YING LI INTERNATIONAL REAL ESTATE LIMITED
Company Registration No. 199106356W

PROPOSED INVESTMENT IN THE BEIJING TONGZHOU PROJECT THROUGH INVESTMENT IN SHANGHAI ZHAO LI INVESTMENT CENTRE LLP

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1. INTRODUCTION

The Board of Directors (the "**Board**") of Ying Li International Real Estate Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that it has entered into an investment (the "**Investment**") of RMB559 million (approximately SS$121 million[1]) in Shanghai Zhao Li Investment Centre LLP (上海钊励投资中心（有限合伙）)(the "**Zhao Li Partnership**") through one of its subsidiaries, Chongqing Yingli Real Estate Development Co., Ltd. ("**Chongqing Yingli**"). The Investment is entered into by way of subscription of a limited partnership interest (the "**Ying Li Limited Partnership Interest**") in the Zhao Li Partnership pursuant to the terms and conditions of a limited partnership agreement (the "**Zhao Li Partnership Agreement**") entered into with Shanghai Everbright Holdings Jiaxin Share Investment Holding Co., Ltd (上海光控嘉鑫股权投资管理有限公司)("**Jiaxin Everbright**" or the "**Zhao Li General Partner**"), Yixing Everbright Holdings Investment Limited (宜兴光控投资有限公司)(**"Yixing Everbright"**) (collectively the "**Zhao Li Limited Partnership Interest Investors**").

The objective of the investment in the Zhao Li Partnership is to utilize the capital contributions from the Zhao Li General Partner and the Zhao Li Limited Partnership Interest Investors to subscribe for a limited partnership interest in Shanghai Sheng Ke Investment Centre LLP (上海晟科投资中心（有限合伙）) (the "**Sheng Ke Partnership**").

The Sheng Ke Partnership will in turn utilise the subscription funds from its limited and general partners to invest and participate in the Beijing Tongzhou Project as described in Paragraph 2.3 below.

This is the Company's first attempt to expand its investments to property projects in other first-tier cities outside Chongqing, PRC.

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[1] Based on an exchange rate of SGD1:RMB4.6388 as at the date of this Announcement

2. INFORMATION ON THE ZHAO LI PARNTERSHIP AND THE SHENG KE PARTNERSHIP

2.1 The Zhao Li Partnership

Pursuant to the Zhao Li Partnership Agreement, the Zhao Li General Partner and the Zhao Li Limited Partnership Interest Investors entered into the Zhao Li Partnership to subscribe for a general partnership interest and a limited partnership interest in the Zhao Li Partnership respectively by way of capital contributions. The Zhao Li General Partner and the Zhao Li Limited Partnership Interest Investors are all incorporated in the People's Republic of China (the "**PRC**"). The Zhao Li General Partner and Yixing Everbright are subsidiaries of China Everbright Limited.

2.2 The Sheng Ke Partnership

Shanghai Everbright Holdings Share Investment Management Co., Ltd (上海光控股权投资管理有限公司) ("**Everbright Investment**") is the general partner of the Sheng Ke Partnership while the Zhao Li Partnership is the limited partner. Everbright Investment is also a subsidiary of China Everbright Limited.

The target capitalization of the Sheng Ke Partnership is RMB7,200.8 million, and the investment objective of the Sheng Ke Partnership is to utilize the capital contributions from its partners to provide project financing and guarantees for the Beijing Tongzhou Project.

2.3 The Beijing Tongzhou Project

The Beijing Tongzhou Project comprises the development of properties located in the central area of the Beijing Tongzhou District, on the conjunction of two subways of M6 and R1. Such properties will be apartments and office buildings with an aggregate GFA of approximately 750,000 square meters. The Beijing Tongzhou Project is still in its initial stage and is expected to commence pre-sales from 2015 onwards.

3. RATIONALE

The ultimate goal of the Investment is to offer an opportunity for the Company to invest in the Beijing Tongzhou Project and participate in the operations of the Beijing Tongzhou Project. This is a strategic investment of the Company as it intends to expand its business outside of Chongqing to other leading first-tier cities in the PRC.

The Board believes that the Investment is beneficial as it is in line with the Company's strategic plans for expansion and also serves as a good start for the Company to expand its business outside of Chongqing, PRC.

4. PRINCIPAL TERMS OF THE ZHAO LI PARTNERSHIP

4.1 Capital Contributions

Chongqing Yingli shall contribute a capital amount of RMB559 million (approximately S$121 million[1]) to subscribe for the Zhao Li Limited Partnership Interest, which represents the fair value of the limited partnership interest. Such amount was arrived at based on arm's length negotiations between the various parties to the Zhao Li Partnership Agreement.

The Company's capital contribution will be funded by the proceeds of the perpetual convertible securities issued on 17 October 2014.

4.2 Distributions

All proceeds received by the Zhao Li Partnership from the Sheng Ke Partnership shall be distributed among the Zhao Li General Partner and the Zhao Li Limited Partnership Interest Investors in accordance with the agreed percentage and priority as stated in the Zhao Li Partnership Agreement.

5. FINANCIAL EFFECTS

The financial effects of the Investment set out below and are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Company following the Investment. The table below sets out the financial effects of the Investment based on the following bases and assumptions:-

(a) reference is made to the audited consolidated financial statements of the Group for the full year ended 31 December 2013;

(b) the financial impact on the consolidated net tangible assets ("**NTA**") per share is computed based on the assumption that the Investment was completed on 31 December 2013; and

(c) the financial impact on the consolidated earnings per share ("**EPS**") is computed based on the assumption that the Investment was completed on 1 January 2013.

	Before the Investment	**After the Investment**
NTA per share (RMB)	**1.57**	**1.57**
EPS (RMB)	**0.09**	**0.09**

The NTA per share and the EPS remains unchanged before and after the transactions.

6. RELATIVE FIGURES UNDER RULE 1006

The relative figures for the Investment computed on the bases set out in Rule 1006 ("**Rule 1006**") of the Listing Manual of the Singapore Exchange Trading Securities Limited (the "**SGX-ST**") are as follows:

Rule 1006	**Bases**	**Size of Relative Figures (%)**
(a)	Net asset value of the Investment, compared with the Group's net asset value	Not applicable

(b)	Net profit attributable to the Investment, compared with the Group's net profits	Not applicable
(c)	The aggregate value of the consideration given, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	19.48%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

As the relative figures on the bases set out in Rules 1006 exceed 5% but have not exceeded 20%, the Investment is not a major transaction but constitutes a "discloseable transaction" to which Rule 1010 (read with Rule 1006) of the Listing Manual applies.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Jia Xin Everbright, Yixing Everbright and Everbright Investment are the subsidiaries of China Everbright Limited, who is the second largest shareholder of the Company. Save as disclosed as above, none of the directors or substantial shareholders of the Company (other than in their capacity as directors or substantial shareholders of the Company) has any interest, direct or indirect, in the Investment.

Shareholders and potential investors should exercise caution when trading in Shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

8. DOCUMENTS FOR INSPECTION

A copy of the Zhao Li Partnership Agreement is available for inspection during normal business hours at the registered office of the Company for a period commencing three (3) months from the date of this Announcement.

By Order of the Board
Ying Li International Real Estate Limited

Fang Ming
Executive Chairman and Group Chief Executive Officer
31 December 2014