The Subscription Shares (as defined below), Convertible Securities (as defined below) and Conversion Shares (as defined below) have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act. There will be no public offering of the securities in the United States. This announcement is for information purposes only and does not constitute an offer or sale of Subscription Shares, Convertible Securities or Conversion Shares in the United States or any other jurisdiction. Neither this announcement nor any portion hereof may be sent or transmitted into the United States or any jurisdiction where to do so is unlawful. Any failure to comply with these restrictions may constitute a violation of the United States securities law or the securities laws of any such other jurisdiction.

英利国际置业
YING LI INTERNATIONAL REAL ESTATE

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

(1) THE PROPOSED ISSUE AND ALLOTMENT OF 381,000,000 SUBSCRIPTION SHARES (AS DEFINED HEREIN) TO EVERBRIGHT HERO HOLDINGS LIMITED;

(2) THE PROPOSED ISSUE OF S$185,000,000 PERPETUAL SUBORDINATED CONVERTIBLE CALLABLE SECURITIES CONVERTIBLE INTO NEW ORDINARY SHARES (THE "CONVERTIBLE SECURITIES") IN THE CAPITAL OF THE COMPANY TO EVERBRIGHT HERO HOLDINGS LIMITED;

(3) ENTRY INTO FRAMEWORK AGREEMENT WITH CHINA EVERBRIGHT LIMITED; AND

(4) ENTRY INTO MANAGEMENT CONSULTANCY AGREEMENT IN RELATION TO MANAGEMENT CONSULTANCY SERVICES

1. INTRODUCTION

The Board of Directors of Ying Li International Real Estate Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company has entered into:

(a) a subscription agreement with Everbright Hero Holdings Limited dated 30 June 2014 (the "**Share Subscription Agreement**") pursuant to which Everbright Hero Holdings Limited has agreed to subscribe, or procure its nominee to

subscribe (in either instance, the "**Subscriber**"), for 381,000,000 new ordinary shares in the capital of the Company (the "**Subscription Shares**") at an issue price of S$0.260 per Subscription Share, on the terms and subject to the conditions of the Share Subscription Agreement (the "**Share Subscription**"); and

(b) a subscription agreement with the Subscriber dated 30 June 2014 (the "**Convertible Securities Subscription Agreement**") pursuant to which the Company has agreed to issue the Convertible Securities and the Subscriber has agreed to subscribe and pay for the Convertible Securities at an issue price of 100% of the principal amount of the Convertible Securities, on the terms and subject to the conditions of the Convertible Securities Subscription Agreement (the "**Convertible Securities Subscription**"). Subject to the terms and conditions of the Convertible Securities set out in the Appendix of this Announcement (the "**Terms and Conditions**"), the Convertible Securities may be converted into Shares (the "**Conversion Shares**").

The Company is required to make an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the dealing in, listing and quotation of the Subscription Shares and the Conversion Shares on the Official List of the SGX-ST.

2. DETAILS OF THE SHARE SUBSCRIPTION

2.1 Issue Price

The issue price of S$0.260 (the "**Issue Price**") of each of the Subscription Shares represents a discount of approximately 10.0% to the volume weighted average price (the "**VWAP**") of S$0.2888 for trades done on the ordinary shares of the Company (the "**Shares**") on Main Board of the SGX-ST on 24 June 2014 (being the full market day on which Shares were traded prior to the date of the Share Subscription Agreement).

The Company will raise gross proceeds of S$99,060,000 from the Share Subscription.

The Issue Price was commercially agreed between the Company and the Subscriber, after taking into consideration, *inter alia*, the historical trading prices and volume of the Shares on the Main Board of the SGX-ST. The Company is seeking the specific approval of shareholders of the Company (the "**Shareholders**") for the issuance of the Subscription Shares, the Convertible Securities and the Conversion Shares as it does not intend to utilise the General Mandate (as defined in Section 10 below).

2.2 Subscription Shares

The Subscription Shares represent in aggregate approximately 17.5% of the existing issued share capital of the Company comprising 2,175,585,804 Shares as at the date of this announcement and will represent approximately 14.9% of the enlarged issued share capital of the Company comprising 2,556,585,804 Shares on completion of the Share Subscription.

The Subscription Shares when issued and delivered shall be free from all charges, liens and other encumbrances and shall rank in all respects *pari passu* with the Shares

existing at the date of issue of the Subscription Shares, save that they shall not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before to the date of issue of the Subscription Shares. For the avoidance of doubt, as at the date of this Announcement, the Company has not declared any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of issue of the Subscription Shares.

2.3 Conditions Precedent

Completion of the Share Subscription ("**Completion**") is conditional upon the fulfilment of, *inter alia*, the following conditions:

(i) the receipt of the approval-in principle from the SGX-ST for the listing and quotation of the Subscription Shares on the Mainboard of the SGX-ST and if such approval is granted with conditions, such conditions being reasonably acceptable to the Parties;

(ii) the Company having obtained specific approval of the Shareholders at the extraordinary general meeting (the "**EGM**") to be convened for the Share Subscription and the issue of the Convertible Securities and the Conversion Shares;

(iii) the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule, regulation or directive promulgated by any applicable legislative, executive or regulatory body or authority with competent jurisdiction over the Company or its assets; and

(iv) the warranties provided by the Company in the Share Subscription Agreement being true and accurate in all material respects as at the date of the Share Subscription Agreement and the date of Completion.

If any of the conditions set forth in this section 2.3 is not satisfied or waived on or prior to 30 November 2014 or such other date as may be agreed in writing pursuant to the Share Subscription Agreement, the parties to the Share Subscription Agreement shall be released and discharged from their obligations relating to the Subscription Shares.

2.4 Undertakings

The Company further undertakes, *inter alia*, that:

(i) subject to any applicable laws or regulations or the applicable listing rules of the SGX-ST, it shall procure to appoint two (2) directors (one (1) of whom shall be appointed the Deputy Chairman) nominated by the Subscriber to the board of directors of the Company within five (5) Business Days[(1)] from the date of Completion and the Subscriber shall have such right of nomination as long as the Subscriber holds ten (10) per cent or more of the share capital of the Company (excluding treasury shares); and

(ii) it shall constitute a Financial and Investment Committee comprising (i) Fang Ming (as the Chairman of the Financial and Investment Committee), (ii) the

Chief Financial Officer (or its equivalent) of the Company and (iii) a nominee of the Subscriber (as the Deputy Chairman of the Financial and Investment Committee) with a view to provide guidance and supervision to the Company on investment matters, including overseeing the Company's property project investment matters, corporate and project finance matters, accounting matters and investor relations matters within fifteen (15) Business Days from the date of Completion.

Note:

(1) "Business Day" means any day (other than a Saturday, Sunday or any gazetted public holiday in Hong Kong and Singapore) on which the commercial banks are open for business in Hong Kong and Singapore.

2.5 Share Subscription Anti-Dilution

Under the terms and conditions of the Share Subscription Agreement, if the Company proposes (the "**Proposed Issue**") to issue further new Shares (the "**Additional Shares**") to a third party or third parties which will reduce the shareholding of the Subscriber to less than 10.0% of the equity of the Company on an enlarged basis, subject to any applicable laws or regulations or the applicable listing rules of the SGX-ST, the Company shall not complete the Proposed Issue and issue the Additional Shares unless such number of Additional Shares the issuance of which shall be sufficient to maintain the Subscriber's holding in the equity of the Company at 10.0% have been offered to the Subscriber at the same price and upon the same terms as that of the Proposed Issue. The Company shall give written notice (the "**Issuing Notice**") to the Subscriber, setting forth the number, price at which, and terms on which the Additional Shares are being offered.

If the Subscriber wishes to purchase part or all of the Additional Shares, it should notify the Company in writing (paper or electronically) within twenty (20) Business Days of the Issuing Notice.

If the Subscriber accepts the offer stated in the Issuing Notice, the Subscriber shall subscribe for part or all of the Additional Shares in accordance with the Issuing Notice and shall execute a written subscription in accordance therewith which shall be accepted forthwith by the Company.

3. DETAILS OF THE CONVERTIBLE SECURITIES SUBSCRIPTION

3.1 Convertible Securities and Conversion Shares

The issue price of the Convertible Securities will be 100% of the aggregate principal amount of the Convertible Securities. The Convertible Securities comprise two tranches.

Tranche 1 shall comprise S$165,000,000 in aggregate principal amount of Convertible Securities and can be redeemed by the Company after five (5) years from the date of issue of the Convertible Securities (the "**Issue Date**") (including the date of the fifth anniversary of the Issue Date).

Tranche 2 shall comprise S$20,000,000 in aggregate principal amount of Convertible Securities and can be redeemed by the Company during the following periods: (i) between the second anniversary of the Issue Date (including the date of the second anniversary of the Issue Date) and the third anniversary of the Issue Date (but excluding the date of the third anniversary of the Issue Date); and (ii) after the date of the fifth anniversary of the Issue Date.

Based on the initial Conversion Price (as defined in the Terms and Conditions) and assuming there are no adjustments thereto, the number of Conversion Shares to be allotted and issued by the Company pursuant to the full conversion of the Convertible Securities is 581,761,006.

The 581,761,006 Conversion Shares to be allotted and issued pursuant to the full conversion of the Convertible Securities represent approximately 22.8% of the entire issued share capital of the Company comprising 2,556,585,804 Shares following the completion of the Share Subscription, and will represent 18.5% of the entire issued share capital of the Company comprising 3,138,346,810 Shares following the completion of the Share Subscription and the full conversion of the Convertible Securities.

The Convertible Securities constitute direct, unsecured and subordinated obligations of the Company and rank *pari passu* without any preference among themselves. In the event of the Winding Up (as defined in the Terms and Conditions) of the Company, the rights and claims of a holder of the Convertible Securities shall rank ahead of those persons whose claims are in respect of any class of share capital (including preference shares) of the Company, but shall be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Company other than the claims of holders of the Parity Securities (as defined in the Terms and Conditions).

The Conversion Shares, when allotted and issued on conversion of the Convertible Securities will, with effect from the relevant date of issue, rank *pari passu* in all respects with the other Shares then outstanding, except for any dividends, rights, allotments or other distributions, the record date for which is prior to the date of issue of the Conversion Shares. For the avoidance of doubt, as at the date of this Announcement, the Company has not declared any dividend, right, allotment or other distributions, the record date for which is prior to the date of issue of the Conversion Shares.

3.2 Conditions to the Convertible Securities Subscription

Under the Convertible Securities Subscription Agreement, the Company has agreed to issue the Convertible Securities and the Subscriber has agreed to subscribe and pay for the Convertible Securities at an issue price of 100% of the principal amount of the Convertible Securities, subject to the Terms and Conditions, including but not limited to the following conditions precedent:

(i) the receipt of the approval-in principle from the SGX-ST for the listing and quotation of the Conversion Shares on the Mainboard of the SGX-ST and if

such approval is granted with conditions, such conditions being reasonably acceptable to the Parties;

(ii) the completion of the Share Subscription and the specific approval of the Shareholders at the EGM to be convened for the issue of the Convertible Securities and the Conversion Shares;

(iii) the issue and subscription of the Convertible Securities not being prohibited by any statute, order, rule, regulation or directive promulgated by any applicable legislative, executive or regulatory body or authority with competent jurisdiction over the Company or its assets; and

(iv) the warranties provided by the Company in the Convertible Securities Subscription Agreement being true and accurate in all material respects as at the date of the Convertible Securities Subscription Agreement and date of completion of the Convertible Securities Subscription.

If any of the conditions set forth in this section 3.2 is not satisfied or waived on or prior to 30 November 2014 or such other date as may be agreed in writing pursuant to the Convertible Securities Subscription Agreement, the parties to the Convertible Securities Subscription Agreement shall be released and discharged from their obligations relating to the Convertible Securities.

In compliance with Rules 829 and 830 of the Listing Manual, the Company will:

(a) announce any adjustment made to the Conversion Price and, where appropriate, the number of the Convertible Securities, in the event of rights, bonus or other capitalisation issues; and

(b) obtain Shareholders' approval for any material alteration to the Conditions after the issue of the Convertible Securities which is to the advantage of the Holders (as defined in the Terms and Conditions), except where the alterations are made pursuant to the Terms and Conditions.

3.3 Convertible Securities Subscription Anti-Dilution

If, for the period from the date of issue of any Tranche 1 Convertible Securities (as defined in the Terms and Conditions) contemplated under the Convertible Securities Subscription Agreement to three (3) years thereafter (including the date of the third anniversary of the date of issue), the Company proceeds to issue new Shares to third parties which will reduce the shareholding of the Subscriber to less than 10.0% of the equity of the Company on an enlarged basis, the Subscriber shall be entitled, at its sole discretion, to convert any or all of the Tranche 1 Convertible Securities at any time from and including the date of issue of the new Shares.

4. INFORMATION ON THE SUBSCRIBER

Everbright Hero Holdings Limited is an indirect wholly-owned subsidiary of China Everbright Limited (Stock Code (165:HK)) ("**CEL**"), a company listed on The Stock Exchange of Hong Kong. Everbright Hero is an indirect wholly-owned subsidiary of

CEL incorporated in the British Virgin Islands and is principally engaged in investment holding. Everbright Hero is wholly-owned by Everbright Hero, L.P., a limited partnership set up in the Cayman Islands indirectly wholly-owned by the Company as limited partner. The general partner of Everbright Hero, L.P. is Everbright GP, a wholly-owned subsidiary of CEL.

CEL, together with its subsidiaries and associates, is principally engaged in the provision of financial services and persistently pursues the cross-border macro asset management strategy, with specific focuses on fund management and investment business, namely, primary market investment, secondary market investment, structured financing and investment and aircraft leasing.

The Subscriber was introduced to the Company through mutual business associates and intends to subscribe for the Subscription Shares and the Convertible Securities for investment purposes.

In addition, the Subscription Shares, the Convertible Securities and the Conversion Shares will not be issued to any of the persons set forth in Rule 812(1) of the SGX-ST Listing Manual.

5. FRAMEWORK AGREEMENT

In connection with the Share Subscription and the Convertible Securities Subscription, the Company has entered into a framework agreement (the "**Framework Agreement**") with CEL on 30 June 2014, pursuant to which the Company and CEL shall jointly cooperate in a number of aspects.

Under the Framework Agreement, it is contemplated that:

(i) CEL shall offer holistic financial support to the Company: (a) the Company can leverage on CEL’s extensive domestic and international network in the financial sector for tailored financing arrangements and (b) CEL shall assist the Company in any potential injection of mature assets into a REIT or Business Trust in the Singapore capital market.

(ii) CEL and the Company shall cooperate on the existing and new projects and acquisitions: (a) to accelerate the completion of the existing property projects, (b) each of CEL and the Company will introduce new property projects for joint development and (c) the Company can tap on CEL's resources in order to undertake strategic acquisitions of companies or prime location property assets in the first-tier and leading second-tier cities in China.

(iii) CEL shall assist the Company to develop the retail property management business and realise revenue diversification: (a) CEL has strong capabilities in retail property management, and is well-positioned to provide guidance and assistance to help the Company develop this business segment, and (b) the Company can also undertake construction and asset management services for CEL and other third parties, so as to achieve diversified revenue sources.

(iv) Expansion into Singapore and Hong Kong: the Company aims to capitalise on CEL's extensive overseas network and each other's listed platforms to strategically expand the Company's overseas business into Singapore and Hong Kong.

6. MANAGEMENT CONSULTANCY AGREEMENT

The Company has entered into a management consultancy agreement (the "**Management Consultancy Agreement**") with Everbright Hero GP Limited (the "**Consultant**"), pursuant to which the Company has engaged the Consultant to provide management consultancy services to the Company, including but not limited to the following:

(i) reviewing and advising the Company on its existing business plan;

(ii) assisting the Company in preparing its business plan for the financial year ending 31 December 2015 ("**FY2015**");

(iii) providing general management advice in relation to the Company's property and asset management;

(iv) reviewing and advising the Company on its corporate and management structure; and

(v) introducing potential investors and business opportunities to the Company,

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

The Management Consultancy Agreement is conditional upon the approval of Shareholders in relation to the Convertible Securities Subscription being obtained at the EGM. Pursuant to the Management Consultancy Agreement, the Consultant shall provide the Services over six months commencing from the date of the Management Consultancy Agreement. In consideration of the Services to be provided to the Company by the Consultant, the Company shall pay an amount of S$4,162,500 (the "**Consideration**") to the Consultant in the following tranches:

(a) 50% of the Consideration to be paid within five working days upon the Company receiving any part of the proceeds from the issuance of the Convertible Securities; and

(b) 50% of the Consideration to be paid on or prior to 20 December 2014.

7. RATIONALE FOR THE SHARE SUBSCRIPTION AND THE CONVERTIBLE SECURITIES SUBSCRIPTION

The Company envisages that the inclusion of the Subscriber as a substantial shareholder of the Company will provide the Company with considerable strategic advantages, which would in turn help the Company to realise its next phase of strong growth.

7.1 Establish a strong and long term partnership with a leading financial institution in China for co-investment in new projects

The Company can benefit from the track record and holistic support of CEL for co-investment in new projects via the following aspects:

(i) CEL's extensive domestic and international network will offer the Company access to a strong pipeline of opportunities in property projects and acquisitions;

(ii) CEL's large network in the financial sectors could facilitate tailored financing arrangement to provide the required financial resources for the Company to undertake existing projects and to pursue future opportunities; and

(iii) CEL's established credentials in property acquisitions and project management will add value to the strategic partnership with the Company.

7.2 Leverage CEL's extensive network and strong connections to secure projects in prime locations in the first-tier and the leading second-tier cities in China, as well as seek expansion into Singapore and Hong Kong

CEL has accumulated a sizeable portfolio of quality assets in the first-tier and the leading second-tier cities in China, and gained experience operating in these cities. With CEL's support, the Company will be able to further strengthen its market leadership position in Chongqing, and better position itself to secure property projects in prime locations in Beijing, Shanghai, Guangzhou and Shenzhen. In addition, the Company also aims to seek strategic expansion into the Singapore and Hong Kong markets as and when the opportunities arise.

7.3 Strengthen the Company's balance sheet and provide flexibility and a competitive edge to the Company to pursue strategic initiatives

Based on the audited consolidated financial statements of the Group for the full year ended 31 December 2013 and assuming that the Share Subscription and the Convertible Securities Subscription were completed on 31 December 2013 (for illustrative purposes only), the Company's cash position and net asset value are RMB1.55 billion and RMB4.76 billion, respectively, compared to RMB185 million (excluding the restricted cash) and RMB3.4 billion, respectively, if the Share Subscription and the Convertible Securities Subscription had not been completed. The net gearing as at 31 December 2013 assuming that the Share Subscription and the Convertible Securities Subscription were completed on 31 December 2013 (for illustrative purposes only) is 15%, compared to 61% if the Share Subscription and the Convertible Securities Subscription had not been completed.

As the real estate sector is a capital intensive sector, a strong balance sheet will provide the Company flexibility and a competitive edge to manage its operations and to seize investment opportunities that may arise, including, *inter alia*:

(i) accelerate development of existing projects;

(ii) participate in tenders for new land banks;

(iii) undertake acquisitions of quality assets; and

(iv) participate in the consolidation of small to medium size real estate companies in China.

7.4 Accelerate development of existing projects and finance new projects

The proceeds from the Share Subscription and the Convertible Securities Subscription will be used to finance the accelerated development of existing projects, which may enable the Company to realise sales and profits sooner, thereby improving its financial position.

The financial support from CEL will also place the Company in a more favourable position to fund the acquisition and development of new projects, enhancing the competitive strengths of the Company.

7.5 Capitalise on CEL's expertise in retail property management to help the Company extract greater value from its commercial properties

CEL's real estate investment team possesses strong project management capabilities and takes a hands-on approach in managing commercial projects. Its in-house commercial properties management team has strong experience and a proven track record in delivering value-add to the investments. By tapping on CEL's experience and expertise in retail property management, the Company would be able to optimise the leasing management of its existing commercial properties and extract greater value for the Shareholders.

CEL's retail properties may also be packaged together with the Company's mature retail properties for any potential listing by way of a REIT or Business Trust, enhancing the attractiveness of any future spin-off of the Company's assets to unlock value for the Company's holding of retail properties.

The Company may also enjoy greater revenue diversification from the cooperation with CEL to undertake retail property management and asset management businesses.

8. USE OF PROCEEDS

8.1 Share Subscription

The purpose of the Share Subscription is to raise funds for potential acquisitions of new development sites, possible strategic investments, joint ventures, other acquisitions and strategic alliances when suitable opportunities arise, general working capital and funding the development of existing property projects.

The net proceeds (after deducting costs and expenses of approximately S$100,000 relating thereto) from the Share Subscription of approximately S$98.96 million will be used in the estimated proportions as set out below:

Intended use of proceeds	**Percentage Allocation (%)**
Funding the acquisition of development sites, possible strategic investments, joint ventures, other acquisitions and strategic alliances when suitable opportunities arise, as well as funding the development of existing property projects	60 - 90
Repayment of existing loans	10 - 30
General working capital requirements	0 – 10

Pending the deployment of the net proceeds from the Share Subscription, the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit for the interest of the Company.

8.2 Convertible Securities Subscription

The purpose of the Convertible Securities Subscription is to raise funds for potential acquisitions of new development sites, possible strategic investments, joint ventures, other acquisitions and strategic alliances when suitable opportunities arise, general working capital and funding the development of existing property projects.

The net proceeds (after deducting costs and expenses of approximately S$100,000 relating thereto) from the Convertible Securities Subscription of approximately S$184.90 million will be used in the estimated proportions as set out below:

Use of Proceeds	**Percentage Allocation (%)**
Funding the acquisition of development sites, possible strategic investments, joint ventures, other acquisitions and strategic alliances when suitable opportunities arise, as well as funding the development of existing property projects	60 - 90
Repayment of existing loans	10 - 30
General working capital requirements	0 – 10

The actual apportionment of the net proceeds for the aforementioned purposes would be subject to the availability and size of investment and acquisition opportunities, the

relative timing of the various requirements for funds, and the Company's overall objective of achieving an optimal cost of capital to fund its growth initiatives.

The Company will make periodic announcements on the utilization of proceeds from the Share Subscription and Convertible Securities Subscription as and when such proceeds are materially disbursed.

9. FINANCIAL EFFECTS OF THE SHARE SUBSCRIPTION AND CONVERTIBLE SECURITIES SUBSCRIPTION

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

(i) reference is made to the audited consolidated financial statements of the Group for the full year ended 31 December 2013 ("**FY2013**") and the unaudited consolidated financial statements of the Group for the first quarter ended 31 March 2014 ("**1Q2014**");

(ii) the financial impact on the consolidated net tangible assets ("**NTA**") per Share for each of FY2013 and 1Q2014 is computed based on the assumption that the Share Subscription and the Convertible Securities Subscription were completed on 31 December 2013 and 31 March 2014 respectively; and

(iii) the financial impact on the consolidated earnings per Share ("**EPS**") for each of FY2013 and 1Q2014 is computed based on the assumption that the Share Subscription and the Convertible Securities Subscription were completed on 1 January 2013 and 1 January 2014 respectively.

	Before Share Subscription and Convertible Securities Subscription		After Share Subscription and before conversion of the Convertible Securities		After Share Subscription and conversion[1] of the Convertible Securities	
	As at 31 December 2013	As at 31 March 2014	As at 31 December 2013	As at 31 March 2014	As at 31 December 2013	As at 31 March 2014
Share Capital						
Issued and paid-up share capital[3] (RMB'000)	3,536,777	3,537,218	4,012,820	4,027,674	4,901,856	4,943,627
Number of Shares (000)	2,169,045	2,169,295	2,550,045	2,550,295	3,131,806	3,132,056
NTA[3] (RMB'000)	3,396,830	3,400,620	4,761,909	4,807,029	4,761,909	4,807,029

	Before Share Subscription and Convertible Securities Subscription		After Share Subscription and before conversion of the Convertible Securities		After Share Subscription and conversion[1] of the Convertible Securities	
	As at 31 December 2013	As at 31 March 2014	As at 31 December 2013	As at 31 March 2014	As at 31 December 2013	As at 31 March 2014
NTA per Share (RMB)	1.57	1.57	1.87	1.88	1.52	1.53
EPS (RMB)	0.095	0.016	0.081	0.013	0.066	0.011
Gearing						
Total borrowings (RMB'000)	2,802,831	2,933,001	2,802,831	2,933,001	2,802,831	2,933,001
Shareholders' Funds[2] (RMB'000)	3,396,830	3,400,620	4,761,909	4,807,029	4,761,909	4,807,029
Net gearing ratio[4] (times)	0.61	0.65	0.15	0.17	0.15	0.17

Note:

(1) Assuming full conversion of the Tranche 1 and Tranche 2 Convertible Securities.

(2) Defined as Total Equity less Minority Interest

(3) Computed based on exchange rates of SGD1 : RMB4.8056 and SGD 1 : RMB4.9511 as at 31 December 2013 and 31 March 2014 respectively.

(4) Net Gearing = (Long term secured and unsecured debt + Short term secured and unsecured debt - Cash and cash equivalents (which include restricted cash at bank)) / Net Asset Value

10. SHAREHOLDERS' APPROVAL

Pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual, the Company obtained a general share issuance mandate from the Shareholders at its annual general meeting on 28 April 2014 (the "**General Mandate**").

However, in order not to utilise the permissible threshold of number of Shares that may be issued other than on a pro-rata basis to Shareholders under the General Mandate and to provide flexibility for the Company to undertake further fund raising activities, an EGM will be convened to seek the approval of Shareholders for, *inter alia*, the Share Subscription and the Convertible Securities Subscription.

A circular containing, amongst other things, the notice of the EGM and the details of the Share Subscription and the Convertible Securities Subscription will be despatched to Shareholders in due course.

11. CONTROLLING SHAREHOLDER'S UNDERTAKING

The controlling shareholder of the Company, Mr Fang Ming, who has a deemed interest in 914,888,562 Shares representing in aggregate 42.05% of the total issued share capital of the Company, has undertaken to vote, and to procure that the registered holders of such Shares in the Company will vote, in favour of the Share Subscription and the issue of the Convertible Securities and the Conversion Shares at the EGM of the Company.

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and save for their interests arising by way of their directorships and/or shareholdings (as the case may be) in the Company, none of the Directors nor (in so far as the Directors are aware) any substantial Shareholder of the Company or their respective associates has any interest, whether direct or indirect, in the Share Subscription and/or the Convertible Securities Subscription. Save as disclosed, none of the Directors nor (in so far as the Directors are aware) any substantial Shareholder of the Company or their respective associates have any connection (including business relationship) with the Subscriber.

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.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 6 Temasek Boulevard, #24-04 Suntec Tower Four, Singapore 038986 during normal business hours from the date hereof up to and including the date of the EGM:

(a) Share Subscription Agreement;

(b) Convertible Securities Subscription Agreement; and

(c) Memorandum and Articles of Association of the Company.

By Order of the Board
Ying Li International Real Estate Limited

Fang Ming
Executive Chairman and Group Chief Executive Officer
30 June 2014

APPENDIX
SUMMARY OF THE TERMS AND CONDITIONS OF THE CONVERTIBLE SECURITIES

This appendix contains a summary of the terms and conditions of the Convertible Securities to be issued by the Company to the Subscriber, and does not purport to be complete and may not contain all the information that is important to you. Terms defined in the Convertible Securities Subscription Agreement and the terms and conditions of the Convertible Securities shall, unless otherwise defined in this appendix, have the same meanings in this appendix.

Principal terms and conditions of the Convertible Securities are summarised as follows:

Company : Ying Li International Real Estate Limited.

Principal Size : S$185,000,000 in aggregate principal amount of Convertible Securities comprising two tranches.

Tranche 1 shall comprise S$165,000,000 in aggregate principal amount of Convertible Securities and can be redeemed by the Company after the date of the fifth anniversary of the relevant Issue Date.

Tranche 2 shall comprise S$20,000,000 in aggregate principal amount of Convertible Securities and can be redeemed by the Company during the following periods:

(i) between the second anniversary of the Issue Date (including the date of the second anniversary of the Issue Date) and the third anniversary from the Issue Date (but excluding the date of the third anniversary from the Issue Date); and

(ii) after the date of the fifth anniversary from the Issue Date.

Issue Date : The Convertible Securities may be issued in two stages as set out below:

(i) Up to S$50,000,000 in aggregate principal amount of Convertible Securities, comprising a portion of Tranche 1 (the "**First Stage Convertible Securities**"), may be issued, at the Company's sole discretion, at any time within two (2) months from the extraordinary general meeting convened to seek shareholders' approval for the Convertible Securities Subscription (the "**EGM**"); and

(ii) the balance of S$135,000,000 in aggregate principal amount of Convertible Securities, comprising the remaining portion of Tranche 1 and the entirety of Tranche 2 (the "**Second Stage Convertible Securities**"), may be issued, at the Company's sole discretion, at any time within four (4) months from the EGM.

For the avoidance of doubt, the Company may issue the Second Stage Convertible Securities only after the First Stage Convertible Securities have been issued.

Each date of issue of the Convertible Securities is referred to herein as an "**Issue Date**".

Issue Price	:	100% of the aggregate principal amount of the Convertible Securities.
Maturity Date	:	There is no maturity date.
Form and Denomination	:	The Convertible Securities will be issued in bearer form with a minimum denomination of S$250,000.
Distribution	:	The Convertible Securities confer the holders a right to receive distribution (each a "**Distribution**") at the applicable distribution rate from and including the Issue Date to but excluding and payable, on 15 May 2015, thereafter annually in arrear on the 15 May of each subsequent year (each such date being a "**Distribution Payment Date**").
		In the event that a Distribution Payment Date does not fall on a Business Day, the Distribution shall be deemed to be payable on the next Business Day.
Rate of Distribution	:	The distribution rate (the "**Rate of Distribution**") shall be:
		(i) in respect of the period from, and including the Issue Date to, the third anniversary from the Issue Date (but excluding the date of the third anniversary from the Issue Date), 8.75 per cent. per annum;
		(ii) in respect of the period from the third anniversary of the Issue Date (and including the date of the third anniversary from the Issue Date) to the fifth anniversary from the relevant Issue Date (but excluding the date of the fifth anniversary from the Issue Date), 9.5 per cent, per annum; and
		(iii) in respect of the period from and including the date of the fifth anniversary from the Issue Date, 9.5 per cent plus 5.0 per cent. per annum plus the applicable 5-year U.S. Treasury Rate, which will be reset every five years,
		save that in the event of a Change in Control Event or an Event of Default, the Rate of Distribution shall be:
		(iv) where, a Change in Control Event (as defined below) or an Event of Default (as defined below) occurs during the period commencing and including the Issue Date and ending on the third anniversary of the relevant Issue Date (including the date of the third anniversary from the Issue Date), in respect of the period from, and including the date of

occurrence of the Change in Control Event or Event of Default (the "**Default Date**") to the second anniversary of the Default Date (but excluding the date of the second anniversary of the Default Date), 9.5 per cent. per annum; and

(v) where, a Change in Control Event or an Event of Default occurs during the period commencing and including the Issue Date and ending on the third anniversary of the relevant Issue Date (including the date of the third anniversary from the Issue Date), in respect of the period from the second anniversary of the Default Date (including the date of the second anniversary of the Default Date), 9.5 per cent plus 5.0 per cent. per annum plus the applicable 5-year U.S. Treasury Rate, which will be reset every five years.

The applicable 5-year U.S. Treasury Rate refers to the prevailing rate that represents the average for the week immediately prior to the date on which the reset is calculated as published by the Board of Governors of the U.S. Federal Reserve.

Optional deferral of distribution : The Company may at its sole discretion elect to defer any scheduled Distribution (the "**Arrears of Distribution**") to the next scheduled Distribution Payment Date by giving prior written notice. The Company may further defer any Arrears of Distribution following the foregoing notice requirement and is not subject to any limits as to the number of times scheduled Distribution and Arrears of Distribution can be deferred.

Each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Convertible Securities at the prevailing Distribution Rate calculated by applying the Distribution Rate to the amount of the Arrears of Distribution (and the amount of such interest, the "**Additional Distribution Amount**"). In the event the Company elects to defer any scheduled Distribution, all outstanding principal of the Convertible Securities and Arrears of Distribution and Additional Distribution Amount (if any) shall immediately incur additional interest of 0.015 per cent. per day from the date of that scheduled Distribution (such amount of additional interest accrued, the "**Additional Interest Amount**"). The amount of the Additional Distribution Amount and Additional Interest Amount shall be due and payable on the next Distribution Payment Date unless such amounts are deferred by the Company in accordance with the terms and conditions of the Convertible Securities.

Distributions are cumulative subject to limited exceptions set forth under the terms and conditions of the Convertible Securities.

The Company may pay the Arrears of Distribution, Additional Distribution Amount and Additional Interest Amount in whole or in part to the holders on the 15th day of each month (subject to a minimum amount of S$500,000 being paid). Such payment will be made in the following order:

(i) **first**, towards payment of any Additional Interest Amount;

(ii) **second**, towards payment of any Additional Distribution Amount; and

(iii) **third**, towards payment of any Arrears of Distribution.

In the event that the Company does not elect to defer any scheduled Distribution in a certain year, each holder shall have the option to elect for either:

(i) the amounts of Distribution, Arrears of Distribution, any Additional Distribution Amount and any Additional Interest Amount accumulated and outstanding as at the Distribution Payment Date in that year (the "**Accumulated Amounts**") to be paid in whole or in part by the Company on that Distribution Payment Date in the following order:

(a) **first**, towards payment of any Additional Interest Amount;

(b) **second**, towards payment of any Additional Distribution Amount; and

(c) **third**, towards payment of any Arrears of Distribution; and

(d) **fourth**, towards payment of any Distribution; or

(ii) to convert the Accumulated Amounts into Conversion Shares at the Conversion Price.

Dividend and distribution stopper : Unless and until the Company satisfies in full all outstanding Arrears of Distribution, any Additional Distribution Amount and any Additional Interest Amount, the Company shall not declare or pay any dividends, distributions or make payment on, and will procure that no dividend or other payment is made on or redeem, reduce, cancel, buy-back or acquire for any consideration any share capital thereof (including preference shares) or Parity Securities but without prejudice to the right of a holder of Convertible Securities to convert any part of the Convertible Securities into Conversion Shares.

"**Parity Securities**" means any security issued by the Company which

		ranks or is expressed to rank *pari passu* with the Convertible Securities.
Conversion of Distribution, Arrears of Distribution, Additional Distribution Amount and Additional Interest Amount	:	Subject to the terms and conditions of the Convertible Securities, all or part of the Distribution, Arrears of Distribution, Additional Distribution Amount and/or Additional Interest Amount may be converted into Conversion Shares at the Conversion Price during the Conversion Period.
Conversion period	:	The Convertible Securities, Distribution, Additional Distribution Amount and/or Additional Interest Amount are convertible at any time between the expiry of three (3) years from the Issue Date (including the date of the third anniversary from the Issue Date) and the expiry of six (6) years from the Issue Date (excluding the date of the sixth anniversary of the Issue Date), except if an offer is made to Shareholders for all the outstanding Shares of the Company or if an Event of Default or Change of Control Event occurs, in which case, the Convertible Securities, Distribution, Arrears of Distribution, Additional Distribution Amount and/or Additional Interest Amount may be converted at any time on or after the offer is formally announced in compliance with applicable rules and regulations or on or after the date of the Event of Default or the Change of Control Event.
Status of the Convertible Securities	:	The Convertible Securities constitute direct, unsecured and subordinated obligations of the Company and rank *pari passu* without any preference among themselves. In the event of the winding-up of the Company, the rights and claims of a holder of the Convertible Securities shall rank ahead of those persons whose claims are in respect of any class of share capital (including preference shares) of the Company, but shall be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Company other than the claims of holders of the Parity Securities.
Status of the Conversion Shares	:	The Conversion Shares, when allotted and issued on conversion of the Convertible Securities, Distribution, Additional Distribution Amount and/or Additional Interest Amount will rank *pari passu* in all respects with the other Shares then outstanding, except for any dividends, rights, allotments or other distributions, the record date for which is prior to the date of issue of the Conversion Shares.
Initial	:	S$0.318 per Share, represents (i) a premium of approximately 10.1 per

conversion price		cent. to the volume weighted average price ("**VWAP**") of S$0.2888 per Share as quoted on the SGX-ST on 24 June 2014 (being the full market day on which Shares were traded prior to the date of the Convertible Securities Subscription Agreement) (the "**Reference Trading Day**"); (ii) a premium of approximately 10.0 per cent. to the VWAP of S$0.2892 per Share as quoted on the SGX-ST for the last five consecutive calendar days up to and including the Reference Trading Day; and (iii) a premium of approximately 11.1 per cent. to the VWAP of S$0.2862 per Share as quoted on the SGX-ST for the last 10 consecutive calendar days up to and including the Reference Trading Day. The initial Conversion Price was determined by the Company and the Subscriber after arm's length negotiations. When determining the initial Conversion Price, the Company has taken into account, among other things, the trading prices of the Shares prior to the signing of the Convertible Securities Subscription Agreement on 24 June 2014, the prevailing market price of the Shares, the valuation metrics of similar instruments issued by the Company's listed comparable companies and the strategic value of the investment.
Conversion price adjustment	:	The Conversion Price will be subject to adjustment for, among other things, the following dilutive events: • consolidation, subdivision or reclassification • capitalisation of profits or reserves • distributions • rights issues of Shares or options over Shares • rights issues of other securities • issues at less than 90 per cent. of the then prevailing market price • modification of rights of conversion • other offers to Shareholders • other events. Please refer to the section "*Adjustments to Conversion Price*" for further details.
Company call	:	In respect of Tranche 1, the Company may after five (5) years from the Issue Date (including the date of the fifth anniversary from the Issue Date) from the Issue Date redeem all or some of the Convertible

Securities (subject to the minimum of S$10,000,000 in aggregate principal amount of Convertible Securities) together with all outstanding Arrears of Distribution, any Additional Distribution Amount, any Additional Interest Amount and the Distribution accrued to the date fixed for redemption (the "**Amount Outstanding**") by giving the Holders at least one month's prior notice at the rate contemplated under the following formula:

Amount Outstanding x [(1.0 + 0.035 x (number of days elapsed since the Issue Date/365)].

In respect of Tranche 2, the Company may (i) between the period of two (2) years from the Issue Date (including the date of the second anniversary of the Issue Date) and three (3) years (excluding the date of the third anniversary of the Issue Date) from the Issue Date (the "**First Redemption Period**") and (ii) after five (5) years (including the date of the fifth anniversary of the Issue Date)from the Issue Date (the "**Second Redemption Period**") redeem all, but not some, of the Amount Outstanding by giving the Holders at least one month's prior notice at the rate contemplated under the following formula:

(i) Amount Outstanding x [1.0 + 0.055 x (number of days elapsed since the Issue Date/365)] in respect of redemption made during the First Redemption Period; and

(ii) Amount Outstanding x [1.0 + 0.035 x (number of days elapsed since the Issue Date/365)] in respect of redemption made during the Second Redemption Period.

Clean-up call : If at any time the aggregate principal amount of the Convertible Securities outstanding issued under Tranche 1 is less than 5.0 per cent. of the aggregate principal amount originally issued, the Company shall have the option to redeem such outstanding Convertible Securities under Tranche 1 in whole but not in part at their principal amount together with all outstanding Arrears of Distribution, any Additional Distribution Amount, any Additional Interest Amount and the Distribution accrued to the date fixed for redemption. This clean-up call does not apply to Tranche 2.

Tax call : If there is any change to Singapore law which would result in the Company paying or the Company becoming liable to pay additional tax amounts, the Company shall have the option to redeem such outstanding Convertible Securities in whole but not in part at their principal amount together with, if any, all outstanding Arrears of Distribution, Additional Distribution Amount, Additional Interest Amount and Distribution accrued to the date fixed for redemption. Holders have the right to elect

for their Convertible Securities not to be redeemed, whereupon the Company shall be entitled to pay Distributions, Arrears of Distributions, Additional Distribution Amounts and Additional Interest Amounts net of such additional tax amounts and such holders shall have no entitlement to any gross up for the additional tax amounts.

Accounting call : If there is any change or amendment to the International Financial Reporting Standards (or such other accounting or reporting standards that the Group has adopted or is subject to) which would result in the Convertible Securities ceasing to qualify as equity in the financial statements of the Company, the Company shall have the option to redeem such outstanding Convertible Securities in whole but not in part at their principal amount together with, if any, all outstanding Arrears of Distribution, Additional Distribution Amount, Additional Interest Amount and Distribution accrued to the date fixed for redemption.

Change in Control Event : A Change in Control Event refers to any of the following events:

(a) Fang Ming no longer holds a direct or indirect controlling interest of at least 15% in the equity of the Company on a fully diluted basis; or

(b) (As long as the Subscriber holds any of the Convertible Securities) Fang Ming ceases to be the Chairman of board of directors of the Company without prior written consent of the Subscriber.

Events of Default : An Event of Default refers to any of the following events:

(a) a default in the payment of any principal, premium or distribution due in respect of the Convertible Securities is subsisting for a period of more than three (3) Business Days;

(b) any failure by the Company to deliver any Shares as and when the Shares are required to be delivered following conversion of Convertible Securities, Distribution, Additional Distribution Amount and/or Additional Interest Amount;

(c) the Company does not perform or comply with one or more of its other obligations under the Convertible Securities which default is incapable of remedy or, if such default is capable of remedy and is not remedied within 21 days after written notice of such default shall have been given to the Company by the agent;

(d) if (i) any present or future indebtedness of the Company or any Subsidiary of the Company becomes (or becomes capable of being declared) due and repayable prematurely by reason of an event of default (however described); (ii) the Company or any subsidiary of the Company fails to make any payment in respect

of any present or future indebtedness on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Company or any subsidiary of the Company for any present or future indebtedness becomes enforceable; or (iv) default is made by the Company or any subsidiary of the Company in making any payment due under any guarantee and/or indemnity given by it in relation to any present or future indebtedness of any other person; provided that no such event shall constitute an Event of Default unless the relative present or future indebtedness, either alone or when aggregated with other present or future indebtedness relative to all (if any) other such events which shall have occurred, shall amount to at least S$5.0 million (or its equivalent in any other currency); or

(e) if (i) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any substantial part of the property, assets or revenues of the Company or any principal subsidiary (as defined in the Companies Act, Chapter 50 of Singapore) and is not discharged or stayed within 30 days; or (ii) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company or any subsidiary of the Company; or

(f) any step is taken to enforce any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any principal subsidiary (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager, judicial manager or other similar person) and is not discharged or stayed within 30 days; or

(g) the Company or any principal subsidiary is insolvent or bankrupt or unable to pay its debts when they fall due, or stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts, or proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any substantial part) which it will otherwise be unable to pay when due, or proposes or makes a general assignment or an arrangement or composition or compromise with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any substantial part of (or of a particular type of) the debts of the Company or any principal subsidiary; or

(h) an order is made or a resolution is passed for the winding-up, dissolution, administration or judicial management of the Company or any principal subsidiary, or the Company or any principal subsidiary has passed a special resolution to have itself wound up or has made an announcement or issued a notice to that effect, or the Company or any principal subsidiary ceases or

threatens to cease to carry on all or a substantial part of its business or operations, (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an ordinary resolution of the Holders or (ii) in the case of a principal subsidiary, whereby the undertaking and assets of such principal subsidiary are transferred to or otherwise vested in the Company or another subsidiary of the Company; or

(i) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Convertible Securities and (b) to ensure that those obligations are legally binding and enforceable is, in the case of (a) or (b) above, not taken, fulfilled or done; or

(j) a final judgment or judgments for the payment of money are rendered against the Company or any Subsidiary of the Company and which judgments are not, within 30 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 30 days after the expiration of such stay; or

(k) it is or will become unlawful for the Company to perform or comply with any of its obligations under or in respect of the Convertible Securities; or

(l) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the above; or

(m) the Shares of the Company are delisted or trading of the Shares is suspended for more than sixty (60) days.

Delisting or suspension : When the Shares cease to be listed or admitted to trading or the trading of which is suspended for a period of more than 180 consecutive market days, holders shall have the option to require the Company to redeem all, or some only, of the outstanding Convertible Securities at their principal amount together with, if any, all outstanding Arrears of Distribution, Additional Distribution Amount, Additional Interest Amount and the Distribution accrued to the date fixed for redemption.

Default interest : In the event the Company does not provide the holders prior written notice of its election to defer any scheduled Distribution to the next scheduled Distribution, such unpaid amount of scheduled Distribution will bear interest from the date of default to the day on which all such sums due in respect of such Convertible Securities up to but excluding

that day are received by or on behalf of the holders, at the rate of interest of 15.0 per annum based on the following formula:

Unpaid amount of scheduled Distribution x 15% x (number of days elapsed since the date of default/365).

Conversion shares	:	Based on the initial Conversion Price and assuming there are no adjustments thereto, the number of Conversion Shares to be allotted and issued by the Company pursuant to the full conversion of the Convertible Securities is 581,761,006, representing (i) approximately 26.7 per cent. of the entire issued share capital of the Company as at the date of the announcement (the "**Announcement**") of the Convertible Securities issue (prior to the enlargement of the share capital of the Company by the Share Subscription); (ii) approximately 22.8 per cent. of the entire issued share capital of the Company as at the date of the Announcement (subsequent to the share capital of the Company having been enlarged by the Share Subscription); and (iii) approximately 18.5 per cent. of the entire issued share capital of the Company as further enlarged by a full conversion of Tranche 1 and Tranche 2 of the Convertible Securities (based on the initial Conversion Price) (in each case assuming no other issue of Shares is made) and not including any conversion of Arrears of Distribution, Additional Distribution Amount and Additional Interest Amount. The Conversion Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of such Conversion Shares except for any dividends, rights, allotments or other distributions, the record date for which is prior to the date of the issue of the Conversion Shares.
Transferability	:	The Convertible Securities are freely transferrable.
Voting	:	Holder of the Convertible Securities will not be entitled to attend or vote at any meetings of the Company by reason only of its being a holder.
Listing	:	Save as required in the manner set out below, no application will be made for the listing of the Convertible Securities on the SGX-ST or any other stock exchange. An application will be made by the Company to the SGX-ST for the listing of, and permission to deal in, the Conversion Shares.

ADJUSTMENTS TO CONVERSION PRICE

The Conversion Price will be subject to adjustment in the following events:

Conversion price adjustment upon consolidation, subdivision or reclassification	:	If and whenever there shall be an alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction: $\frac{A}{B}$ where: A is the aggregate number of issued Shares immediately before such alteration; and B is the aggregate number of issued Shares immediately after such alteration. Such adjustment shall become effective on the date the alteration takes effect.
Conversion price adjustment upon capitalisation of profits or reserves	:	(a) If and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including, Shares paid up out of distributable profits or reserves and/or share premium account (except any Scrip Dividend) and which would not have constituted a Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction: $\frac{A}{B}$ where: A is the aggregate number of issued Shares immediately before such issue; and B is the aggregate number of issued Shares immediately after such issue. Such adjustment shall become effective on the date of issue of such Shares or if the number of such

Shares is fixed on announcement and a record date is fixed therefor, immediately after such record date.

(b) In the case of an issue of Shares by way of a distribution or bonus issue of Shares issued in lieu of the whole or any part of a specifically declared Dividend in cash ("**Scrip Dividend**") where the aggregate then prevailing market price on the date of announcement of the terms of such issue of such Shares multiplied by the number of such Shares issued exceeds 105 per cent. of the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of issued Shares immediately before such Scrip Dividend;

B is the aggregate number of issued Shares which the Relevant Cash Dividend would purchase at such then prevailing market price; and

C is the number of Shares to be issued pursuant to such Scrip Dividend;

or by making such other adjustment as an independent investment bank shall certify to the holders is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if the number of such Shares is fixed on announcement and a record date is fixed therefor, immediately after such record date.

Conversion price adjustment upon distributions	:	If and whenever the Company shall pay or make any Distribution to the Shareholders (except to the extent the Conversion Price falls to be adjusted under other provisions of the terms and conditions of the Convertible Securities that would otherwise require an adjustment), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction: $\frac{A - B}{A}$ where: A is the then prevailing market price of one Share on the date on which the Distribution is first publicly announced; and B is the fair market value on the date of such announcement of the portion of the Distribution attributable to one Share. Such adjustment shall become effective on the date that such Distribution is actually made or if a record date is fixed therefor, immediately after such record date. For the avoidance of doubt, when the Distribution is by means of a distribution of cash dividend, only such portion of the cash dividend which exceeds the threshold referred to in proviso (a) of the definition of Distribution (the "**excess portion**") shall be regarded as Distribution and only the excess portion shall be taken into account in determining the fair market value of the portion of the Distribution attributable to one Share.
Conversion price adjustment upon rights issues of shares or options over shares	:	If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 90 per cent. of the then prevailing market price per Share on the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe, purchase or otherwise acquire at the then prevailing market price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

Conversion price adjustment upon rights issues of other securities : If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe, purchase or otherwise acquire any Shares) to all or substantially all Shareholders as a class by way of rights or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the then prevailing market price of one Share on the date on which such issue or grant is publicly announced; and

B is the fair market value on the date of such

announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be on the relevant stock exchange.

Conversion price adjustment upon issues at less than current market price : If and whenever the Company shall issue any Shares (other than Shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for Shares) or issue or grant any options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 90 per cent. of the then prevailing market price on the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe, purchase or otherwise acquire any Shares;

B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares or would purchase at the then prevailing market price; and

C is the number of Shares to be issued pursuant to such issue of Shares or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue or grant of such options, warrants or rights.

References to additional Shares in the above formula shall, in the case of an issue by the Company of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options,

warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

Conversion price adjustment upon other issues at less than the then prevailing market price : Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this provision, if and whenever the Company or any of its subsidiaries, or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries), any other company, person or entity shall issue any securities (other than the Convertible Securities) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a consideration per Share which is less than 90 per cent. of the then prevailing market price on the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at the then prevailing market price; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of

issue of such securities.

Conversion price adjustment upon modification of rights of conversion : If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities which are issued at less than 90 per cent. of the then prevailing market price (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 90 per cent. of the then prevailing market price on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such modification;

B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such prevailing market price or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of the right of subscription attached thereto at the modified conversion, exchange or subscription or purchase price or rate but giving credit in such manner as an independent investment bank, considers appropriate (if at all) for any previous adjustment under this condition or the condition where the Conversion Price is subject to adjustment for issues at less than 90 per cent. of the then prevailing market price.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

Conversion price adjustment upon other offers to Shareholders : If and whenever the Group or (at the direction or request of or pursuant to any arrangements with the Group) any other company, person or entity issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under the adjustment provisions pertaining to (i) rights issues of Shares or options over Shares at less than 90 per cent. of the then prevailing market price; (ii) rights issues of other securities; (iii) issues at less than 90 per cent. of the then prevailing market price; or (iv) other issues at less than the then prevailing market price) the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the then prevailing market price of one Share on the date on which such issue is publicly announced; and

B is the fair market value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

Conversion price adjustment upon other events : If the Company determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in any of the conditions as specified in the terms and conditions of the Convertible Securities, the Company shall, at its own expense, consult an independent investment bank to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the independent investment bank such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where

the events or circumstances giving rise to any adjustment pursuant to the Conversion Price adjustment conditions as specified in the terms of the Convertible Securities have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of the Conversion Price adjustment conditions as specified in the terms of the Convertible Securities as may be advised by the independent investment bank to be in its opinion appropriate to give the intended result.

This is a common term included in the terms and conditions of the Convertible Securities without referring to any specific circumstances. It is expected the circumstances in which the Company would seek to avail itself to this flexibility to be extremely limited. As summarised above, there is a requirement to consult an independent investment bank in making this adjustment, and the determination would be made by this independent investment bank not by the Company.

The Conversion Price may not be reduced below the level permitted by applicable laws and regulations from time to time (if any).

Exception : No adjustment will be made to the Conversion Price when Shares are issued, offered or granted to employees of the Company pursuant to existing options which have been granted under the existing share option scheme and the existing performance share plan of the Company prior to the date of completion of the Convertible Securities Subscription Agreement.