

SINJIA LAND LIMITED
(Incorporated in the Singapore on 26 February 2004)
(Company Registration No. 200402180C)

**PROPOSED PLACEMENT OF AN AGGREGATE OF 35,000,000 NEW ORDINARY SHARES IN
THE CAPITAL OF SINJIA LAND LIMITED AT AN ISSUE PRICE OF S\$0.060 FOR EACH SHARE**

1. INTRODUCTION

The board of directors (“**Board**” or “**Directors**”) of Sinjia Land Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company had, on 13 March 2017, entered into a subscription agreement (“**Subscription Agreement**”) with subscribers set out in paragraph 2.1 of this announcement (collectively, the “**Subscribers**”), pursuant to which the Subscribers agreed to subscribe for, and the Company agreed to allot and issue to the Subscribers, an aggregate of 35,000,000 new ordinary shares in the capital of the Company (“**New Shares**”) at an issue price of S\$0.060 per New Share (“**Issue Price**”), on the terms and subject to the conditions of the Subscription Agreement (“**Placement**”). The aggregate consideration payable by the Subscribers for the subscription of the New Shares is S\$2,100,000 (“**Placement Consideration**”).

Contemporaneously with the Subscription Agreement, the Company had, on 13 March 2017, entered into an escrow agreement (“**Escrow Agreement**”) with the Subscribers and Dentons Rodyk & Davidson LLP (“**Escrow Agent**”), pursuant to which the Company and the Subscribers had designated and appointed the Escrow Agent as escrow agent to operate an escrow account and hold the Placement Consideration as escrow monies (“**Escrow Monies**”). The Escrow Monies will be released in accordance with the terms and conditions of the Escrow Agreement. Pursuant to the Escrow Agreement, the Company shall pay to the Escrow Agent a fee (exclusive of Singapore Goods and Services Tax) equivalent to the aggregate of (a) an establishment fee; and (b) interest accrued on all Escrow Monies from receipt by the Escrow Agent thereof up to release of the same by the Escrow Agent in accordance with the Escrow Agreement.

There is no placement agent appointed for the Placement. The New Shares will be issued and/or granted under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore (“**SFA**”). As such, no prospectus, offer document or offer information statement will be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the Placement.

2. THE PLACEMENT

- 2.1 The New Shares will be allotted and issued to, and subscribed and paid for, by each of the Subscribers in the following proportion:

Name of Subscriber	Number of New Shares	Placement Consideration	As a percentage of enlarged share capital of the Company⁽¹⁾
Co-Prosperity Investment (International) Limited ⁽²⁾	21,000,000	S\$1,260,000	11.86%
China Equity Investment Limited ⁽³⁾	6,500,000	S\$390,000	3.67%
Tan Bee Siew ⁽⁴⁾	7,500,000	S\$450,000	4.24%

Total:	35,000,000	S\$2,100,000	19.77%
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Notes:

- (1) Based on the enlarged share capital of the Company of 177,072,685 ordinary shares in the capital of the Company ("**Shares**") (excluding treasury shares) after the allotment and issuance of the 35,000,000 New Shares.
- (2) Co-Prosperity Investment (International) Limited (BVI Company No.: 1058354) is a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of Widerlink Group Limited (BVI Company No.: 594203), a company incorporated in the British Virgin Islands. Widerlink Group Limited is a wholly-owned subsidiary of Co-Prosperity Holdings Limited, a company incorporated in the Cayman Islands and listed on the Stock Exchange of Hong Kong with the stock code 707. Upon completion of the Placement, Co-Prosperity Investment (International) Limited will become a substantial shareholder of the Company.
- (3) China Equity Investment Limited (BVI Company No.: 1531817) is a company incorporated in the British Virgin Islands. The sole shareholder of China Equity Investment Limited is Mr. Tay Kwong Hua. As at the date of this announcement, Mr. Tay Kwong Hua has interest in 1,959,000 Shares, representing approximately 1.38% of the existing issued and paid-up share capital of the company.
- (4) Tan Bee Siew is a private investor.

Pursuant to Rule 803 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), the Company has confirmed that it would not, pursuant to the Placement, issue the New Shares to transfer a controlling interest in the Company without prior approval of shareholders ("**Shareholders**") in general meeting. The Company has confirmed that none of the Subscribers is a Director or a substantial shareholder of the Company or any person who falls within the categories set out in Rule 812(1) of the Catalist Rules.

The Company was introduced to the Subscribers through Cheong Weixiong ("**Mr Cheong**"), the Executive Director and Chief Executive Officer of the Company. Each of the Subscribers is subscribing for the New Shares for investment purposes, and is not related to the other Subscribers. No commission or other payment is to be made to Mr Cheong for introducing the Subscribers to subscribe for the New Shares.

2.2 Issue Price

The Issue Price of S\$0.060 represents a discount of approximately 3.38% to the volume weighted average price ("**VWAP**") of S\$0.0621 per Share, based on trades done on the SGX-ST on 7 March 2017, being the last full market day on which the Shares were traded prior to the date of the Subscription Agreement was entered into. The Issue Price was agreed upon based on arm's length negotiations between the Subscribers and the Company, taking into account, among others, the VWAP of the Shares quoted on the SGX-ST on 7 March 2017.

2.3 New Shares

The New Shares will be allotted and issued pursuant to the general share issue mandate ("**General Mandate**") granted by the Shareholders to the Directors pursuant to Article 6 of the Constitution of the Company and Rule 806(2) of the Catalist Rules, as approved by way of an ordinary resolution passed at the annual general meeting of the Company on 29 April 2016 ("**AGM**").

As at the date of the AGM, the issued and paid-up share capital of the Company (excluding treasury shares) (the "**Previous Share Capital**") comprised 140,659,920 Shares. According to the terms of the General Mandate, the aggregate number of Shares to be issued other than on a pro-rata basis to existing Shareholders shall not exceed 70,329,960 Shares, being 50% of such Previous Share Capital.

No shares were previously issued under the General Mandate prior to the Placement and as such, the allotment and issue of the New Shares is within the limit of the General Mandate.

The New Shares represent approximately 24.64% of the Company's issued and paid-up share capital of 142,072,685 Shares (excluding treasury Shares) as at the date of this announcement, and approximately 19.77% of the enlarged share capital of 177,072,685 Shares (excluding treasury Shares) after the allotment and issuance of the New Shares. As at the date of this announcement, the Company has 14,978,000 Shares held as treasury Shares.

The New Shares will be delivered fully paid-up and free from all encumbrances and shall rank in all respects *pari passu* with all existing Shares as at the date of issue of the New Shares except that the New Shares will not be entitled to any dividend, right, allotment or other distribution accruing the record date of which falls before the date of issue of the New Shares.

3. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

The completion of the Placement is conditional upon the following ("**Conditions**"):

- (a) the Company obtaining the listing and quotation notice ("**LQN**") from the SGX-ST for the listing of and quotation of the New Shares on the Catalist Board of the SGX-ST, and the delivery by the Company to the Subscribers of such LQN on or prior to the back-stop date of 31 May 2017;
- (b) the execution of the Escrow Agreement between the Company, the Subscribers and the Escrow Agent;
- (c) the Placement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to any party to the Subscription Agreement; and
- (d) there being no breach of any representations and warranties by the Subscribers, and undertakings required to be performed or caused to be performed by the Subscribers under the Subscription Agreement.

On confirmation of the fulfilment of the Conditions by the Company to the Subscribers and the Escrow Agent, the Escrow Agent will release the Escrow Monies to the Company less any deductions in accordance with the Escrow Agreement.

The Company will make an application to the SGX-ST through its sponsor, ZICO Capital Pte. Ltd., for the dealing in, listing of and quotation for the New Shares on the Catalist Board of the SGX-ST. The Company will make the necessary announcement upon receipt of the LQN from the SGX-ST.

4. RATIONALE FOR THE PLACEMENT AND USE OF PROCEEDS

- 4.1 The estimated net proceeds from the Placement due to the Company, after deducting expenses incurred in connection with the Placement, is expected to amount to approximately S\$1.98 million ("**Net Proceeds**").
- 4.2 The Company intends to use the Net Proceeds for general working capital purposes.
- 4.3 The Directors are of the opinion that, after taking into consideration:
 - (a) the Group's present banking facilities, the working capital available to the Group is sufficient to meet its present requirements; and
 - (b) the Group's present banking facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the sufficiency of the Company's present working capital, the Directors are of the opinion that in anticipation of challenging market conditions, it would be prudent for the Company to undertake the Placement in order to raise funds for general corporate requirements.

- 4.4 The Company will make periodic announcements as and when the Net Proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial statements and the Company's annual report. The Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of Net Proceeds, the Company will announce the reasons for such deviation.
- 4.5 Pending the deployment of the Net Proceeds, such proceeds may be placed as short term deposits with financial institutions and/or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may in their absolute discretion deem fit, from time to time.

5. FINANCIAL EFFECTS OF THE PLACEMENT

- 5.1 The pro forma financial effects of the Placement are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after the completion of the Placement.

The pro forma financial effects of the Placement have been computed based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2016 ("FY2016"). The financial effects of the Placement are based on the following assumptions:

- (i) the financial effect on the consolidated net asset value ("**NAV**") per Share is computed based on the assumption that the Placement was completed on 31 December 2016;
- (ii) the financial effect on the loss per share ("**LPS**") is computed based on the assumption that the Placement was completed on 1 January 2016; and
- (iii) the expenses incurred in connection with the Placement amounted to approximately S\$0.02 million.

Share capital and NAV per Share

	<u>Before the Placement</u>	<u>After the Placement</u>
Number of Shares (excluding treasury Shares) as at 31 December 2016	142,072,685	177,072,685
Share capital (S\$'000)	20,545	22,645
Treasury shares (S\$'000)	2,602	2,602
NAV attributable to Shareholders (S\$'000)	21,532	23,632

NAV per Share (cents)	15.16	13.35
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Loss per Share

	<u>Before the Placement</u>	<u>After the Placement</u>
Net (loss) attributable to Shareholders in FY2016 (S\$'000)	(485)	(505)
Weighted average number of Shares	141,008,273	176,008,273
LPS (cents)	(0.34)	(0.29)

- 5.2 The financial effects of the Placement on the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Group after the completion of the Placement.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and their respective associates, and to the best of the Directors' knowledge, none of the substantial shareholders of the Company, as well as their respective associates, has any interest, whether direct or indirect, in the Placement (other than arising from their shareholdings in the Company, if any).

7. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement and Escrow Agreement is available for inspection during normal business hours from 9 a.m. to 5 p.m. at the registered office of the Company at 16 Kallang Place, #01-16, Singapore 339156 for a period of three (3) months commencing from the date of this announcement.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement, the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

9. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company that may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any

doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Cheong Weixiong
Executive Director and Group Chief Executive Officer
14 March 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Zico Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined 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 announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte Ltd at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.