

SINJIA LAND LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200402180C)

**COLLABORATION ARRANGEMENT IN RELATION TO THE
BUSINESS OF PROCESS INNOVATION TECHNOLOGY PTE LTD**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Sinjia Land Limited wishes to announce that its wholly-owned subsidiary, Process Innovation Technology Pte Ltd (the “**Company**”), has entered into a collaboration agreement dated 1 August 2013 (the “**Agreement**”) with PinnovationTechnologies Pte. Ltd. (the “**Manager**”), pursuant to which the Company and the Manager have agreed to a collaboration arrangement relating to the Company’s business of precision polymeric die-cutting of foams and other materials (the “**Business**”).

The Manager is a private company incorporated in Singapore, and is not related to Sinjia Land Limited (“**Sinjia Land**”, and together with its subsidiaries, the “**Sinjia Group**”) or its directors or controlling shareholders.

2. PRINCIPAL TERMS

2.1 The principal terms of the collaboration arrangement (the “**Collaboration**”) as agreed between the Company and the Manager are as follows:

- (a) the Company shall engage the Manager to carry on the Business for two (2) years (the “**Term**”), and shall grant the Manager full management rights to the Business, including the right to use the inventories, goodwill and intellectual property rights, occupy the land and building, operate the plant and equipment, access and maintain the books and records, and instruct the employees, for the conduct of the Business;
- (b) all profits and receipts, and all losses and outgoings, accrued and payable in respect of the Business during the Term shall belong to and be for the account of the Manager, and accordingly, the Manager shall be entitled to the payments from customers in respect of work done, and shall be liable for the salaries and CPF payments of the employees;
- (c) the Manager shall pay the Company a total fixed return of S\$816,168, comprising (i) 23 equal instalments of S\$34,000 and (ii) a final instalment of S\$34,168, payable in arrears on the last day of each calendar month during the Term (the “**Fixed Return**”); and
- (d) the Manager shall, after the end of the Term, pay the Company an additional amount equivalent to 50% of the aggregate net profits after tax attributable to the Business for the Term (the “**Relevant NPAT**”), provided that such amount shall not be payable if the Relevant NPAT is less than twice the net profits after tax attributable to the Business for the financial year ended 31 December 2008).

The Collaboration applies to the Company’s operations in Singapore, and excludes the business of Process Innovation Technology (Suzhou) Co., Ltd., a wholly-owned subsidiary of the Company that operates in the People’s Republic of China.

2.2 In addition, the Manager has agreed that it shall during the Term indemnify and pay the Company for any losses, damages, claims, proceedings, costs and expenses suffered or incurred pursuant to

the materialisation of any contingent liabilities in relation to the Business which exists as at the commencement of the Term, including claims by its customers, suppliers or employees, provided that the liability of the Manager shall not exceed S\$100,000.

3. RATIONALE

The Board notes that the polymeric business units of the Sinjia Group continue to operate in a challenging environment with rising cost pressures and declining demand. To mitigate such risk and exposure, and minimize its reliance on the polymeric business, the Board believes that it is in the interest of the Sinjia Group for the Company to enter into the Collaboration. This will ensure that the Company receives a fixed return on its assets over the Term, and will also allow the Sinjia Group to focus its resources on the development of other businesses.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of Sinjia Land has any interest, direct or indirect, in the Collaboration.

5. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection at the registered office of Sinjia Land at 229 Mountbatten Road, #03-31/32 Mountbatten Square, Singapore 398007, during normal business hours, for three (3) months from the date of this announcement.

By Order of the Board
SINJIA LAND LIMITED

Cheong Weixiong
Group Chief Executive Officer

1 August 2013