

CIRCULAR DATED 12 APRIL 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISOR OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in the capital of Ying Li International Real Estate Limited (“**Company**”), you should forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



英利国际置业股份有限公司

**YING LI INTERNATIONAL
REAL ESTATE LIMITED**

(Incorporated in the Republic of Singapore on 20 December 1991)
(Company Registration Number: 199106356W)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

IMPORTANT DATES AND TIMES

- Last date and time for lodgement of Proxy Form : 25 April 2016 at 10.30 a.m.
- Date and time of Extraordinary General Meeting : 27 April 2016 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same venue)
- Place of Extraordinary General Meeting : National Library Board
100 Victoria Street
Level 5 Possibility Room
Singapore 188064

CONTENTS

DEFINITIONS	1
1. INTRODUCTION	3
2. THE PROPOSED SHARE PURCHASE MANDATE	3
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	19
4. EXTRAORDINARY GENERAL MEETING	20
5. ACTION TO BE TAKEN BY SHAREHOLDERS	20
6. ABSTENSION FROM VOTING	21
7. DIRECTORS' RECOMMENDATIONS	21
8. DIRECTORS' RESPONSIBILITY STATEMENT	21
9. DOCUMENTS AVAILABLE FOR INSPECTION	21
NOTICE OF EXTRAORDINARY GENERAL MEETING	22
PROXY FORM	25

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“ACRA”	: The Accounting and Corporate Regulatory Authority of Singapore
“AGM”	: The annual general meeting of the Company
“Board”	: The board of Directors of the Company
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This Circular to Shareholders dated 12 April 2016
“Companies Act”	: The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	: Ying Li International Real Estate Limited
“Controlling Shareholder”	: A person who: (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares in the Company (unless the SGX-ST determines that such a person is not a controlling shareholder of the Company); or (b) in fact exercises control over the Company
“Directors”	: The directors of the Company for the time being
“EGM”	: The extraordinary general meeting of the Company, notice of which is set out in this Circular
“EPS”	: Earnings per Share
“ESOS”	: The Ying Li Employee Share Option Scheme, approved and adopted by the Company on 28 April 2010, and as amended or modified from time to time
“FY2015”	: Financial year ended 31 December 2015
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 18 March 2016, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	: The listing manual of the SGX-ST, as amended or modified from time to time
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“NTA”	: Net tangible assets
“Relevant Period”	: The period commencing from the date of the passing of the resolution approving the Share Purchase Mandate at the EGM and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier
“SFA”	: The Securities and Futures Act, Chapter 289 of Singapore, as amended and modified from time to time
“Securities Account”	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account

DEFINITIONS

“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share Purchase”	: The purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
“Share Purchase Mandate”	: The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate
“Shareholders”	: Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
“Shares”	: Ordinary shares in the capital of the Company
“SIC”	: The Securities Industry Council of Singapore
“Substantial Shareholder”	: A person who has an interest in one (1) or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“Take-over Code”	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“RMB”	: Renminbi, the lawful currency of the People’s Republic of China
“S\$” and “cents”	: Singapore dollars and cents, respectively
“%” or “per cent.”	: Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the Listing Manual, the SFA, the Take-over Code or any modification thereof and used in this Circular shall have the same meaning assigned to it thereunder, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

LETTER TO SHAREHOLDERS

YING LI INTERNATIONAL REAL ESTATE LIMITED

(Incorporated in the Republic of Singapore on 20 December 1991)

(Company Registration Number: 199106356W)

Directors

Fang Ming (*Executive Chairman and Group Chief Executive Officer*)

Pan Ying (*Non-Executive and Non-Independent Deputy Chairman*)

Yang Xiao Yu (*Executive Director*)

Christopher Chong Meng Tak (*Lead Independent Director*)

Tan Sek Khee (*Independent Director*)

Xiao Zu Xiu (*Independent Director*)

Ai Yu (*Non-Executive and Non-Independent Director*)

Registered Office

12 Marina Boulevard

#18-05

Marina Bay Financial Centre

Singapore 018982

12 April 2016

03

To: The Shareholders of Ying Li International Real Estate Limited

Dear Sir/Madam

PROPOSED SHARE PURCHASE MANDATE

1. INTRODUCTION

The Directors are convening the EGM to be held on 27 April 2016 to seek Shareholders' approval for the proposed Share Purchase Mandate. The purpose of this Circular is to provide Shareholders with information relating to the above-mentioned proposal to be tabled at the EGM, and to seek Shareholders' approval at the EGM for the same.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

2. THE PROPOSED SHARE PURCHASE MANDATE

2.1 *Background*

The Share Purchase Mandate is a general mandate to be given by Shareholders that allows the Company to purchase or acquire Shares at any time during the duration and on the terms of the Share Purchase Mandate. It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. In this regard, the Company proposes to seek Shareholders' approval at the EGM for the Share Purchase Mandate.

LETTER TO SHAREHOLDERS

If approved, the Share Purchase Mandate will take effect from the date of the EGM and continue in force until the date of the next AGM or such date as the next AGM is required by law to be held (whichever is earlier), unless prior thereto, Share Purchases are carried out to the full extent mandated or the Share Purchase Mandate is revoked or varied by the Company in general meeting. The Share Purchase Mandate may be put to Shareholders for renewal at each subsequent AGM.

2.2 *Rationale for the Proposed Share Purchase Mandate*

The Share Purchase Mandate would give the Company the flexibility to undertake Share purchases or acquisitions up to the 10% limit described in paragraph 2.3.1 below, at any time during the period when the Share Purchase Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) the Share Purchase Mandate is an expedient, effective and cost-efficient way for the Company to return to Shareholders surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and possible investment needs of the Group, if any. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy;
- (b) share repurchase programmes help buffer short-term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence; and
- (c) in managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways in which the return on equity of the Group may be enhanced.

The purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

2.3 *Authority and Limits of the Share Purchase Mandate*

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are summarised below:

2.3.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired by the Company under the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding any Shares which are held as treasury shares) ascertained as at the date of the forthcoming EGM at which the Share Purchase Mandate is approved, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any

LETTER TO SHAREHOLDERS

treasury shares that may be held by the Company from time to time). As at the Latest Practicable Date, the Company has no treasury shares.

For illustrative purposes only, on the basis of 2,557,040,024 Shares in issue as at the Latest Practicable Date, and assuming no further Shares are issued on or prior to the date of the EGM, not more than 255,704,002 Shares (representing 10% of the issued Shares of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

2.3.2 *Duration of Authority*

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the EGM at which the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by the Company in general meeting.

2.3.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares by the Company may be made by way of:-

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchase**") in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Memorandum and Articles of Association of the Company, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Companies Act, an equal access scheme must, however, satisfy all the following conditions:

- (i) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

LETTER TO SHAREHOLDERS

- (iii) the terms of all the offers are the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;
 - (bb) (if applicable) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders, which must contain at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (7) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price (as defined below),

LETTER TO SHAREHOLDERS

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5)-Market Day period; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased or Acquired Shares: Held in Treasury or Cancelled

Under the Companies Act, any share purchased or acquired by a company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that share will expire on cancellation), unless such share is held by the company as a treasury share.

2.4.1 Treasury Shares

Under the Companies Act, shares purchased or acquired by a company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act (read with the Listing Manual) are summarised below:

(a) Maximum Holdings

The aggregate number of shares held by a company as treasury shares shall not at any time exceed 10% of the total number of issued shares.

(b) Voting and Other Rights

A company cannot exercise any right in respect of treasury shares. In particular, a company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, a company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of a company’s assets (including any distribution of assets to members on a winding-up) may be made, to the company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

LETTER TO SHAREHOLDERS

(c) Disposal and Cancellation

Where shares are held as treasury shares, a company may at any time:

- (i) sell the treasury shares (or any of them) for cash;
- (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (aa) the date of the sale, transfer, cancellation and/or use of such treasury shares, (bb) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (cc) the number of treasury shares which have been sold, transferred, cancelled and/or used, (dd) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (ee) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and (ff) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.4.2 Purchased or Acquired Shares Cancelled

Under the Companies Act, where shares purchased or acquired by a company are cancelled, the company shall:

- (a) reduce the amount of its share capital where the shares were purchased or acquired out of the capital of the company;
- (b) reduce the amount of its profits where the shares were purchased or acquired out of the profits of the company; or
- (c) reduce the amount of its share capital and profits proportionately where the shares were purchased or acquired out of both the capital and the profits of the company,

by the total amount of the purchase price paid by the company for the shares cancelled, which shall include any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of the shares.

LETTER TO SHAREHOLDERS

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

2.4.3 *The Company's Articles of Association*

The current Articles of Association of the Company provide that all Shares purchased or acquired by the Company shall be cancelled. Accordingly, based on such Articles of Association, the Shares purchased or acquired by the Company pursuant to the Share Purchase Mandate will be cancelled.

2.5 *Source of Funds*

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Articles of Association of the Company and the applicable laws in Singapore.

The Companies Act permits any purchase or acquisition of shares to be made out of a company's capital or profits so long as the company is solvent. For this purpose, a company is solvent if at the time of payment, the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the purchase or acquisition, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will also consider the financial position of the Group, particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions of the Shares in circumstances that they believe will not result in any material adverse effect on the financial position of the Group.

LETTER TO SHAREHOLDERS

2.6 *Financial Effects*

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the net tangible asset value and earnings per Share as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

The Company's total number of issued Shares will be diminished by the total number of the Shares purchased by the Company and which are cancelled. The net tangible assets of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Purchase Mandate will be exercised with a view to enhance the earnings per Share and/or the net tangible assets value per Share of the Group.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group based on the audited financial statements of the Group for FY2015, are based on the assumptions set out below:-

- (a) on the basis of 2,557,040,024 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, not more than 255,704,002 Shares (representing 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 255,704,002 Shares at the maximum price of S\$0.1537 for one (1) Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 255,704,002 Shares (excluding related expenses) is approximately S\$39,301,705; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 255,704,002 Shares at the maximum price of S\$0.1610 for one (1) Share (being the price equivalent to 110% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 255,704,002 Shares (excluding related expenses) is approximately S\$41,168,344.

LETTER TO SHAREHOLDERS

For illustrative purposes only, on the basis of the assumptions set out in paragraphs (a), (b) and (c) above and taking into account that the current Articles of Association of the Company provide that all Shares purchased or acquired by the Company shall be cancelled, the financial effects of:-

- (a) Market Purchase and Off-Market Purchase made entirely out of capital and cancelled; and
- (b) Market Purchase and Off-Market Purchase made entirely out of distributable profits and cancelled,

based on the audited financial statements of the Group and the Company for FY2015 are set out below:-

Scenario 1 – Market Purchase and Off-Market Purchase made entirely out of capital and cancelled

31 December 2015	GROUP			COMPANY		
	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase
(RMB'000)						
Share capital	4,028,372	3,840,294	3,831,361	4,028,372	3,840,294	3,831,361
Retained profits	1,946,524	1,946,524	1,946,524	(668,717)	(668,717)	(668,717)
NTA	5,025,805	4,837,727	4,828,794	4,185,514	3,997,436	3,988,503
Total Equity	5,082,791	4,894,713	4,885,780	4,185,514	3,997,436	3,988,503
Current Assets	6,846,555	6,846,555	6,846,555	2,219,040	2,219,040	2,219,040
Current Liabilities	4,028,472	4,028,472	4,028,472	862,603	862,603	862,603
Total Borrowings	5,085,650	5,273,728	5,470,739	55,122	243,200	252,133
Cash and cash equivalents	1,322,708	1,322,708	1,322,708	16,482	16,482	16,482
Number of Shares excluding treasury shares ('000)	2,557,040	2,301,336	2,301,336	2,557,040	2,301,336	2,301,336
Number of treasury shares	-	-	-	-	-	-
Financial Ratios						
NTA per Share (RMB) ⁽¹⁾	1.965	2.102	2.098	1.637	1.737	1.733
EPS (RMB) ⁽²⁾	0.050	0.055	0.055	(0.025)	(0.028)	(0.028)
Net Gearing (times) ⁽³⁾	0.740	0.807	0.849	0.009	0.057	0.059
Current Ratio (times) ⁽⁴⁾	1.700	1.700	1.700	2.572	2.572	2.572

Notes:

(1) NTA per Share is calculated based on NTA divided by the number of Shares (excluding treasury shares).

(2) EPS is calculated based on net profit attributable to the Shareholders of the Company divided by the number of Shares (excluding treasury shares).

(3) Net Gearing equals total borrowings less cash and cash equivalents, divided by total equity.

(4) Current Ratio represents the ratio of current assets to current liabilities.

LETTER TO SHAREHOLDERS

Scenario 2 – Market Purchase and Off-Market Purchase made entirely out of distributable profits and cancelled

31 December 2015 (RMB'000)	GROUP			COMPANY		
	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase
Share capital	4,028,372	4,028,372	4,028,372	4,028,372	4,028,372	4,028,372
Retained profits	1,946,524	1,758,446	1,749,513	(668,717)	(856,795)	(865,728)
NTA	5,025,805	4,837,727	4,828,794	4,185,514	3,997,436	3,988,503
Total Equity	5,082,791	4,894,713	4,885,780	4,185,514	3,997,436	3,988,503
Current Assets	6,846,555	6,846,555	6,846,555	2,219,040	2,219,040	2,219,040
Current Liabilities	4,028,472	4,028,472	4,028,472	862,603	862,603	862,603
Total Borrowings	5,085,650	5,273,728	5,470,739	55,122	243,200	252,133
Cash and cash equivalents	1,322,708	1,322,708	1,322,708	16,482	16,482	16,482
Number of Shares excluding treasury shares ('000)	2,557,040	2,301,336	2,301,336	2,557,040	2,301,336	2,301,336
Number of treasury shares	-	-	-	-	-	-
Financial Ratios						
NTA per Share (RMB) ⁽¹⁾	1.965	2.102	2.098	1.637	1.737	1.733
EPS (RMB) ⁽²⁾	0.050	0.055	0.055	(0.025)	(0.028)	(0.028)
Net Gearing (times) ⁽³⁾	0.740	0.807	0.849	0.009	0.057	0.059
Current Ratio (times) ⁽⁴⁾	1.700	1.700	1.700	2.572	2.572	2.572

Notes:

- (1) NTA per Share is calculated based on NTA divided by the number of Shares (excluding treasury shares).
(2) EPS is calculated based on net profit attributable to the Shareholders of the Company divided by the number of Shares (excluding treasury shares).
(3) Net Gearing equals total borrowings less cash and cash equivalents, divided by total equity.
(4) Current Ratio represents the ratio of current assets to current liabilities.

Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are for illustration purposes only. The actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company and whether the purchase or acquisition of Shares is made out of the profits or capital of the Company. In particular, all Shareholders should note that the above analysis is based on the audited financial statements of the Group and the Company for FY2015 and is not necessarily representative of the future financial performance of the Group and the Company.

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the Company's issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of its issued Shares as mandated.

LETTER TO SHAREHOLDERS

2.7 *Tax Implications*

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.8 *Listing Manual*

2.8.1 *No Purchases during Price Sensitive Developments*

Whilst the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the Board until the price sensitive information has been publicly announced.

In particular, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s annual results and during the period of two (2) weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year.

2.8.2 *Listing Status of the Shares*

Under Rule 723 of the Listing Manual, a listed company shall ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word “public” is defined in the Listing Manual as persons other than directors, chief executive officer, Substantial Shareholders, or Controlling Shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are approximately 1,029,725,793 Shares, representing approximately 40.27% of the total number of issued Shares, held by the public. In the event that the Company purchases the maximum of 10% of its total number of issued Shares from public Shareholders, the percentage of the Company’s public float would be reduced to approximately 33.63% of the total number of Shares in issue. Accordingly, based on information available as at the Latest Practicable Date, the Directors are of the view that, at present, there is a sufficient number of Shares in issue held by public Shareholders that would permit the Company to potentially undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST, and the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Shares.

LETTER TO SHAREHOLDERS

2.8.3 Reporting Requirements

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares) after the purchase and the number of treasury shares held after the purchase.

2.8.4 Previous Share Purchases

The Company has not purchased any Shares during the 12-month period preceding the Latest Practicable Date.

2.9 **Implications of Take-over Code**

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.9.1 Obligation to Make a Take-over Offer

Pursuant to Appendix 2 of the Take-over Code, an increase in the percentage of voting rights in the Company by a Shareholder and parties acting in concert with him as a result of any purchase or acquisition of Shares made by the Company under the Share Purchase Mandate will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or group of Shareholders could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

2.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies;

LETTER TO SHAREHOLDERS

- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to the instructions of the individual, companies controlled by any of the above persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 as a result of a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 *Effect of Rule 14 and Appendix 2 of the Take-over Code*

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:-

- (i) the voting rights held by such Directors and their concert parties in the Company would increase to 30% or more; or
- (ii) if the Directors and their concert parties hold between 30% and 50% of the Company's voting rights and their voting rights increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights,

LETTER TO SHAREHOLDERS

the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

2.9.4 Take-over implications arising from the Share Purchase Mandate

- (i) As at the Latest Practicable Date:-
 - (a) Mr. Fang Ming, an Executive Director of the Company, holds 94,735,548 Shares, representing approximately 3.70% of the Company's issued Shares; and
 - (b) Newest Luck Holdings Limited, a Substantial Shareholder of the Company and whose issued share capital is 100% held by Mr. Fang Ming, holds 825,739,014 Shares, representing approximately 32.29% of the Company's issued Shares.

Under the Take-over Code, Mr. Fang Ming and Newest Luck Holdings Limited (the "**Concert Party Group**") are presumed to be parties acting in concert. As at the Latest Practicable Date, the Concert Party Group holds an aggregate of 920,474,562 Shares, representing approximately 36.00% of the Company's issued Shares.

- (ii) For illustrative purposes only and assuming that:-
 - (a) there is no change in the number of Shares held by the Concert Party Group or which they are deemed interested in;
 - (b) no new Shares are issued by the Company between the Latest Practicable Date and the date of the EGM; and
 - (c) the Company purchases or acquires 255,704,002 Shares, being 10% of the total number of issued Shares in the capital of the Company, pursuant to the Share Purchase Mandate,

the aggregate shareholding of the Concert Party Group would increase from approximately 36.00% to approximately 40.00% of the Company's issued Shares.

Accordingly, if such increase in shareholding were to occur over any six (6)-month period, the aggregate shareholding of the Concert Party Group would have increased by more than 1% within a period of six (6) months, and the Concert Party Group would *prima facie* be required to make a general offer for the Shares held by the other Shareholders pursuant to Rule 14.1(b) of the Take-over Code.

LETTER TO SHAREHOLDERS

2.9.5 Exemption from having to make a general offer under Rule 14 of the Code

Under Appendix 2 of the Take-over Code, the Concert Party Group and its concert parties, if any, will be exempted from the requirement to make a general offer for the Company under Rule 14 if the aggregate shareholding of the Concert Party Group and its concert parties, if any, increases by more than 1% in any period of six (6) months as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, subject to the following conditions:-

- (i) the Circular to Shareholders on the resolution to authorise the Share Purchase Mandate contains:-
 - (a) advice to the effect that by voting to approve the Share Purchase Mandate, Shareholders are waiving their rights to a general offer at the required price from the Concert Party Group and its concert parties, if any, who, as a result of the Company buying back its Shares under the Share Purchase Mandate, would increase their voting rights in the Company by more than 1% in any period of six (6) months; and
 - (b) the names of the members of the Concert Party Group and its concert parties, if any, their voting rights at the time of the resolution relating to the Share Purchase Mandate and after the proposed Share Purchase;
- (ii) the resolution to authorise the Share Purchase Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the Share Purchase;
- (iii) the Concert Party Group and its concert parties, if any, abstain from voting for and/or recommending Shareholders to vote in favour of the resolution relating to the Share Purchase Mandate;
- (iv) within seven (7) days after the passing of the resolution by Shareholders to approve the Share Purchase Mandate, Mr. Fang Ming shall submit to the SIC a duly signed Form 2 as prescribed by the SIC; and
- (v) the Concert Party Group and its concert parties, if any, have not acquired and do not acquire any Shares between the date on which they know that the announcement of the Share Purchase Mandate is imminent and the earlier of:-
 - (a) the date on which the Share Purchase Mandate expires; and
 - (b) the date on which the Company announces that it has bought back such number of Shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with those purchased or acquired by the Company under the Share Purchase Mandate, would cause their aggregate voting rights in the Company to increase by more than 1% in the preceding six (6) months.

As such, if the aggregate voting rights held by the Concert Party Group and its concert parties, if any, increase by more than 1% solely as a result of the purchase or acquisition of Shares by the

LETTER TO SHAREHOLDERS

Company pursuant to the Share Purchase Mandate, and none of them has acquired any Shares during the relevant period mentioned above, then the Concert Party Group and its concert parties, if any, would be eligible for the exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption has been granted, would continue to enjoy the exemption.

If the Company ceases to buy back its Shares pursuant to the Share Purchase Mandate and the increase in the aggregate voting rights held by the Concert Party Group and its concert parties, if any, as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate at such time is less than 1% in any six (6)-month period, the Concert Party Group, and its concert parties, if any, may acquire further voting rights in the Company. However, any increase in their percentage voting rights as a result of the said purchase or acquisition of Shares by the Company will be taken into account together with any voting rights acquired by the Concert Party Group and its concert parties, if any (by whatever means) in determining whether they have increased their aggregate voting rights in the Company by more than 1% in any six (6)-month period.

2.9.6 Waiver

Shareholders should note that by voting in favour of the Share Purchase Mandate, they are waiving their rights to a general offer at the required price from the Concert Party Group and its concert parties, if any.

Save as disclosed above, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue, as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.

Shareholders who are in doubt as to whether they would incur an obligation to make a general offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC before they acquire any Shares in the Company during the period when the Share Buyback Mandate is in force.

2.10 *Requirements under the Companies Act*

Within 30 days of the passing of the Shareholders' resolution to approve the Share Purchase Mandate, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA a notice of the purchase in the prescribed form, such notification including, the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased or acquired out of the profits or capital of the Company and such other particulars as may be required in the prescribed form.

LETTER TO SHAREHOLDERS

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Company shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Fang Ming ⁽²⁾	94,735,548	3.70	825,739,014	32.29	920,474,562	36.00
Pan Ying	-	-	-	-	-	-
Yang Xiao Yu ⁽³⁾	340,664	0.01	-	-	340,664	0.01
Christopher Chong Meng Tak	-	-	-	-	-	-
Tan Sek Khee	-	-	-	-	-	-
Xiao Zu Xiu	-	-	-	-	-	-
Ai Yu	-	-	-	-	-	-
Substantial Shareholders (other than Directors)						
Newest Luck Holdings Limited ⁽⁴⁾	825,739,014	32.29	-	-	825,739,014	32.29
Leap Forward Holdings Limited ⁽⁵⁾	225,839,669	8.83	-	-	225,839,669	8.83
Everbright Hero Limited ⁽⁶⁾	381,000,000	14.90	-	-	381,000,000	14.90
Zana China Fund L.P. ⁽⁷⁾	-	-	225,839,669	8.83	225,839,669	8.83
Zana Capital Pte. Ltd. ⁽⁸⁾	-	-	225,839,669	8.83	225,839,669	8.83
Chan Hock Eng ⁽⁹⁾	-	-	225,839,669	8.83	225,839,669	8.83
Ng Koon Siong ⁽⁹⁾	-	-	225,839,669	8.83	225,839,669	8.83
Everbright Hero Holdings Limited ⁽¹⁰⁾	-	-	381,000,000	14.90	381,000,000	14.90
Everbright Hero, L.P. ⁽¹¹⁾	-	-	381,000,000	14.90	381,000,000	14.90
Everbright Hero LP Limited ⁽¹²⁾	-	-	381,000,000	14.90	381,000,000	14.90
Aerial Victory Limited ⁽¹³⁾	-	-	381,000,000	14.90	381,000,000	14.90
China Everbright Limited ⁽¹⁴⁾	-	-	381,000,000	14.90	381,000,000	14.90

Notes:

- (1) Based on the issued share capital of 2,557,040,024 Shares as at the Latest Practicable Date.
- (2) Mr. Fang Ming holds 100% of the issued share capital of Newest Luck Holdings Limited and is deemed interested in the shares of the Company held by Newest Luck Holdings Limited by virtue of his shareholdings in Newest Luck Holdings Limited. As at the Latest Practicable Date, Mr. Fang Ming holds 757,000 unexercised share options under the ESOS, which share options will lapse on 31 March 2016.
- (3) As at the Latest Practicable Date, Ms. Yang Xiao Yu holds 227,000 unexercised share options under the ESOS, which share options will lapse on 31 March 2016.

LETTER TO SHAREHOLDERS

- (4) Newest Luck Holdings Limited has a total beneficial interest in 825,739,014 Shares, of which 667,739,014 Shares are held in the names of nominees.
- (5) Total number of Shares is held in the names of nominees.
- (6) Total number of Shares is held in the names of nominees.
- (7) Zana China Fund L.P. is deemed interested in the Shares of the Company held by Leap Forward Holdings Limited by virtue of the provision of Section 7 of the Companies Act.
- (8) Zana Capital Pte. Ltd. is deemed interested in the Shares of the Company held by Leap Forward Holdings Limited by virtue of the provision of Section 7 of the Companies Act. It is a fund manager of Zana China Fund L.P. and manages its funds on a discretionary basis.
- (9) Mr. Chan Hock Eng and Mr. Ng Koon Siong each hold approximately 30.91% of the issued share capital of Zana Capital Pte. Ltd., and are therefore deemed interested in the Shares held by Leap Forward Holdings Limited by virtue of their shareholdings in Zana Capital Pte. Ltd.
- (10) Everbright Hero Holdings Limited holds 100% of the shareholding in Everbright Hero Limited and is therefore deemed under the SFA to be interested in all the Shares in the Company held by Everbright Hero Limited.
- (11) Everbright Hero, L.P. holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Everbright Hero, L.P. is therefore deemed under the SFA to be interested in all the Shares in the Company held by Everbright Hero Limited.
- (12) Everbright Hero LP Limited holds a 90.09% shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Everbright Hero LP Limited is therefore deemed under the SFA to be interested in all the Shares in the Company held by Everbright Hero Limited.
- (13) Aerial Victory Limited holds 100% of the shareholding in Everbright Hero LP Limited. Everbright Hero LP Limited holds a 90.09% shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Aerial Victory Limited is therefore deemed under the SFA to be interested in all the Shares in the Company held by Everbright Hero Limited.
- (14) China Everbright Limited holds 100% of the shareholding in Aerial Victory Limited. Aerial Victory Limited holds 100% of the shareholding in Everbright Hero LP Limited. Everbright Hero LP Limited holds a 90.09% shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. China Everbright Limited is therefore deemed under the SFA to be interested in all the Shares in the Company held by Everbright Hero Limited.

4. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held at the time and place as stipulated in the Notice of EGM for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the Notice of EGM.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Share Registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544, not less than 48 hours before the time fixed for the EGM. The completion and lodgement of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

LETTER TO SHAREHOLDERS

6. ABSTENSION FROM VOTING

The Concert Party Group and parties acting in concert with them, if any, are required to abstain from voting on the resolution relating to the proposed adoption of the Share Purchase Mandate at the EGM, pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in paragraph 2.9.5(iii) above). Each of the Concert Party Group and parties acting in concert with them, if any, will not accept any appointment as proxies for voting on the resolution relating to the proposed adoption of the Share Purchase Mandate unless specific instructions have been given in the Proxy Form(s) on how the votes are to be cast in respect of the resolution relating to the proposed adoption of the Share Purchase Mandate.

7. DIRECTORS' RECOMMENDATIONS

The Directors (other than Mr. Fang Ming, who has abstained from making any recommendations to Shareholders pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in paragraph 2.9.5(iii) above)) are of the opinion that the proposed adoption of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the proposed adoption of the Share Purchase Mandate to be proposed at the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 12 Marina Boulevard #18-05, Marina Bay Financial Centre, Singapore 018982, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Annual Report of the Company for FY2015.

Yours faithfully

For and on behalf of the Board of Directors of
YING LI INTERNATIONAL REAL ESTATE LIMITED

Fang Ming
Executive Chairman and Group Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

YING LI INTERNATIONAL REAL ESTATE LIMITED

(Incorporated in the Republic of Singapore on 20 December 1991)

(Company Registration Number: 199106356W)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Ying Li International Real Estate Limited (“**Company**”) will be held at National Library Board, 100 Victoria Street, Level 5 Possibility Room, Singapore 188064 on 27 April 2016 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same venue), for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution:

ORDINARY RESOLUTION

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

22

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (“**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
- (i) market purchase(s) (each a “**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
 - (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,
- and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (“**Share Purchase Mandate**”);
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held;
 - (ii) the date on which the next annual general meeting of the Company is required by law to be held; or
 - (iii) the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

NOTICE OF EXTRAORDINARY GENERAL MEETING

(c) in this Resolution:

“**Prescribed Limit**” means 10% of the total number of issued Shares (excluding any Shares which are held as treasury shares) as at the date of the passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period (as hereinafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time);

“**Relevant Period**” means the period commencing from the date of the passing of this Resolution and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier; and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as hereinafter defined); and
- (ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price (as hereinafter defined),

where:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5)-Market Day period; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

- (d) the Directors of the Company or any of them be and are hereby authorised to deal with the Shares purchased or acquired by the Company pursuant to the Share Purchase Mandate in any manner as they think fit, which is permissible under the Companies Act; and
- (e) the Directors of the Company or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

All capitalised terms used in this Notice of EGM which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Circular of the Company dated 12 April 2016 to Shareholders.

NOTICE OF EXTRAORDINARY GENERAL MEETING

By Order of the Board of
YING LI INTERNATIONAL REAL ESTATE LIMITED

Cai Mingyi
Company Secretary

12 April 2016

Notes:

- 24
- (1) (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - (b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
 - (2) A proxy need not be a member of the Company.
 - (3) The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544, not less than 48 hours before the time appointed for holding the Extraordinary General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

YING LI INTERNATIONAL REAL ESTATE LIMITED

(Incorporated in the Republic of Singapore on 20 December 1991)
(Registration No. 199106356W)

IMPORTANT:

1. For Investors who have used their CPF monies to buy Ying Li International Real Estate Limited's shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We*, _____ (Name), NRIC/Passport number* _____

of _____ (Address)

being a member/members* of **YING LI INTERNATIONAL REAL ESTATE LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her the Chairman of the Extraordinary General Meeting of the Company (the "EGM") as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the EGM to be held at National Library Board, 100 Victoria Street, Level 5 Possibility Room, Singapore 188064 on 27 April 2016 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same venue) and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

No.	Ordinary Resolution	For**	Against**
1	To approve the proposed adoption of the Share Purchase Mandate		

* Delete as appropriate

** If you wish to exercise all your votes "For" or "Against", please indicate an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2016

Signature(s) of member(s)
or Common Seal of Corporate Shareholder

Total Number of Shares held in:	
CDP Register	
Register of Members	



IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members of the Company, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544, not less than 48 hours before the time appointed for holding the EGM.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.