



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

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**RESPONSE TO SGX QUERIES ON ANNOUNCEMENT OF QUARTERLY RESULTS FOR THE QUARTER AND  
THE FULL YEAR RESULTS ENDED 31 DECEMBER 2012**

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The Board of Directors of Ying Li International Real Estate Limited (the “**Company**”) is pleased to announce its response to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX”) in connection with the announcement made by the Company on 26 Feb 2013 with regards to the 4<sup>th</sup> Quarter and Full Year Results ended 31 December 2012.

Query (a)

We note that the Company’s Trade and other payables fell by 34.1% to RMB 437.9 million in FY2012. On page 12 of your Announcement, you disclosed that “The Group’s total liabilities increased by RMB1,089.4 million to RMB 4,147.2 million...The increase in liabilities was mainly due to...(iii) increase in trade and other payables and provisions for taxation...”. Please reconcile the above statement with the Company’s statement of financial position and explain the decline in the Company’s Trade and other payables.

Response to Query (a)

On page 12 of the Announcement, the statement should read as follows: “The increase in liabilities was mainly due to...(iii) increase in ~~trade and other payables~~ Deferred income and provisions for taxation. Included in ~~trade and other payables~~ Deferred Income and provisions for taxation are the advance payments received from the pre-sales of residential units at Ying Li International Plaza and provisions for Land Appreciation Tax (“LAT”) for IFC office unit sales”.

The decline in the Company’s Trade and other payables are mainly due to the pay down of the outstanding land premium for Wuyi road land parcel amounting to RMB102.2 million, payment for accrued construction cost for Ying Li International Financial Centre amounting to RMB184.5 million; and off-set by additional accrual of construction cost for Ying Li International Plaza amounting to RMB86.4 million.

Query (b)

We note that the Company recorded a Deferred income of RMB614.8 million in FY2012. Please provide a breakdown and details of this Deferred income.

Response to Query (b)

The full amount of this Deferred income relates to payments received in advance from the pre-sales of Ying Li International Plaza's. Revenue received from the pre-sales will only be recognized upon the delivery of the units in subsequent years. As such, the proceeds collected was classified as a Deferred income on the Balance Sheet as at 31 December 2012.

Query (c)

We note your disclosure on page 11 of the Announcement that "The lower administrative expenses was mainly due to an absence of fines paid to authorities in 2011 amounting to RMB 2.4 million...". As the Company had not disclosed such fines in FY2011, please provide further information on why the Company had to pay such a significant fine to the authorities and the nature of the breaches which resulted in the fines. Please provide disclosure and details on whether there are outstanding amounts for similar breaches which have yet to be provided or paid.

Response to Query (c)

The fine was related to a delay in San Ya Wan Phase 2 development. After we have completed San Ya Wan Phase 1 and 1A development, the development work at San Ya Wan Phase 2 was delayed pending the reclassification of the land use rights from industrial application to residential and commercial application. We were fined RMB2.4 million for the delay. We have since started San Ya Wan Phase 2 development work in 1Q2013.

There are no outstanding amounts for similar breaches which have yet to be provided or paid.

**Ying Li International Real Estate Limited**

Fang Ming  
Chairman and CEO  
28 Feb 2013