YING LI INTERNATIONAL REAL ESTATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199106356W)

COMMENCEMENT OF ARBITRATION PROCEEDINGS

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1. INTRODUCTION

1.1. The Board of Directors (the "**Board**") of Ying Li International Real Estate Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company and its subsidiary, Chongqing Yingli Real Estate Development Co., Ltd., ("**Chongqing Yingli**", collectively, the "**Claimants**") commenced arbitration proceedings with the China Chongqing Arbitration Commission ("**Arbitration Proceedings**") against the following parties:

(a) Shengyu (BVI) Limited ("**Shengyu**");

(b) Hengda Real Estate Group (Chongqing) Company Limited (恒大地产集团重庆有限公司) ("**Hengda Chongqing**");

(c) Chongqing Zhengyang Investment Co., Ltd. (重庆正扬投资有限责任公司); and

(d) Chongqing Yingli Shiny Profit Real Estate Co., Ltd. (重庆英利辉利有限公司),

(collectively, the "**Defendants**").

1.2. In accordance with the procedural rules of the China Chongqing Arbitration Commission, the Arbitration Proceedings were formally accepted in January 2023 when the Claimants received the arbitration case acceptance notice from the China Chongqing Arbitration Commission. Since then, the China Chongqing Arbitration Commission has been arranging for the service of the case notice and the case materials to the Defendants.

2. SUMMARY OF CLAIMS AGAINST DEFENDANTS

2.1. The Company wishes to refer the Shareholders to the announcements made by the Company on 28 November 2017, 7 December 2017, 17 December 2017, 11 April 2018 and 27 April 2018.

2.2. Pursuant to a conditional sale and purchase agreement entered into between the Company and Shengyu (the "**Agreement**"), the Company fulfilled its obligations and completed the transfer of the entire issued and paid-up share capital in its wholly-owned subsidiary Shiny Profit Enterprises Limited and the sale of a parcel of land to Hengda Chongqing (the "**Transaction**").

2.3. Despite repeated reminders from Chongqing Yingli, Hengda Chongqing has failed to perform its obligation under the Agreement to make payment of the fifth instalment of the aggregate cash consideration ("**Consideration**") in the amount of RMB575,350,000 to Chongqing Yingli. In order to protect and preserve the Company's legal rights and interests, the Company, together with Chongqing Yingli, has commenced the Arbitration Proceedings against the

Defendants in connection with the failure of Hengda Chongqing to make payment of the balance of the Consideration.

3. POTENTIAL FINANCIAL IMPACT

In the event that the Claimants do not succeed in the Arbitration Proceedings or are unable to recover the full amounts owed by the Defendants, there may be an impact on the financial performance of the Group for the current financial year ending 31 December 2023 and/or subsequent financial years. However, the Group is unable to assess the impact, if any, arising from the Arbitration Proceedings and whether any further adjustments should be made to the Group's financial statements for the financial year ended 31 December 2022 as a result of the Arbitration Proceedings which have just commenced and are currently in preliminary stages.

4. FURTHER DEVELOPMENTS

The Company is monitoring the progress of the Arbitration Proceedings against the Defendants and will make the relevant update announcements in compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited and update shareholders as and when there are material developments on the Arbitration Proceedings.

5. CAUTIONARY STATEMENT

Shareholders and potential investors are reminded to exercise caution when dealing or trading in the shares of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt as to the actions that they should take.

By Order of the Board
Ying Li International Real Estate Limited

Yang Haishan
Non-Executive and Non-Independent Director
21 February 2023