



YING LI INTERNATIONAL REAL ESTATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199106356W)
(the “Company”)

USE OF PROCEEDS FROM THE CONVERTIBLE BOND OFFERING AND INCREASE IN INVESTMENT IN SUBSIDIARY

*Unless otherwise defined, all the terms used or referred to in this announcement have the meanings assigned to them in the announcement posted by the Company on 22 January 2010 in relation to the offering of the Convertible Bonds (the “**Convertible Bonds Announcement**”) and the announcement posted by the Company on 5 April 2010 in relation to the use of proceeds from the Placement for the acquisition of the Da Ping Project Landbank (the “**Placement Proceeds Announcement**”).*

1. Use of proceeds from the Offering

Further to the Convertible Bonds Announcement, the Board of Directors of the Company is pleased to announce that to-date, the Company has utilised an aggregate of S\$16.9 million constituting 8.81% of the net proceeds of S\$191.82 million raised from the Offering (the “**Bond Proceeds**”), in respect of the following:

- (a) the repayment to Mr. Fang Ming of a sum of S\$4.58 million (2.39% of the Bond Proceeds), constituting part of an unsecured interest-bearing loan extended by Mr. Fang Ming to the Company; and
- (b) an aggregate capital injection of S\$12.32 million (6.42% of the Bond Proceeds) into Chongqing Yingli Qipaifang Real Estate Development Co., Ltd (“**Qipaifang**”), a wholly-owned subsidiary of the Company held via Luckzone International Limited (“**Luckzone**”, and the capital injection, the “**S\$12.32 million Qipaifang Capital Injection**”).

The utilisation is in accordance with the intended use of proceeds of the Offering as stated in the Convertible Bonds Announcement. The Company will continue to make periodic announcements on the utilisation of the proceeds from the Offering as and when such proceeds are materially disbursed.

2. Increase in investment in subsidiary

Further to the Placement Proceeds Announcement and the S\$12.32 million Qipaifang Capital Injection, the Board of Directors of the Company also wishes to announce that the Company has increased its investment in the capital of Qipaifang (via Luckzone) by way of capital injection of an aggregate of S\$42 million (the “**Additional Investment**”).

Pursuant to the Additional Investment, the share capital of Qipaifang will increase from S\$138 million to S\$180 million. The Additional Investment is for payment of the outstanding consideration and the lease tax in respect of the acquisition of the Da Ping Project Landbank.

The Additional Investment is funded by the Bond Proceeds, the proceeds from the Placement¹ and internal resources. The Additional Investment is not expected to have any material impact on the earnings per share and the net tangible assets per share of the Company for the financial year ending 31 December 2010.

3. Interests of Directors and substantial shareholders of the Company

None of the Directors and substantial shareholders of the Company have any interest in the above transactions, save for their interests arising by way of their directorships and/or shareholdings (as the case may be) in the Company.

By Order of the Board

Ying Li International Real Estate Limited

Xie Xin
Director
11th June 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.

¹ As disclosed in the Placement Proceeds Announcement, the Company has utilised the net proceeds of S\$28.7 million raised from the Placement, as part of the final payment by Qipaifang (via Luckzone) for the acquisition of the Da Ping Project Landbank. The aforementioned sum was subsequently capitalized by Luckzone, resulting in an increase in its investment in Qipaifang.