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

RESPONSE TO QUERY REGARDING THE ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors (the "**Board**") of Ying Li International Real Estate Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the query raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 18 April 2023 regarding the annual report of the Company for the financial year ended 31 December 2022 ("**FY2022**") issued on 12 April 2023 and the Company's response is as follows:

Query

"Pursuant to Rule 1207(10C), the annual report must contain the Audit Committee's ("AC") comment on whether the internal audit ("IA") function is independent, effective and adequately resourced. We note that the Company has outsourced its IA function to WUYIGE Certified Public Accountants LLP ("Wuyige"). In this regard:

(a) Please justify how is Wuyige suitable to be appointed as internal auditors for the group. Please provide specific details of the size, qualifications, experience, resources and track record of Wuyige and the engagement partner.
(b) Please clarify whether Wuyige has experience undertaking IA engagements for listed companies, as well companies of similar industry and size of operations. Please provide a list of such companies along with the engagement periods.
(c) Please provide the basis for the AC's opinion that the IA function is independent, effective and adequately resourced."

Company's Response to Query

(a) Please justify how is Wuyige suitable to be appointed as internal auditors for the group. Please provide specific details of the size, qualifications, experience, resources and track record of Wuyige and the engagement partner.

WUYIGE Certified Public Accountants LLP (hereinafter referred to as "**DAXIN**") was founded in 1945 and rebuilt in 1985. It is the first partnership accounting firm established after the restoration and reorganization of the certified public accountant ("**CPA**") industry in China.

As a large accounting firm based in Beijing with branches all over China, DAXIN is well-known in the CPA industry in China which provides auditing, tax, consulting and other professional services to more than 10,000 clients (including state-owned enterprises, large provincial enterprises, A-share, B-share, H-share listed companies and companies to be listed). It is also ranked 12th in the "Top 100 Firms" in 2021 by Chinese Institute of Certified Public Accountants (8th among local firms) and has more than 100 clients which are state-owned enterprises and large or super-large provincial owned enterprises.

DAXIN was also ranked one of the top ten by China Securities Regulatory Commission for several years for handling a large number of clients of listed companies, and ranked 6th overall in alternative intermediaries by the National Audit Office in China.

WUYIGE Certified Public Accountants LLP Chongqing Branch (hereinafter referred to as "**DAXIN Chongqing Branch**") was established in 2006. In 2014, DAXIN Chongqing Branch was recognised as DAXIN's southwest headquarters, one of the eight business headquarters nationwide. In October 2018, DAXIN Chongqing Branch was awarded the 3rd place in 2018 Chongqing CPA Firm Comprehensive Evaluation.

DAXIN Chongqing Branch has 223 employees, of which 208 are full-time practitioners, including 50 Chinese certified public accountants, 11 senior professional and technical personnel, and 46 intermediate professional and technical personnel. The branch has an experienced and professional team with the relevant expertise.

The internal audit engagement team of DAXIN Chongqing Branch assigned to the Company for FY2022 consists of seven professionals with technical expertise in accounting, auditing and taxation. There were no relationships or conflicts of interest of any member of the internal audit engagement team that could impair his/her objectivity and independence in performing the internal audit functions of the Company. Key members of the internal audit engagement team are Certified Internal Auditors and have been practicing for more than 20 years. The team members also include Chinese CPAs, senior auditors, senior accountants, tax advisors, etc.

In view of the above, the internal audit engagement team is suitably qualified and adequately resourced with sufficient resources to perform the internal audit functions of the Group effectively and objectively.

(b) Please clarify whether Wuyige has experience undertaking IA engagements for listed companies, as well companies of similar industry and size of operations. Please provide a list of such companies along with the engagement periods.

DAXIN Chongqing Branch has extensive experience in undertaking audit engagements in similar industries and size of operations. It has undertaken projects for customers such as:

- Sino-Singapore (Chongqing) Airport Commercial Management Co., Ltd. (internal control management consulting from 2019 to 2021)
- Chongqing Taiji Industry Group Co., Ltd. (commercial chain stores internal control audit from April to June 2022)
- Chongqing Publishing Group Co., Ltd. (internal control audit from January to May 2020)
- Chongqing Development Investment Co., Ltd. (municipal public rental housing commercial assets special audit from January to December 2020)
- Huake Financial Leasing Co., Ltd. (operation and management special audit from June to November 2020)
- Chongqing Yinhai Financial Leasing Co., Ltd. (management audit project from May to November 2021)

Meanwhile, DAXIN provides audit and consulting services for a number of high-quality listed enterprises such as:

- Chongqing Port (annual report audit from 2017 to present)
- Chongqing Water (annual report audit from 2022 to present)
- Chongqing Gas (special audit from 2018 to present)

In addition, DAXIN also provides audit and consulting services for customers such as:

- Chongqing Aipu Real Estate Group Co., Ltd. (special management audit from October to December 2017)
- Chongqing Urban Construction Investment Group Co., Ltd. (risk management consulting from 2021 to present)

(c) Please provide the basis for the AC's opinion that the IA function is independent, effective and adequately resourced.

Firstly, DAXIN is an independent entity selected by the AC to perform the internal audit function. In the selection process, the AC considered their experience and required DAXIN to provide adequate staffing for this.

The AC also ensured that internal auditors comply with the standards set by nationally or internationally recognised professional bodies. Based on the report by DAXIN, coupled dialogue with the AC, the AC is of the opinion that the audit has been effectively executed.

Given the staffing of seven professionals with the relevant technical qualifications and experience, the AC is satisfied with the internal audit services provided by DAXIN adequately resourced.

By Order of the Board
Ying Li International Real Estate Limited

Yang Haishan
Non-Executive and Non-Independent Director
20 April 2023