estate Limited

Xie Xin
Director

5 February 2010

J.P. Morgan (S.E.A.) Limited is the financial adviser to the Company in relation to the reverse takeover of the Group. This announcement has been prepared and released by the Group.