



YING LI INTERNATIONAL REAL ESTATE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199106356W)

DISPOSAL OF COMMERCIAL UNITS IN SOUTHLAND GARDEN, CHONGQING

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Ying Li International Real Estate Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform shareholders (the “**Shareholders**”) that Chongqing Ying Li Real Estate Development Company Limited (“**CQYL**”), an indirect wholly-owned subsidiary of the Company, has on 17 November 2023¹ concluded five (5) distinctive and separate agreements (the “**Agreements**”) with an independent third party, Mr. Jiang Zi’an (the “**Purchaser**”) for the disposal of the following commercial units located at Southland Garden, Nos. 46 to 52 Cangbai Road, Yuzhong District, Chongqing, the People’s Republic of China (the “**Properties**”, and each a “**Property**”) (collectively, the “**Disposals**”).

2. INFORMATION ON THE PROPERTIES

2.1 Each Property is a commercial unit in Southland Garden. Completed in December 2004, the 43-storey Southland Garden is a high-end residential and commercial property located at the intersection of the Yangtze River and the JiaLing River in the JieFangBei district of Chongqing, the People’s Republic of China, with a 40-year land use right for commercial use expiring on 25 November 2042. Please refer to the table below for further information on the Properties.

Description of the Property	Building Area (m ²)	Consideration per square metre of building area (RMB)	Consideration (RMB)
Basement 2, No. 52 Cangbai Road, Yuzhong District, Chongqing	2,164.38	5,403	11,694,145
Basement 4, No. 52 Cangbai Road, Yuzhong District, Chongqing	2,223.75	5,403	12,014,921
Basement 5, No. 52 Cangbai Road, Yuzhong District, Chongqing	1,237.25	5,403	6,684,862
Basement 6, No. 52 Cangbai Road, Yuzhong District, Chongqing	1,331.92	5,403	7,196,364
Basement 7, No. 52 Cangbai Road, Yuzhong District, Chongqing	562.10	5,403	3,037,026

¹ These Agreements were the subject of dispute in China before the Chongqing Yuzhong District People’s Court (the “**Chongqing Court**”) where the Company had disputed their validity. Pursuant to an award by the Chongqing Court dated 27 August 2024 (the “**Award**”), the Agreements were given force of law with effect from 17 November 2023. The Award was received on 3 September 2024 and will be effective 19 September 2024 (as confirmed by the relevant court on 20 September 2024).

- 2.2 The Properties are currently leased to Jiefangbei (Chongqing) Motel Co., Ltd (the “**Lessee**”) for its hotel operations and management. The Properties are being sold subject to existing lease agreements entered into between CQYL and the Lessee, which will be expiring on 31 December 2030.
- 2.3 As at 31 December 2023, the book value of the Properties was approximately RMB43,200,000. The net tangible asset value of the Properties is equivalent to the book value of the Properties.²

3. Consideration

- 3.1 The aggregate consideration for the Disposals is RMB40,627,318 (the “**Total Consideration**”), and the consideration for each Disposal (the “**Consideration**”) is set out in the table in paragraph 2.1 above.
- 3.2 The Consideration had been arrived at after arm’s length negotiations between CQYL and the Purchaser on a willing-buyer-willing-seller basis after taking into account, among others, the sale prices of comparable properties in close proximity and the prevailing market conditions.
- 3.3 The Total Consideration represents a deficit of approximately RMB2,572,682 over the book value of the Properties. The Total Consideration is to be paid by the Purchaser to the Company in cash.
- 3.4 There are no material conditions attached to the Disposals.

4. RATIONALE FOR THE DISPOSALS

Against the backdrop of the evolving macro-economic challenges and uncertain market conditions, the Group has undertaken a strategic review in calibrating its business model, moving from asset heavy to asset light, and focusing on property management services in order to mitigate the impact of regulatory measures on the real estate development sector. The Disposals can present an opportunity for the Group to divest its existing assets and can be one of such exercise undertaken to accelerate the strategic transformation.

5. USE OF PROCEEDS

The Group intends to use the net proceeds from the Disposals for the general working capital requirements of the Group.

6. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

- 6.1 Based on the latest announced unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2024, the relative figures for the Disposals computed on the bases set out under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) are as follows:

² The valuation was recorded based on the latest available valuation of the Properties by *KPMG Advisory (China) Limited Shenzhen Branch*, an independent valuer commissioned by the Group to conduct an independent valuation for financial reporting purposes (the “**Valuation Report**”). On the valuation date, 31 December 2023, the estimated fair value of the Properties was approximately RMB43,200,000 based on direct comparison method and income approach. The valuation was performed based on the assumption that the Properties would continue to generate rental income until expiration of land use right.

Rule	Bases	Relative Figure ⁽¹⁾
1006(a)	Net asset value (“NAV”) of the Properties, compared with the Group’s NAV	2.29% ⁽²⁾
1006(b)	Net profits attributable to the Properties, compared with the Group’s net loss	-1.46% ⁽³⁾
1006(c)	The aggregate value of the consideration received, compared with the Company’s market capitalisation, based on the total number of issued shares excluding treasury shares	12.33% ⁽⁴⁾⁽⁵⁾
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁶⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets	Not applicable ⁽⁷⁾

Notes:

- (1) Relevant figures are rounded to the nearest two (2) decimal places.
- (2) Calculated based on the NAV of the Properties of RMB43,200,000, compared with the net asset value of the Group of RMB1,884,581,000 as at 30 June 2024.
- (3) Calculated based on the net profits attributable to the Properties of RMB1,456,000, compared with the net loss of the Group of RMB99,577,000 for the six months ended 30 June 2024. The sum of the net profits attributable to the Properties and the loss on disposal is 6.24% of the consolidated net loss of the Group (in each case taking into account only the absolute value).
- (4) Calculated based on the Total Consideration of RMB40,627,318 (equivalent to SGD7,438,862, based on an exchange rate of RMB100 : SGD18.31 extracted from the website of the Monetary Authority of Singapore (www.mas.gov.sg) as at 20 September 2024).
- (5) As at 16 November 2023, being the last full market day on which the ordinary shares of the Company (“Shares”) were traded prior to the date of the Agreements, the Company’s market capitalisation was approximately SGD60,346,144, computed by multiplying the Company’s issued and paid-up share capital (excluding treasury shares) of 2,557,040,000 Shares and the volume weighted average price of SGD0.0236 per Share.
- (6) The Disposals do not involve the acquisition of assets.
- (7) The Company is not a mineral, oil or gas company.

6.2 As the Disposals falls within the situation set out in paragraph 4.4(d) of Practice Note 10.1 of the Listing Manual, where the absolute relative figure computed on the basis of each of Rule 1006(a), Rule 1006(c) and (if applicable) Rule 1006(e) of the Listing Manual does not exceed 20%, and the net profit attributable to the asset to be disposed of and, if the disposal will result in a loss on disposal the sum of such net profit and the loss on disposal, exceeds 5% but does

not exceed 10% of the consolidated net loss of the issuer (in each case taking into account only the absolute value), the Disposals only require an immediate announcement and constitute a “discloseable transaction” as defined under Chapter 10 of the Listing Manual.

7. FINANCIAL EFFECTS OF THE DISPOSALS

7.1 The financial effects of the Disposals set out below are purely for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group after completion of the Disposals. The financial effects of the Disposals were calculated based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 (“FY2023”), being the most recently completed financial year for which financial statements are publicly available as at the date of this announcement.

7.2 Net tangible asset (“NTA”)

The effect of the Disposals on the NTA per share of the Group for FY2023, assuming that the Disposals had been effected as at 31 December 2023, is as follows:

	Before the Disposals	After the Disposals
NTA (RMB'000)	1,969,222	1,964,463
Number of issued Shares (excluding treasury shares) ('000)	2,557,040	2,557,040
NTA per Share (RMB)	0.77	0.77

7.3 Earnings per Share (“EPS”)

The effect of the Disposals on the EPS of the Group for FY2023, assuming that the Disposals had been effected on 1 January 2023 is as follows:

	Before the Disposals	After the Disposals
Net profit attributable to equity holders of the Company (RMB'000)	16,869	9,541
Weighted average number of issued Shares (excluding treasury shares) ('000)	2,557,040	2,557,040
EPS (RMB)	0.007	0.004

7.4 Loss on the Disposals

The Group is expected to record a loss on the Disposals which is estimated to be approximately RMB4,759,000.

8. SERVICE CONTRACT

No person will be appointed to the Board, and no service contract will be entered into by the Company, in connection with the Disposals.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Disposals, other than through their respective shareholdings (if any) in the Company.

10. DOCUMENT FOR INSPECTION

Copies of the Agreements and the Valuation Report are available for inspection during normal business hours at the registered office of the Company at 6 Temasek Boulevard, #21-01 Suntec Tower Four, Singapore 038986 for a period of three (3) months from the date of this announcement.

11. FURTHER ANNOUNCEMENTS

The Company will make subsequent announcements to update Shareholders when there are material updates as may be necessary or appropriate.

By Order of the Board

Ying Li International Real Estate Limited

Ren Chao
Executive Director and Acting Chief Executive Officer
23 September 2024