

SINJIA LAND LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200402180C)

THE PROPOSED ACQUISITION OF 49% STAKE IN THE CAPITAL OF G & S REALTY LIMITED

1. INTRODUCTION

The board of directors (“**Directors**” or “**Board**”) of Sinjia Land Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Sinjia Properties Pte. Ltd. (“**Sinjia Properties**”), has entered into a share purchase agreement dated 12 December 2018 (the “**SPA**”) with Mr. Nakorn Songsawad (the “**Vendor**”) for the proposed acquisition of 49% stake in the capital of G & S Realty Limited (“**GSR**”) owned by the Vendor (the “**Proposed Acquisition**”).

2. INFORMATION RELATING TO THE PROPOSED ACQUISITION

2.1 Information on GSR

GSR is a limited liability company and is incorporated on 9 October 2018 in Thailand. GSR is engaged in real estate investment, development and management; and has not commenced operation yet.

As the date of this announcement, GSR has an issued and paid-up share capital of THB20.0 million comprising of 200,000 ordinary shares.

As GSR is newly incorporated and have not commenced operations or business to date, it did not register any revenue or expenses since its incorporation. The net tangible asset value of GSR is also nil.

The director of GSR is Ms Sungvorn Vongpanus.

As at the date of this announcement, no valuation was conducted in respect of GSR for the purpose of the Proposed Acquisition as it is a newly incorporated company and has not commenced operations.

2.2 Information on the Vendor

The Vendor is citizen of Thailand and is the shareholder of the GSR.

The following table shows the breakdown of the Vendor’s shareholdings as well as other shareholders in GSR pre and post- completion of the Proposed Acquisition:

Shareholders	Existing		Post - Completion	
	Number of shares	Percentage of Shareholding (%)	Number of shares	Percentage of Shareholding (%)
Ms. Sungvorn Vongpanus	101,800	50.9	101,800	50.9
Mr. Nakorn Songsawad	98,000	49.0	-	-
Mr. Suanan Sae-Jio	200	0.1	200	0.1
Sinjia Properties	-	-	98,000	49.0
Total	200,000	100.0	200,000	100.0

The Vendor, its directors and shareholders are not related and have no connection (including business relationship) to the Company, its subsidiaries, the Directors or any substantial shareholders of the Company.

2.3 Rationale for and benefits of the Proposed Acquisition

The Proposed Acquisition is a strategic investment by the Group in line with the Group's corporate strategy to diversify its current business operation to other geographical market where the Company has obtained shareholders' approval in the Extraordinary General Meeting held on 23 September 2016 in relation to the proposed diversification of the Group's business to include property business.

The Group can only acquire a 49% stake in GSR as there is a foreign business ownership restriction in Thailand which foreigners cannot hold more than 49% stake in companies. The Proposed Acquisition will enable the Company to gain a strong foothold in the property business in Thailand together with their Thai partners who possesses wealth of experience in the real estate business in Thailand.

The tourism and real estate business in Thailand is booming and upcoming in South East Asia region and with the Proposed Acquisition will enable the Group to tap into the tourism real estate development such as hostel, budget hotel management which the Group has experience in and any other inter-alia potential property investment in Thailand. The Company believes the Proposed Acquisition will provide a source of diversified returns and long term growth to the Group.

Having considered the terms of the Proposed Acquisition and based on the benefits of the Proposed Acquisition to the Group, the Directors are of the view that the Proposed Acquisition is in the best interests of the Company.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1 Purchase consideration

The purchase consideration payable by the Company is THB9.8 million (approximately S\$410,000 based on the exchange rate of S\$1:THB0.04182* on 11 December 2018 (the "**Purchase Consideration**") for a total of 98,000 ordinary shares (the "**Shares**") in the capital of GSR. The Purchase Consideration was arrived at on a willing buyer willing seller basis based on the proportionate paid up capital of the Company.

The Purchase Consideration will be paid in cash in two tranches in accordance with the following:

- (a) First tranche at 25% of the Shares (50,000 Shares) for total of THB5.0 million within one week after signing the SPA; and
- (b) Second tranche at 24% of the Shares (48,000 Shares) for total of THB4.8 million within six months after signing the SPA.

The Shares shall be free from all encumbrances and will rights, benefits and entitlements from the date of this SPA.

**Source: Monetary Authority of Singapore
(<https://secure.mas.gov.sg/msb/ExchangeRates.aspx>)*

3.2 Conditions precedent

Completion is subject to the following conditions precedent being satisfied or waived:

- a) satisfactory completion of all regulatory requirements, including the receipt of all necessary approvals from the relevant authorities and compliance with all applicable laws and rules of the Singapore Exchange Securities Trading Limited ("**SGX**");

- b) the consultation from the SGX and approval from shareholders (where applicable);
- c) the absence of any events (such as any disputes, litigation or arbitration proceedings, or termination of any contract with the suppliers or customers of the Company) that will have a material adverse effect on the business of the Company.

Save for disclosed above, there are no other material condition in relation to the Proposed Acquisition.

3.3 Completion

Completion of the SPA is on the following basis:

- (a) The Purchaser shall, within 7 calendar days of this SPA, pay the Purchase Consideration to the Vendor through cashier's order of a Singapore registered bank for the First Tranche.
- (b) The Purchaser shall, within 182 calendar days of this SPA, pay the Purchase Consideration to the Vendor through cashier's order of a Singapore registered bank for the Second Tranche.
- (c) The Vendor shall, within 5 calendar days of such payment, procure the transfer of all rights, title and interest in the proportionate Shares to the Purchaser, so that the Purchaser shall have upon Completion full and exclusive legal and beneficial right, title and interest in the Shares.

3.4 Shareholders Agreement

Shareholders agreement contains inter-alia the following clauses:

- (a) The Board shall consist of two (2) Directors, whom shall be appointed at a general meeting, each for a term of three years from the date determined during meeting unless required earlier by Legislation and may be re-appointed by resolution of a general meeting.
- (b) The directors will be nominated as follows and shall notify the Company and the other shareholders in writing:
 - GSR is entitled to nominate one (1) Director; and
 - Sinjia Properties is entitled to nominate one (1) Director.
- (c) GSR shall not introduce new shareholders or increase capital without the consent of all shareholders.
- (d) If GSR makes a profit for three consecutive years, shareholders have the right to receive dividend. Dividend payout should not exceed 50% of the company's accumulated profit combined.

4. SOURCE OF FUNDS

The Proposed Acquisition will be funded by internal cash resources. The Company will update Shareholders on any material developments and will make such necessary announcements as and when appropriate.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures computed on the applicable bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition and based on the unaudited consolidated financial statements of the Group for HY2018 as announced by the Company on 14 August 2018 are set out below.

Rule 1006	Computations	Percentage (%)
(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value.	Not applicable
(b)	The net profits attributable to the assets acquired of compared with the Group's net profit	Not meaningful ⁽¹⁾
(c)	Aggregate value of the consideration given, compared with the Group's market capitalisation	17.8% ⁽²⁾
(d)	The number of equity securities issued by the issuer as consideration, compared with the number of equity securities previously in issue	Not Applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not Applicable

Notes:

- (1) The Group recorded loss before tax of S\$1.2 million for HY2018 and GSR is a newly incorporated company and has not commenced its operation yet.
- (2) Computed based on Purchase Consideration of THB9.8 million (or approximately S\$410,000 based on the exchange rate of S\$1:THB0.04182 on 11 December 2018 being the market day preceding the date of the SPA and the market capitalisation of the Group of approximately S\$2.3 million. The market capitalisation of the Company is determined by multiplying the 177,072,685 shares in issue as at the date of this announcement by the weighted average price of the Company's shares of approximately S\$0.013 on 3 December 2018, being the last market day the Company's shares were traded on SGX-ST preceding the date of the SPA.

As the relative figure computed under Rule 1006 (b) involve negative figures, pursuant to Catalist Rule 1007(1), the Company had, through the Sponsor, will consult the SGX-ST on the application of Chapter 10 of the Catalist Rules for the Proposed Acquisition including the requirements, if applicable, for shareholders' approval. The Company will make further announcements on the outcome of the consultation with the SGX-ST.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro-forma financial effects of the Proposed Acquisition, prepared based on the consolidated financial statements of the Group for FY2017, are set out below. The pro-forma financial effects of the Proposed Acquisition are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Group after completion of the Proposed Acquisition.

6.1 Net Tangible Assets ("NTA") per Share

Assuming the Proposed Acquisition had been completed on 31 December 2017, being the end of the most recently completed financial year of the Group, the financial effects on the NTA per share of the Group would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$'000)	15,355	15,355
Number of Shares ('000)	177,073	177,073
NTA per Share (S\$ cents)	8.67	8.67

6.2 Loss/Profit per Share

Assuming that the Proposed Acquisition had been effected on 1 January 2017, being the beginning of the most recently completed financial year of the Group, the financial effects on the loss per share of the Group would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
(Loss)/Profit after tax attributable to equity holders of the Company (S\$'000)	(7,662)	(7,662)
Number of Shares ('000)	177,073	177,073
(Loss)/Profit per Share (S\$ cents)	(4.33)	(4.33)

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

To the best knowledge of the Directors, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition (other than their respective shareholding interests in the Company, if any).

8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly no service contract is proposed to be entered into between the Company and any such person.

9. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection by the shareholders during normal business hours at the registered office of the Company at Block 16 Kallang Place, #01-16/18, Kallang Basin Industrial Estate, Singapore 339156 for a period of three (3) months commencing from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company 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 Proposed Acquisition, 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.

By Order of the Board

Cheong WeiXiong
Executive Director and Group Chief Executive Officer
13 December 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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