

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

PROPOSED SUBSCRIPTION OF CONVERTIBLE LOAN NOTE ISSUED BY BARONS VISTA LLC

1. INTRODUCTION

The Board of Directors of Sinjia Land Limited (the “**Company**”) wishes to announce that the Company has entered into a convertible loan agreement dated 8 July 2014 (the “**Agreement**”) with Barons Vista LLC (“**Barons Vista**”), Property Barons Pte. Ltd. (“**Property Barons**”) and Mr Lim Beng Siang, pursuant to which the Company shall subscribe for and Barons Vista shall issue a convertible loan note in the principal amount of S\$2,000,000 (the “**Convertible Loan Note**”).

2. INFORMATION ON THE PARTIES

Barons Vista is a company incorporated in Delaware, United States of America, and is engaged in the business of property development. It is currently undertaking a proposed development of residential properties (including single family homes, paired homes or duplexes or townhouses) and commercial properties (including offices, a hotel and a mall) at a 125-acre site in Dickinson, Stark County North Dakota, United States of America, located just west of 30 Avenue West and Interstate 94 (the “**Project**”).

Property Barons is a company incorporated in Singapore, and is engaged in the provision of business and management consultancy services.

Mr Lim Beng Siang is a businessman with interests in real estate investments and developments. He is the sole shareholder of Barons Vista and majority shareholder of Property Barons.

3. PRINCIPAL TERMS

The principal terms of the Agreement and the Convertible Loan Note are set out below:

- Principal Amount : S\$2,000,000 (the “**Investment Amount**”)
- Issuance of Note : On 9 July 2014 (the “**Disbursement Date**”), the Company shall pay the Investment Amount to Barons Vista, and in exchange thereof, Barons Vista will issue and deliver the Convertible Loan Note to the Company.
- Use of Proceeds : The proceeds from the issue of the Convertible Loan Note shall be used by Barons Vista solely for the purposes of funding the Project.
- Redemption of Note : Barons Vista shall redeem the Convertible Loan Note by repaying the Investment Amount and paying all interest in full to the Company.

The Investment Amount shall be repayable by Barons Vista to the Company as follows:

- (a) Barons Vista shall repay the amount of at least S\$1,000,000 (the “**First Repayment Amount**”) on the date falling six (6) months from the Disbursement Date (the “**First Repayment Date**”); and

- (b) Barons Vista shall repay the balance of the Investment Amount, being S\$2,000,000 less the First Repayment Amount (the “**Balance Amount**”) on the date falling 12 months from the Disbursement Date (the “**Maturity Date**”).

Payment of Interest : Barons Vista shall pay interest at the rate of 18% per annum (the “**Interest**”) on (i) the Investment Amount over the first six (6) month period commencing from the Disbursement Date and (ii) the Balance Amount over the next six (6) month period commencing from the First Repayment Date.

The interest shall be payable by Barons Vista to the Company in advance as follows:

- (a) Barons Vista shall, within three (3) business days from the Disbursement Date, pay the amount of S\$180,000, representing the Interest on the Investment Amount over the first six (6) month period commencing from the Disbursement Date; and
- (b) Barons Vista shall, on the First Repayable Date, pay such amount representing the Interest on the Balance Payment over the six (6) month period commencing from the First Repayment Date.

For purposes of illustration only, assuming that the Company intends to repay S\$1,500,000 as the First Repayment Amount on the First Repayment Date and the remaining S\$500,000 as the Balance Amount on the Maturity Date, it will be required to pay Interest of S\$180,000 within three (3) business days of the Disbursement Date, and Interest of S\$45,000 on the First Repayment Date.

Conversion of Note : The Company shall have the option (the “**Option**”) to convert the Balance Amount portion of the Convertible Loan Note into new ordinary shares of Barons Vista (the “**Conversion Shares**”).

The number of Conversion Shares to be allotted and issued by Barons Vista upon the exercise of the Option shall be determined based on and shall be in proportionate to the sum of the Balance Amount, with the Company being entitled to convert the Balance Amount of US\$1,000,000 into such number of Conversion Shares representing 20% of the enlarged share capital of Barons Vista.

For purposes of illustration only, assuming that the Balance Amount is S\$500,000, the Company shall be entitled to convert such Balance Amount into Conversion Shares representing 10% of the enlarged share capital of Barons Vista.

Upon the exercise of the Option, Barons Vista shall allot and issue the Conversion Shares to the Company on the Maturity Date.

Mortgage of Property : Barons Vista undertakes to the Company that, immediately upon completion of the acquisition of the 125-acre land in respect of the Project (the “**Land**”), it shall grant a mortgage over the Land in favour of the Company to secure the due and punctual payment of all monies payable by Barons Vista and performance of all obligations of Barons

Vista under the Agreement and the Convertible Loan Note.

For as long as the Convertible Loan Note remains outstanding, Barons Vista shall not sell, transfer, dispose, encumber or pledge its interest in the Land to or in favour of any third party, save with the prior written consent of the Company.

- Guarantee and Indemnity : Each of Property Barons and Mr Lim Beng Siang unconditionally and irrevocably:
- (a) guarantees, as a continuing obligation, the due and punctual payment of all monies payable by Barons Vista and performance of all obligations of Barons Vista under the Agreement and the Convertible Loan Note; and
 - (b) undertakes, as a separate, additional and continuing obligation, to keep the Company fully and effectively indemnified against all losses, costs, damages, claims, demands, actions, proceedings, liabilities and expenses that the Company may incur or suffer from the breach of any representation, warranty, undertaking or obligation of Barons Vista under the Agreement and Convertible Loan Note.

4. RATIONALE

The subscription of the Convertible Loan Note issued by Barons Vista provides the Company with a short term return on the Investment Amount, as well as a potential opportunity to take a stake in the equity of Barons Vista and participate in the Project.

5. FINANCIAL EFFECTS

The proposed subscription of the Convertible Loan Note is not expected to have any material effect on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2014.

6. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the transaction other than through their respective shareholdings in the Company.

By Order of the Board
SINJIA LAND LIMITED

Cheong Weixiong
Group Chief Executive Officer

8 July 2014