

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

ENTRY INTO LOAN AGREEMENTS AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

1.1. The Board of Directors (the “**Board**”) of Ying Li International Real Estate Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that:

(a) On 11 March 2024, Chongqing Guang Rui Carpark Services Co., Ltd. (“**CQGRCS**”) (as borrower), an indirect wholly-owned subsidiary of the Company, has entered into a loan agreement and mortgage agreement (collectively, the “**Chongqing Loan Agreement**”) with Everbright (Jiangsu) Investment Limited (“**EJIL**”) (as lender). Pursuant to the Chongqing Loan Agreement, EJIL will grant a lump sum loan of up to RMB 80,000,000 (the “**RMB Lump Sum Loan**”) to CQGRCS, subject to the terms and conditions set out in the Chongqing Loan Agreement. A summary of the Chongqing Loan Agreement is set out in Section 3 of this announcement.

(b) On 11 March 2024, the Company (as borrower) has entered into a loan agreement (the “**YL Loan Agreement**”) with China Everbright Finance Limited (“**CEFL**”) (as lender). Pursuant to the YL Loan Agreement, CEFL will be granting a facility of up to US\$54,000,000 (the “**USD Loan Facility**”) to the Company, subject to the terms and conditions set out in the YL Loan Agreement. A summary of the YL Loan Agreement is set out in Section 4 of this announcement.

1.2. EJIL and CEFL are each direct wholly-owned subsidiaries of China Everbright Limited (“**CEL**”), a company listed on the Stock Exchange of Hong Kong. In turn, CEL is the controlling shareholder of the Company.

2. BACKGROUND - SYNDICATION LOANS

2.1. As of 1 January 2024, the Group has borrowed loans of approximately RMB 1.06 billion from a syndicate of banks comprising: (a) the approximate amount of RMB 600 million in the People’s Republic of China (the “**China Loans**”), and (b) loans of approximately US\$64 million outside of the People’s Republic of China (the “**Offshore Loans**”). The China Loans and the Offshore Loans would mature in August 2024.

2.2. In view of the upcoming maturity of the China Loans and the Offshore Loans, the Company is proposing to voluntarily repay the loans in the following manner: (a) in respect of the China Loans, through the Existing RMB Loan Facility (as defined in Section 6.3 of this announcement) in the approximate amount of RMB 430 million (which has since been fully repaid), through the RMB Lump Sum Loan in the approximate amount of RMB 80 million, and through utilising internal funds in the approximate amount of RMB 90 million; and (b) in respect of the Offshore Loans, through the USD Loan Facility in the approximate amount of US\$54 million, and through utilising internal funds in the approximate amount of US\$10 million.

3. PRINCIPAL TERMS OF THE CHONGQING LOAN AGREEMENT

Lender	Everbright (Jiangsu) Investment Limited
Borrower	Chongqing Guang Rui Carpark Services Co., Ltd.
Principal Amount	One-time lump sum loan not exceeding RMB 80 million to be disbursed within 10 business days after the borrower issues a drawdown notice to the lender.
Interest	<p>The annual interest rate of the RMB Lump Sum Loan is 6% (simple interest).</p> <p>The interest at the aforesaid rate shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a year of 365 days, starting from the date of loan issuance (inclusive) and ending on the date of full repayment of principal and interest (exclusive).</p>
Maturity Date	The earlier of the following dates: (a) 36 months after the date of issuance of the RMB Lump Sum Loan (if that is not a business day, the first business day after that); and (b) the date on which the lender notifies the borrower of the early maturity of the RMB Lump Sum Loan in accordance with the terms of the agreement.
Repayment and Prepayment	<p>Borrower shall repay the outstanding principal balance in full on the maturity date or upon the request of the lender.</p> <p>Interest is to be paid on an annual basis, with the interest payment date falling on each full year from the date of issuance of the RMB Lump Sum Loan.</p> <p>The borrower may prepay to the lender the outstanding amount of the RMB Lump Sum Loan and all interest accrued thereon as of the date of prepayment, in whole or in part, at any time during the term of the RMB Lump Sum Loan.</p>
Purpose	Repayment of the principal and interest of bank loans, or any other purpose as agreed in writing by the lender.
Security	<p>The RMB Lump Sum Loan is secured by a mortgage in respect of the following immovable properties:</p> <p>(a) B1/F and B2/F, No. 19 Daping Zheng Jie Road, Yuzhong District, Chongqing (33,810.03 square metres); and</p> <p>(b) B3/F and B4/F, No. 19 Daping Zheng Jie Road, Yuzhong District, Chongqing (24,059.57 square metres).</p>

Event of Default	<p>Any of the following events shall constitute an event of default by the borrower:</p> <p>(a) The borrower fails to use the RMB Lump Sum Loan for the purpose specified in the agreement; or</p> <p>(b) Any representation or warranty made by the borrower under the agreement is proved to be untrue, inaccurate or misleading; or</p> <p>(c) The borrower fails to pay the principal and interest or any other payment due; or</p> <p>(d) The borrower breaches any of its obligations or commitments under the agreement.</p>
Mandatory Prepayment	<p>If an event of default has occurred, the lender shall have the right to declare the RMB Lump Sum Loan immediately due and require the borrower to immediately repay the principal, interest, fees (if any) and charges (if any) in connection with the RMB Lump Sum Loan.</p> <p>Upon failure to make such immediate repayment, the lender may charge liquidated damages at the rate of 0.03% of the principal and other unpaid amounts for each day overdue until the date on which the borrower has repaid all the principal and other unpaid amounts. Save for such liquidated damages, the unpaid principal and/or interest shall not incur interest.</p>
Condition Precedent	<p>(a) The agreement being duly executed by the parties; and</p> <p>(b) Approval of the RMB Lump Sum Loan by the board of directors and shareholders of the Company.</p>
Governing Law	The agreement is governed by the laws of the People's Republic of China.

4. **PRINCIPAL TERMS OF THE YL LOAN AGREEMENT**

Lender	China Everbright Finance Limited
Borrower	Ying Li International Real Estate Limited
Principal Amount	Loan facility of up to US\$54 million
Interest	<p>The interest rate applicable to the USD Loan Facility shall be 6.5% per annum (simple interest).</p> <p>Interest shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a year of 360 days.</p>

Default Interest	<p>If any of the borrower or any party who has given any guarantee or provided any security interest in respect of the USD Loan Facility (“Security Party”) fails to pay any sum payable under this agreement or any guarantees and security documents in respect of the USD Loan Facility (the “Finance Documents”) when due, the borrower and/or the Security Parties (as the case may be) shall pay interest on such sum from and excluding the due date to the date of actual payment (both before and after judgment) at the rate of 15% per annum calculated with reference to such periods and such amounts as the lender considers appropriate.</p> <p>Interest at the aforesaid rate shall accrue from day to day, shall be calculated on the basis of the actual number of days elapsed and a year of 360 days, shall be compounded at the end of each successive funding period considered appropriate by the lender and payable from time to time on demand.</p>
Maturity Date	<p>The date falling three years after the date of the first drawing under the USD Loan Facility or if such date is not a business day, the business day falling immediately before such date, or such other date as agreed in writing between the lender and the borrower.</p>
Repayment and Prepayment	<p>Borrower shall repay to lender all outstanding amounts under the USD Loan Facility and all interest accrued thereon on the maturity date.</p> <p>Interest is to be paid on an annual basis, with the interest payment date falling on each full year from the date of issuance of the loan.</p> <p>Upon at least five days’ prior written notice to the lender, the borrower may prepay to the lender the outstanding amount of the USD Loan Facility and all interest accrued thereon as of the date of prepayment, in whole or in part, (if in part, in a minimum amount of US\$1 million and US\$100,000 incremental) at any time and from time to time.</p> <p>Any prepayment of principal under the agreement shall be made together with interest accrued on such principal amount prepaid. Any notice of prepayment given by the borrower under any provision of the agreement shall be irrevocable and the borrower shall be bound to make a prepayment in accordance therewith. Amounts prepaid may not be reborrowed.</p>
Purpose	<p>Repayment of the Group’s existing indebtedness.</p>
Security	<p>Lender may require borrower to perform any of the following (at the cost and expense of the borrower):</p> <ul style="list-style-type: none"> (a) Execute and deliver to the lender one or more security documents over such of the assets of the borrower and/or Security Party and/or any member of the borrower as the lender may specify; (b) Register or procure the registration of the security interest created under the agreement or any Finance Document;

	<p>(c) Provide further security in such form as may be required by the lender and in amounts and/or values sufficient in the opinion of the lender to secure the USD Loan Facility; and/or</p> <p>(d) Do all such acts or execute all such documents as the lender may specify to perfect the security interest created or intended to be created under or evidenced by the Finance Documents or for the exercise of any rights, power and remedies of the lender provided by or pursuant to the Finance Documents or by law and/or to facilitate the realisation of the assets which are, or are intended to be, the subject of the security interest created under the Finance Documents.</p>
<p>Event of Default</p>	<p>Any of the following events shall constitute an event of default by the borrower:</p> <p>(a) any sum due and payable under the Finance Documents is not paid to the lender on the due date; or</p> <p>(b) any breach of the representations and warranties by any party to the Finance Documents (other than the lender) under any Finance Documents or default in the due performance or observance by such party of any of the terms, conditions and undertakings or any other provisions in the Finance Documents; or</p> <p>(c) any financial indebtedness of the borrower or Security Party is not paid when due nor within any originally applicable grace period; or</p> <p>(d) any financial indebtedness of the borrower or any Security Party is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or</p> <p>(e) the borrower or any Security Party becomes insolvent, or any liquidator or receiver shall be or has been appointed over all or a substantial portion of its respective assets, or it shall be unable to pay its debts as they fall due; or</p> <p>(f) the borrower or any Security Party sells, transfers or otherwise disposes of title to, or any right or interest in, or possession of all or a substantial portion of its assets during the term of the USD Loan Facility without the lender's prior written consent; or</p> <p>(g) it becomes unlawful for any party to the Finance Documents (other than the lender) to fulfil its obligations contained in such Finance Documents; or</p> <p>(h) all or any part of the property or assets of the Borrower or any Security Party is subject to any lien, encumbrance, levy, seizure, assignment application or sale (whether by government agency or otherwise) without the Lender's prior written consent.</p>

Set-off	If an event of default has occurred, the lender shall have the right, without notice to the borrower or any other person, to set off (whether subject to notice or not and whether matured or not and in whatever currency) any amounts held by the borrower with the lender and any other indebtedness owing by the lender to the borrower, against the liabilities of the borrower under the Finance Documents.
Condition Precedent	(a) The agreement being duly executed by the parties; and (b) Approval of the loan by independent shareholders of the borrower at an extraordinary general meeting to be held by the borrower (or at any adjournment of such meeting) of the transactions contemplated under the agreement and the transactions contemplated thereunder at the extraordinary general meeting.
Governing Law	Agreement is governed by the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

5. RATIONALE FOR THE PROPOSED TRANSACTIONS

- 5.1. As indicated in Section 2 of this announcement, the Company intends to enter into the RMB Lump Sum Loan and the USD Loan Facility (collectively, the “**Proposed Transactions**”) to repay outstanding balances of the China Loans and the Offshore Loans (amounting to the approximate amount of RMB 600 million and US\$64 million respectively).
- 5.2. Specifically, the Company intends to use the RMB Lump Sum Loan and USD Loan Facility to repay the China Loans and the Offshore Loans, which collectively carry a higher interest rate.
- 5.3. Given the above, the Board believes that the Proposed Transactions are likely to improve the cash flow of the Group in the future, which will in turn, allow the Company to have more working capital for future development.

6. CHAPTER 9 OF THE LISTING MANUAL

6.1. The RMB Lump Sum Loan and the USD Loan Facility as Interested Person Transactions

- (a) As at the date of this announcement, CEL is deemed to have an interest in 1,842,011,837 ordinary shares in the share capital of the Company, representing 72.04% of the total issued share capital of the Company.
- (b) As EJIL (lender in the Chongqing Loan Agreement) and CEFL (lender in the YL Loan Agreement) are each direct wholly-owned subsidiaries of CEL, who is a controlling shareholder of the Company, each of EJIL and CEFL are considered to be an associate of CEL and accordingly, each of EJIL and CEFL are also considered to be an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.
- (c) As CQGRCS is wholly-owned by the Company, it is therefore considered to be an entity at risk for the purposes of Chapter 9 of the Listing Manual.
- (d) Accordingly, the RMB Lump Sum Loan and the USD Loan Facility each constitutes an interested person transaction under Chapter 9 of the Listing Manual.

6.2. Value at Risk and NTA

- (a) Based on the Group's latest audited consolidated financial statements for the financial year ended 31 December 2022, the Group's latest audited net tangible assets ("NTA") is RMB 2,035,763,000.
- (b) Assuming that (i) the RMB Lump Sum Loan is fully utilised during the financial year ending 31 December 2024 ("FY2024"); (ii) no prepayment of principal is able to be made such that the RMB Lump Sum Loan is only repaid on the maturity date, the value of the RMB Lump Sum Loan (being the maximum interest payable on the RMB Lump Sum Loan) amounts to approximately RMB 14,400,000, which represents approximately 0.71% of the Group's latest audited NTA.
- (c) Assuming that (i) the USD Loan Facility is fully utilised during FY2024; (ii) no prepayment of principal is able to be made such that the USD Loan Facility is only repaid on the maturity date, the value of the USD Loan Facility (being the maximum interest payable on the USD Loan Facility) amounts to approximately US\$10,676,250 (or RMB 76,667,219¹), which represents approximately 3.77% of the Group's latest audited NTA.

6.3. Existing Loan with China Everbright Finance Limited for FY2024

- (a) In addition to the Proposed Transactions, the Company (as borrower) had, on 6 February 2024, entered into a loan agreement (the "**Existing Loan Agreement**") with CEFL (as lender). Pursuant to the Existing Loan Agreement, CEFL will grant a loan facility of up to RMB 430 million (the "**Existing RMB Loan Facility**") to the Company, subject to the terms and conditions set out in the Existing Loan Agreement.
- (b) As of the date of this announcement, the Existing RMB Loan Facility has already been fully utilised to repay RMB 430 million of the China Loans.
- (c) Given that the Existing RMB Loan Facility has been fully utilised during FY2024 and assuming no prepayment of principal is able to be made such that the Existing RMB Loan Facility is only repaid on the maturity date, the value of the Existing RMB Loan Facility (being the maximum interest payable on the Existing RMB Loan Facility) amounts to approximately RMB 28,338,194, which represents approximately 1.39% of the Group's latest audited NTA.
- (d) As the amount at risk to the Company in respect of the Existing Loan Agreement was less than 3% of the Group's latest audited NTA, this Existing Loan Agreement was not announced and shareholders' approval for the Existing Loan Agreement was not sought.

6.4. Management Fees and Related Costs Charged by EBA (Shanghai) Commercial Management Co., Ltd

As of the date of this announcement and save for the Existing RMB Loan Facility, the Group has also entered into the following interested person transactions with the same interested person (as defined in Rule 908 of the Listing Manual) for the current financial year commencing

¹ This is based on the exchange rate of RMB7.1811 to USD1.00, taken from Bloomberg's website (<https://www.bloomberg.com/markets/currencies>) on 11 March 2024.

on 1 January 2024 up to the date of this announcement (excluding transactions which are less than S\$100,000):

Name of Interested Person	Nature of the Transaction	Value of the Transaction RMB'000
EBA (Shanghai) Commercial Management Co., Ltd	Management fees and related costs	6,600

Save for the above, the Group has not entered into any other interested person transactions with the same interested person (as defined in Rule 908 of the Listing Manual) for the current financial year commencing on 1 January 2024 up to the date of this announcement (excluding transactions which are less than S\$100,000).

6.5. Shareholders' Approval

- (a) Pursuant to Rule 906(1) of the Listing Manual, an issuer must obtain shareholders' approval for an interested person transaction of a value equal to or exceeding 5% of the group's latest audited consolidated NTA.
- (b) As EJIL and CEFL are interested persons who are members of the same group, and as CQGRCS is an entity at risk, each of the RMB Lump Sum Loan, the USD Loan Facility, and the Existing RMB Loan Facility, will be deemed to be interested person transactions between an interested party and an entity at risk, as defined in Rule 908 of the Listing Manual.
- (c) Assuming the Proposed Transactions are approved by shareholders of the Company, the aggregate value of all interested person transactions entered into by the Group for the current financial year commencing on 1 January 2024 up to the date of this announcement (excluding transactions which are less than S\$100,000) is approximately RMB 126,005,413², representing approximately 6.19% of the NTA of the Group.
- (d) As the value of the interested person transactions in relation to the Proposed Transactions and the Existing RMB Loan Facility exceeds 5% of the Group's latest audited NTA, shareholders' approval is required for the Proposed Transactions pursuant to Rule 906(1) of the Listing Manual.
- (e) Pursuant to Rule 919 of the Listing Manual, an interested person and any associate of the interested person must abstain from voting on the resolution approving the interested person transactions and shall not accept appointments as proxies unless specific instructions as to voting are given. Accordingly, EJIL, CEFL and their respective associates shall abstain from voting on the resolution approving the interested person transactions and shall not accept appointments as proxies unless specific instructions as to voting are given.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 7.1. Mr Zhang Mingao, Ms Wang Yun and Dr Yang Haishan are representatives from CEL appointed into the Board.

² This is based on the exchange rate of RMB7.1811 to USD1.00, taken from Bloomberg's website (<https://www.bloomberg.com/markets/currencies>) on 11 March 2024.

- 7.2. Save as disclosed above and in this announcement, none of the Directors or controlling shareholder(s) of the Company has any interest, direct or indirect, in the Proposed Transactions, otherwise than through their respective shareholdings (if any) in the Company.

8. EGM AND CIRCULAR TO SHAREHOLDERS

As stated above, the Company will convene an EGM to seek shareholders' approval for the Proposed Transactions. A circular ("**Circular**") to the shareholders containing further details of, among others, the Proposed Transactions, together with a notice of the EGM will be despatched to the shareholders in due course.

9. IFA AND AUDIT COMMITTEE STATEMENT

- 9.1. Pursuant to Rule 921(4)(a) of the Listing Manual, Hong Leong Finance Limited has been appointed as the independent financial adviser ("**IFA**") to advise the Directors who are independent for the purposes of the Proposed Transactions, being Mr Chia Seng Hee, Jack, Mr Loh Weng Seng Vincent, Mr Chen Guodong and Ms Ma Jieyu (the "**Independent Directors**") on whether the Proposed Transactions as interested person transactions are on normal commercial terms and not prejudicial to the interest of the Company and its minority shareholders.
- 9.2. A copy of the letter from the IFA to the Independent Directors will be appended in the Circular to be issued by the Company in due course for the purpose of convening the EGM.
- 9.3. The Audit Committee of the Company comprises Mr Chia Seng Hee, Jack, Ms Wang Yun and Ms Ma Jieyu. As mentioned above, Ms Wang Yun, who is a representative from CEL appointed into the Board, will recuse herself from the Audit Committee's deliberation on the Proposed Transactions.
- 9.4. The Audit Committee will be obtaining an opinion from the IFA before forming its view on whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. Such views of the Audit Committee will be set out in the Circular to be issued to the shareholders of the Company in due course.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Chongqing Loan Agreement (including any mortgage documents in connection thereto) and the YL Loan Agreement will be available for inspection at the registered office of the Company at 6 Temasek Boulevard, #21-01 Suntec Tower Four, Singapore 038986, during normal business hours on any weekday from the date of this Announcement until the date of the EGM.

BY ORDER OF THE BOARD

Ying Li International Real Estate Limited

Chia Seng Hee, Jack
Lead Independent Director
11 March 2024