

**Issuer:** Ying Li International Real Estate Limited

**Security:** Ying Li International Real Estate Limited

**Meeting details:**

Date: 27 April 2018

Time: 9.30 a.m.

Venue: Mandarin Orchard Singapore, 333 Orchard Road, Imperial Ballroom, Level 35, Orchard Wing, Singapore 238867

**Company Description**

Ying Li International Real Estate Limited, an investment holding company, engages in the development, sale, rental, management, and ownership of commercial and residential properties under the Ying Li brand in the People's Republic of China. It operates through Property Investment, Property Development, and Others segments. The company primarily develops residential, office, retail mall, car park, and other projects. It also engages in the provision of property consultancy, sale, marketing, and management services, as well as car parking services; and purchase of construction material and equipment. The company has strategic cooperative partnership with China Everbright Limited. Ying Li International Real Estate Limited was founded in 1993 and is based in Singapore.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=5DM](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5DM))

1. As announced by the company on 1 March 2018, the disposal of interests in the Ying Li International Commercial Centre Project was completed.

- (i) **Can the company confirm that the disposal was completed on 1 March 2018? If not, would the company update shareholders on the actual date of completion of the disposal?**

As disclosed in the company's announcement dated 28 November 2017, the Aggregate Consideration for the Proposed Transaction is RMB3.29 billion, RMB 2,770.6 million being the consideration in respect of the Proposed Disposal and RMB514.7 million for the land tender deposits.

### 3. PRINCIPAL TERMS OF THE SPA

#### 3.1 Consideration and Terms of Payment

Under the terms of the SPA, the Aggregate Consideration for the Proposed Transaction is RMB3.29 billion in cash comprising:

- (i) the consideration to be paid by the Purchaser in respect of the Proposed Disposal ("**Proposed Disposal Consideration**"), amounting to RMB 2,770.6 million and;
- (ii) RMB514.7 million of land tender deposits which have been paid by the Group ("**Land Parcel Acquisition Amount**").

(Source: Company announcement

dated 28 November 2017)

- (ii) **Can the company confirm that the land tender deposits of RMB514.7 million have been paid by the group?**
- (iii) Under the terms of the SPA, the aggregate consideration of RMB3.29 billion is payable by the Purchaser in six tranches. **For the avoidance of doubt, can the company update shareholders on the six payment deadlines, and the six payment amounts in accordance to the SPA?**
- (iv) **Please provide an update on the collection of the aggregate consideration from the purchaser.**
- (v) From the Statement of Financial Position, the Proceeds receivable from the disposal of subsidiary is stated at RMB2,035,350,000 as at 31 December 2017. **Can the audit committee help shareholders reconcile this figure to the aggregate consideration of RMB3.29 billion and to the payment schedule?**

2. With the effective disposal of Ying Li International Commercial Centre, the group currently has the balance phases of Ying Li International Electrical and Hardware Centre ("Ying Li IEC") and San Ya Wan Phase 2, and a 26% non-controlling interest in the New Beijing Centre Project in the Tongzhou District in Beijing.

- (i) **Does the group still hold on to any landbank that it can develop? If not, can management elaborate further on the group's growth plans going forward?**
- (ii) **Would the board evaluate the group's current holding of investment properties and carry out a strategic review with a goal of maximising returns for all shareholders?**
- (iii) **Given that the group has significantly reduced its gearing and capital commitment following the sale of ICC, has the board deliberated on the declaration of dividends to reward shareholders?**

- (iv) **As the group currently has a large and stable portfolio of investment properties, has the board deliberated on or reviewed its approach to capital management so that the group can accommodate a dividend payout to shareholders and to balance its investment needs?**

3. The company announced that it had, on 8 December 2017, received a letter from the SGX-ST granting the company the waiver of the requirement for Shareholders' approval to be obtained for the Proposed Disposal and the Proposed Transfer of Land Use Rights.

One of the conditions imposed was that:

*“(c) the Undertaking Shareholders providing a written irrevocable undertaking to the Company that they will not dispose their equity stake in the Company before and up to the date of the Ratification EGM”*

The Undertaking Shareholders above refer to Mr. Fang Ming and China Everbright Limited, who have shareholding interests in the company of approximately 36.00% and 22.92% respectively (“Undertaking Shareholders”).

As at 5 December 2017, Mr. Fang Ming's direct and deemed interest in the company was 920,474,562 shares or 35.99%.

On 23 January 2018, the company announced that Mr. Fang Ming had disposed of 153,422,401 Ordinary Shares in the company for SGD20,712,024.14. Mr. Fang Ming's interest in the company dropped to 767,052,161 shares or 30%.

- (i) **Can the company help shareholders understand if the sale of shares by Mr. Fang Ming is a direct contravention of the condition (c) as imposed by the SGX-ST for granting the company the waiver to seek shareholders' approval on the proposed disposal?**
- (ii) **What were the company's efforts to ensure that the conditions are observed?**
- (iii) **Can the company confirm that it has been provided a written irrevocable undertaking from the Undertaking Shareholders that they will not dispose their equity stake in the Company before and up to the date of the Ratification EGM?**
- (iv) **Is the waiver from the SGX-ST still valid given that one of the Undertaking Shareholders has disposed their equity stake in the company before the date of the Ratification EGM?**
- (v) **Would the company need to seek a new waiver from the SGX-ST based on the current circumstances?**