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### YING LI INTERNATIONAL REAL ESTATE LIMITED

(Company Registration No. 199106356W)  
(the “**Company**”)

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#### ISSUE OF CONVERTIBLE BONDS – CONDITIONS FOR ADJUSTMENT OF CONVERSION PRICE AND REDEMPTION OF CONVERTIBLE BONDS

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The Board of Directors of the Company (the “**Board**”) refers to the announcements dated 22 January 2010 and 5 February 2010 (the “**Prior Announcements**”) in relation to the proposed issue of up to S\$275 million in aggregate principal amount of 4.00% convertible bonds due 2015.

All capitalized terms and expressions used in this announcement shall, unless otherwise defined herein, bear the same meanings as ascribed to them in the Prior Announcements.

Further to the Prior Announcements and as a condition of the approval in-principle granted by the SGX-ST for the listing and quotation of the Convertible Bonds and the Conversion Shares on the Main Board of the SGX-ST, a summary of (i) the conditions under which the Conversion Price may be adjusted and (ii) the conditions under which the Convertible Bonds may be redeemed is set out below:

#### **Conditions for Adjustment of Conversion Price**

- (a) Consolidation, Subdivision or Reclassification : If and whenever there shall be an alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification.
- (b) Capitalisation of Profits or Reserves : (i) If and whenever the Company shall issue any Shares credited as fully paid to the shareholders of the Company (the “**Shareholders**”) by way of capitalisation of profits or reserves, including Shares paid up out of distributable profits or reserves issued (except any scrip dividend) and which would not have constituted a capital distribution.
- (ii) In the case of an issue of Shares by way of a scrip dividend where the Current Market Price (as defined below) of such Shares on the last trading day preceding the date of announcement of the terms

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of the issue exceeds the amount of the relevant cash dividend or the relevant part thereof and which would not have constituted a capital distribution.

“**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the daily volume weighted average price for one Share for the period represented by the 30 consecutive trading days ending on the trading day immediately preceding such date.

- (c) Capital Distributions : If and whenever the Company shall pay or make any capital distribution to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under section (b) above).
- (d) Rights Issues of Shares or Options over Shares : If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than the Current Market Price on the last trading day preceding the date of the announcement of the terms of the issue or grant.
- (e) Rights Issues of Other Securities : If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares).
- (f) Issues at less than Market Price : If and whenever the Company shall issue (otherwise than as mentioned in section (d) above) any Shares (other than Shares issued prior to the Closing Date or on the exercise of any rights of conversion into, or exchange or subscription for Shares) or issue or grant (otherwise than as mentioned in section (d) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share which is less than the Current Market Price on the last trading day preceding the date of announcement of the terms of such issue.
- (g) Other Issues at less than Market Price : Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this section (g), if and whenever the Company or any of its subsidiaries (otherwise than as mentioned in sections (d), (e) or (f)), or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries), any other company, person or entity shall issue any securities (other than the Convertible Bonds, excluding for this purpose any further bonds but including any Optional Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a consideration per Share which is less than the Current Market Price on the last trading day preceding the date of announcement of the terms of issue of such securities.

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- (h) Modification of Rights of Conversion, etc. : If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in section (g) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Current Market Price on the last trading day preceding the date of announcement of the proposals for such modification.
- (i) Other Offers to Shareholders : If and whenever there is an issue, sale or distribution by or on behalf of the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity of any securities in connection with an offer by or on behalf of the Company or any of its subsidiaries or such other company, person or entity, pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 60% of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under sections (d), (e), (f) or (g)).
- (j) Other Events : If the Company determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in sections (a) to (i).

No adjustments will be made to the Conversion Price by virtue of the issue of any further Convertible Bonds in accordance with the Conditions.

### **Conditions for Redemption of Convertible Bonds**

- (a) Redemption at Maturity : Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company will redeem each Convertible Bond at 114.496% of its principal amount together with unpaid accrued interest thereon on 3 March 2015.
- (b) Redemption at the Option of the Company : If at any time the aggregate principal amount of the Convertible Bonds outstanding is less than 10% of the aggregate principal amount originally issued, the Company shall have the option to redeem such outstanding Convertible Bonds in whole but not in part at their early redemption amount together with accrued, but unpaid, interest.
- (c) Redemption at the Option of Bondholders : The Company will, at the option of the Bondholder, redeem all or some only of such Bondholder's Convertible Bonds on 3 March 2013 at 108.136% of their principal amount as at the relevant date fixed for redemption together with accrued but unpaid interest.
- (d) Redemption for Taxation Reasons : The Convertible Bonds may be redeemed, at the option of the Company, in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders, at their early redemption amount together with accrued but unpaid interest, if:
- (i) the Company satisfies the trustee for the Convertible Bonds that the Company has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any

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authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 3 March 2010; and

(ii) such obligation cannot be avoided by the Company taking reasonable measures available to it.

(e) Redemption for Delisting or Change of Control : The Bondholder will have the right, at the Bondholder's option, to require the Company to redeem all or some only of such Bondholder's Convertible Bonds at their early redemption amount together with accrued but unpaid interest, when:

(i) the Shares cease to be listed or admitted to trading or suspended for a period equal to or exceeding 30 trading days on the SGX-ST or, if applicable, another principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in; or

(ii) there is a change of Control (as defined below).

**"Control"** means the acquisition or control of more than 50% of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Board or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

Details on the adjustments of the Conversion Price (including the adjustment formulae) and the redemption of the Convertible Bonds are more particularly contained in the Conditions.

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

By Order of the Board  
**Ying Li International Real Estate Limited**

Xie Xin  
Director

11 February 2010

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*J.P. Morgan (S.E.A.) Limited is the financial adviser to the Company in relation to the reverse takeover of the Group. This announcement has been prepared and released by the Group.*