英利国际
YINGLI INTL

# Extraordinary General Meeting
# 29 December 2022 at 9:30 a.m.



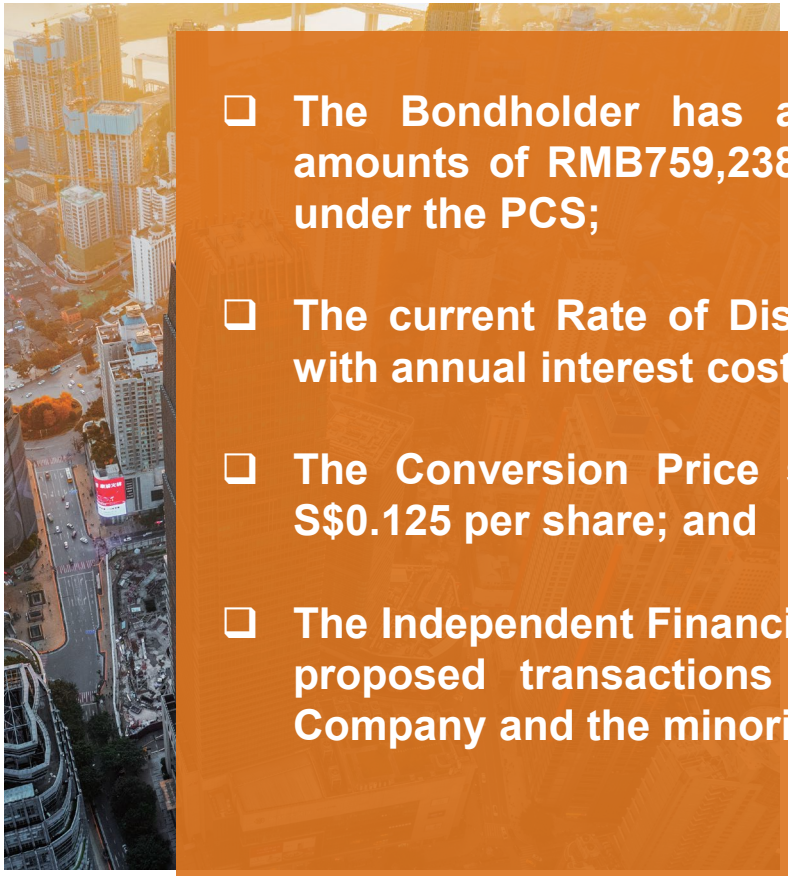
**Information in this document is extracted from the Company's Circular dated 14 December 2022 ("the Circular") that can be found on SGXNet at https://www.sgx.com/securities/company-announcements and may be accessed on the Company's website at https://www.yingligj.com/.**

**This document is qualified in its entirety by, and should be read in conjunction with, the full text of the Circular. In the event of any inconsistency or conflict between the Circular and the information contained in this document, the Circular shall prevail.**

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# KEY HIGHLIGHTS



- The Bondholder has agreed to waive, among others, outstanding amounts of RMB759,238,000 owed by the Company to the Bondholder under the PCS;
- The current Rate of Distribution of 16.06% shall be reduced to 4.00% with annual interest cost savings of RMB116,476,000;
- The Conversion Price shall be adjusted from S$0.318 per share to S$0.125 per share; and
- The Independent Financial Adviser is of the opinion that, on balance, the proposed transactions are not prejudicial to the interests of the Company and the minority Shareholders.

*All capitalised terms used in this document which are not defined herein shall have the same meaning ascribed to them in the Circular.*

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# RESOLUTIONS

- **The Proposed Amendments and Waivers in relation to the PCS as an interested person transaction;**
- **The Proposed Issuance of Additional Conversion Shares (as defined below) as an interested person transaction;**
- **The proposed amendment of Conversion Price from S$0.318 per Share to S$0.125 per Share in the PCS Conditions; and**
- **The proposed allotment and issuance of 898,238,994 Additional Conversion Shares comprising 35.13% of the existing issued share capital of the company to Everbright Hero Mauritius Limited upon the conversion of the PCS (the "Proposed Issuance of Additional Conversion Shares").**

*Refer to the Notice of EGM dated 14 December 2022 for the full details of the resolutions.*

# INDEPENDENT DIRECTORS' RECOMMENDATIONS



The CEL Nominee Directors will abstain from making any recommendation to Shareholders on the Proposed Transactions in their capacity as Directors.

Having considered the rationale for and benefits of the Proposed Amendments and Waivers and the Proposed Issuance of Additional Conversion Shares, the advice and opinion of the IFA in the IFA Letter, and the statement of the Audit Committee, the Independent Directors are of the opinion that the Proposed Amendments and Waivers and the Proposed Issuance of Additional Conversion Shares are in the best interests of the Company.

**Accordingly, the Directors recommend that the Shareholders vote in favour of the Resolutions in relation to the Proposed Transactions to be proposed at the EGM.**

# INDEPENDENT FINANCIAL ADVISER ("IFA")

**IFA**

**Hong Leong Finance Limited**

**The Company has appointed the IFA, Hong Leong Finance Limited, as an independent financial adviser to advise Directors who are independent for the purposes of the Proposed Interested Person Transactions**, being Mr Chia Seng Hee, Jack, Mr Tan Sek Khee, Mr Chen Guodong and Mdm Ma Jieyu (the "Independent Directors") and the Audit Committee on the Proposed Interested Person Transactions.

Having regard to the considerations set out in the IFA Letter as set out in the Appendix to the Circular and the information available to the IFA as at the Latest Practicable Date, **the IFA is of the opinion that the Proposed Amendments and Waivers and the Proposed Issuance of Additional Conversion Shares are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, after assessing the following key considerations**:

(a) the rationale for the Proposed Amendments and Waivers

(b) the historical financial performance and condition of the Group

(c) the reasonableness of the terms of the Proposed Transactions

(d) the financial effects of the Proposed Transactions on the Group

(e) other relevant considerations



**Shareholders are advised to read and consider the IFA Letter in its entirety as reproduced in the Appendix to the Circular and consider carefully the recommendations of the Independent Directors for the Resolutions in relation to the Proposed Transactions set out in Section 11 of the Circular.**

# INTRODUCTION

**On 7 November 2022**, the Company announced that it had entered into the Amendment Deed with the Bondholder pursuant to which, the Company and the Bondholder agreed to, among others:

a **amend certain terms of the S$165 million perpetual subordinated convertible callable securities issued to the Bondholder in 2014 and certain terms of the S$20 million perpetual convertible callable securities issued to the Bondholder in 2014 relating to**:

(i) the price per Share at which Conversion Shares will be allotted and issued upon conversion of S$185,000,000 perpetual subordinated convertible callable securities issued to the Bondholder on 17 October 2014;

(ii) the distribution rate under the PCS Conditions; and

(iii) the additional amounts payable to the Bondholder in the event of cumulative deferral of distributions in accordance with the PCS Conditions,

each on the terms and subject to the conditions of the Amendment Deed; and

b **waive outstanding amounts of RMB759,238,000 owed by the Company to the Bondholder under the PCS.**

# WAIVERS

**The Bondholder has also agreed to waive, among others, outstanding amounts of RMB759,238,000 owed by the Company to the Bondholder under the PCS**, which comprises:

a) **RMB401,717,000,** being the difference between the amount of Arrears of Distribution accrued from 3 April 2019 up to the Effective Date (i) calculated on the basis of the original Rate of Distribution under the PCS Conditions, which amounts to RMB627,285,000 and (ii) calculated on the basis of the revised Rate of Distribution of 4.00%, which amounts to RMB225,568,000;

b) **RMB161,009,000**, being all Additional Distribution Amount payable commencing 3 April 2019 up to the Effective Date; and

c) **RMB196,512,000**, being all Additional Interest Amount payable commencing 3 April 2019 up to the Effective Date computed at 0.015% per day.

# RATIONALE FOR THE PROPOSED AMENDMENTS AND WAIVERS

As announced in the Company's financial statements for the half-year period ended 30 June 2022, as at 30 June 2022, the Company was in a net current liabilities position.

**As set out in the Company's announcement dated 22 August 2022 in response to SGX-ST's queries on 18 August 2022, the net current liabilities position arose mainly due to the significant amount of provision for the distributions payable by the Company to the Bondholder under the PCS.**

The Company intends to improve to a net current assets position so that the Company may be in a better position to approach other financial institutions for external debt financing if the need arises.

**After discussions with the Bondholder, the Bondholder has agreed to the Proposed Amendments and Waivers in order to assist the Company in reducing the amounts outstanding under the PCS, which will in turn reduce the amount of current liabilities of the Company.**

# RATIONALE FOR THE PROPOSED AMENDMENTS AND WAIVERS

Revised Rate of Distribution of

**4.00%**

with annual interest cost savings of

**RMB116,476,000**

The revised Rate of Distribution of 4.00% is a rate commercially acceptable by both the Company and the Bondholder based on commercial negotiation and is within the range of the current interest rate charged on the Company's existing borrowings of 4.00% to 8.58%.

Under the prevailing Rate of Distribution, the Distribution amount payable per annum is RMB155,116,000.

Under the revised Rate of Distribution of 4.00%, the Distribution payable per annum is RMB38,640,000.

Accordingly, the interest cost savings achieved per annum as a result of the Rate of Distribution being revised is RMB116,476,000.

# RATIONALE FOR THE PROPOSED AMENDMENTS AND WAIVERS

## Revision of the Conversion Price

The Conversion Price will be revised accordingly to **ensure that the minority Shareholders will not be disadvantaged** considering the potential dilution effect of the Conversion Price Amendment.

Accordingly, the **revised Conversion Price was determined after taking into consideration that there will be minimal impact on the Group's NTA per Share** after full conversion of the PCS under existing PCS Conditions and the Amended PCS Conditions respectively.

# RATIONALE FOR THE PROPOSED AMENDMENTS AND WAIVERS

**The Board believes that the Proposed Amendments and Waivers 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.**



# FINANCIAL EFFECTS OF THE PROPOSED AMENDMENTS AND WAIVERS

**The financial effects of the Proposed Amendments and Waivers set out here are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Company following the completion of the Proposed Amendments and Waivers.**

**The table here sets out the financial effects of the Proposed Amendments and Waivers based on the following bases and assumptions:**

(a) reference is made to the unaudited consolidated financial statements of the Group for 1H2022;

(b) the financial impact on the consolidated NTA per Share for 1H2022 is computed based on the assumption that the Proposed Amendments and Waivers were completed on 1H2022; and

(c) the total amount that would have been waived under the Waivers as at 30 June 2022 is RMB567,414,000.

| | **Before** Proposed Amendments and Waivers, **Before** conversion under the PCS Conditions | **Before** Proposed Amendments and Waivers, **After** conversion under the PCS Conditions | **After** Proposed Amendments and Waivers, **Before** conversion under the Amended PCS Conditions | **After** Proposed Amendments and Waivers, **After** conversion under the Amended PCS Conditions |
|---|---|---|---|---|
| Issued and paid-up share capital(1) (RMB'000) | 4,028,372 | 4,907,342 | 4,028,372 | 4,907,342 |
| Number of Shares ('000) | 2,557,040 | 3,138,801(2) | 2,557,040 | 4,037,040(2) |
| Net current (liabilities) / assets position (RMB'000) | (431,861) | (431,861) | 135,553 | 135,553 |
| NTA (RMB'000) | 1,855,255 | 1,855,255 | 2,422,669 | 2,422,669 |
| NTA per Share (RMB) | 0.73 | 0.59 | 0.95 | 0.60 |

Notes:
(1) Computed based on the historical exchange rate of SGD1 : RMB4.7512.
(2) Assuming full conversion of the PCS and the issuance of 581,761,006 or 1,480,000,000 Conversion Shares, respectively.

**Positive net current assets position**

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# THANK YOU!



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**This document has not been reviewed or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.**