Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Ying Li International Real Estate Limited

Stock code: 5DM

Meeting details:
Date: 27 April 2023
Time: 2.00 p.m.
Venue: <<live webcast>>

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Q1. In 2022, the group's revenue predominantly came from rental income, which decreased by 15.3% to RMB165.2 million. This decline was due to the weakened rental market, influenced by COVID-19 measures and extreme weather conditions in Chongqing during FY2022. The group provided rental relief to aid tenants' business recovery and attract new occupants.

The group's main assets in Chongqing are:

- Future International which is located in Guanyinqiao CBD, the busiest shopping and entertainment district in Chongqing. The office space was sold and the retail mall is retained by the group and are on long-term lease agreements with three main master tenants.
- Ying Li IFC (office)/IMIX Park JFB (mall) which is located in Jiefangbei, the tradition and core CBD area of Chongqing.
- Ying Li International Plaza/IMIX Park Daping which is located in the Yuzhong District in Chong, a bustling residential cluster.

Loss for the financial year was RMB(346.7) million in 2022.

(i) **Could management provide insights into the situation in Chongqing since the lifting of COVID-related measures in December 2022? How significantly was the city impacted in 2022 while the zero-COVID policies were enforced?**

(ii) **How does the group plan to capitalise on the expected rebound? Is management tracking shopper traffic at its malls? If so, can management share the details?**

(iii) **In addition, please present detailed information on the assets (by property and floor space breakdown), occupancy rates, lease expirations, average rental rates, major tenants, etc., at the annual general meeting and in future annual reports.**

(iv) **Is the group still granting rental reliefs to tenants?**

Q2. The group has an investment project in Beijing New Everbright Centre, located in Beijing Tongzhou. Phase 1 of the construction, which comprises four SOHO towers, has been completed. Phase 2 construction, which comprises two office towers and a retail podium, part of the retail podium under the Phase 2 construction is still undergoing some interior design works and is expected to be completed in 2024, one of the office towers has been sold and handover while the remaining office tower has been put up for sale to prospective buyers. Phase 3 construction, which consists of one premium office tower and the remaining part of the retail podium, was at the piling stage as of end December 2022.

The total sales and contracted pre-sales as at 31 December 2022 amounted to RMB8.48 billion.

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(i) **Can management clarify if the phase 3 construction is at the piling stage and progressing, or has it been halted to allow the project management team to review the development plan to better align with the additional policies initiated by the local authorities?**

(ii) **Can management help shareholders recall the selling price of the office tower in Phase 2 and confirm that the office tower has been handed over to the buyer? How is the management marketing the remaining office tower in Phase 2?**

(iii) **In addition, can management provide more information to shareholders on the price trends of the commercial/office market in Beijing Tongzhou?**

(iv) **What is the expected capital expenditure required to fully complete the project? How much of the total sales and contracted pre-sales have yet to be collected by the group?**

Q3. On 21 February 2023, the company announced that it had begun arbitration proceedings in Chongqing, China to recover monies from Hengda Real Estate Group (Chongqing) Company Limited.

This is for the fifth instalment of the aggregate consideration of RMB575.35 million with regard to the sale of a parcel of land and the transfer of the entire issued and paid-up share capital of Shiny Profit Enterprises Limited.

It was further disclosed that Arbitration Proceedings were formally accepted in January 2023 when the Claimants received the arbitration case acceptance notice from the China Chongqing Arbitration Commission.

As at 31 December 2022, the net outstanding receivables from Hengda Chongqing included in non-trade receivables amounting to RMB262,710,000 (Note 13), calculated based on the gross outstanding balance of RMB575,350,000 net of loss allowance of RMB312,640,000 recognised in previous years.

(i) **Were there any reasons for the delay in the company's announcement concerning the arbitration proceedings, which was only made on February 21, 2023?**

(ii) **What was the working relationship, if any, with Hengda Chongqing prior to the commencement of arbitration?**

(iii) **Is management still in communication with Hengda Chongqing to resolve the matter expediently?**

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(iv) **Is management aware of the financial status of Hengda Chongqing investments? If so, please provide shareholders with an update based on management's understanding and public information, especially if Hengda Chongqing is identified as being in distress.**

(v) **What is the level of involvement by the independent directors in this matter to ensure that shareholders' interests are safeguarded?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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