英利国际置业
YING LI INTERNATIONAL
REAL ESTATE

YING LI INTERNATIONAL REAL ESTATE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199106356W)

GRANT OF EXTENSION OF TIME TO ANNOUNCE UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019

1. GRANT OF EXTENSION OF TIME

1.1 The Board of Directors (the "**Board**") of Ying Li International Real Estate Limited (the "**Company**") refers to the announcement released on 13 August 2019 in relation to the application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on the same date for a waiver from Rule 705(2) of the Listing Manual of the SGX-ST and for the grant of an extension of time ("**Extension Application**") for the Company to announce its unaudited financial statements for the second quarter ended 30 June 2019 ("**2Q2019**") of the financial year ending 31 December 2019 from the current deadline of 14 August 2019 to 11 September 2019.

1.2 Since the Extension Application, the Company had further consulted the SGX-ST and requested for a further extension of the deadline to 14 November 2019 ("**Extended Waiver**").

1.3 The Board is pleased to announce that the SGX-ST had on 11 September 2019 informed the Company that the SGX-ST has no objection to the Extension Application and the Extended Waiver subject to the following:

(a) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107 of the SGX-ST Listing Manual and if the waiver conditions have been satisfied. If the waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and

(b) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

1.4 The Company had provided the above written confirmation required under paragraph 1.3(b) to the SGX-ST during the Extension Application.

2. REASONS FOR SEEKING THE EXTENSION

2.1 Following the close of the mandatory unconditional cash offer by State Alpha Limited for all the issued and paid-up ordinary shares in the capital of the Company, there have been changes in the management team of the Company and its subsidiaries (collectively, the "**Group**"). The key

changes include: (a) the resignation of the Executive Chairman of the Company and Group Chief Executive Officer who was responsible for the overall management of the Group; and (b) the resignation of the Group Chief Financial Officer who oversaw the Group's financial functions, including financial and cash flow management, corporate finance, tax planning, as well as other finance-related matters.

2.2 In view of the changes, a new finance team (the "**New Finance Team**") has been put into place to take over the financial and accounting functions of the Group. As the revenue of the Group is mainly derived from its projects in the People's Republic of China (the "**PRC**"), involving the development, sale, rental, management and long-term ownership of high quality commercial, residential and bespoke properties in the prime locations of Chongqing (the "**Projects**"), the New Finance Team had to physically take over the files and documents relating to the Group's Projects.

2.3 Given the voluminous documents to be taken over, the New Finance Team was faced with challenges in completing this task, familiarising themselves with the processes of the Group and verifying the said information which would form part of and be included in the 2Q2019 results announcement. The work was made more challenging because some of the staff from the finance and operation departments in the PRC had left and the New Finance Team had to spend time to locate the physical files and documentation. While this work has been substantially completed by the New Finance Team, the New Finance Team needed additional time to check and ensure the veracity of the financial information to be included in the 2Q2019 results announcement.

2.4 During the verifications conducted by the New Finance Team, certain potential issues in respect of the historical financial statements of the Company have been highlighted ("**Potential Discrepancies**"). In view of the Potential Discrepancies, the Company is currently working with an internationally recognised and reputable accounting firm to conduct an independent and robust check and special standalone review of the Potential Discrepancies relating to the Company's PRC subsidiaries to advise the Board on the suitable accounting treatment of such Potential Discrepancies ("**Independent Review**").

2.5 The Company has also appointed Singapore and Chinese legal counsels to advise the Board on possible legal implications arising out of the Potential Discrepancies.

3. ESTIMATED RELEASE OF UNAUDITED 2Q2019 FINANCIAL STATEMENTS

Based on the assumption that the Independent Review would be completed in accordance with its schedule, the Company estimates that it will be in a position to announce its unaudited financial statements for both 2Q2019 and the unaudited financial statements for the third quarter ending 30 September 2019 ("**3Q2019**") by 14 November 2019.

4. POTENTIAL DECREASE IN THE GROUP'S NTA

4.1 Based on the preliminary findings of the New Finance Team as at the date of this Announcement and the estimates prepared by the Company based on such preliminary findings, the Potential Discrepancies could potentially result in a decrease of up to approximately 30% of the consolidated net tangible assets ("**NTA**") of the Group based on its audited consolidated NTA for the financial year ended 31 December 2018.

4.2 In this regard, the Company wishes to assure shareholders that even if the NTA of the Group is decreased in the manner described above as a result of the Potential Discrepancies, the Company will be able to continue to operate as a going concern.

5. REQUEST FOR LIFTING OF TRADING HALT

Trading in the shares of the Company on the SGX-ST was halted with effect from 11 September 2019 at the request of the Company pending the publication of this Announcement.

Consequent to this Announcement, the Company would arrange for the request for lifting of trading halt to be made to the SGX-ST.

6. FURTHER INFORMATION

In the meantime, the Board wishes to advise shareholders and investors to exercise caution when dealing in the shares of the Company. Persons who are in any doubt as to the action they should take should seek their own professional advice and consult with their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
Ying Li International Real Estate Limited

Toh Li Ping, Angela
Company Secretary
13 September 2019