

**RESPONSE TO SGX-ST QUERIES ON THE UPDATE ON FORECLOSURE ACTION ON VISTA PROPERTY – CONVEYANCE OF VISTA PROPERTY**

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*Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning as defined in the Company's announcement dated 27 August 2019 ("**Announcement**").*

The Board of Directors (the "**Board**" or "**Directors**") of Sinjia Land Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to set out its responses to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 28 August 2019 in relation to the Announcement with respect to the Vista Foreclosure Action on the Vista Property.

**Query 1**

**It is stated that the Company obtained summary judgement on 8 April 2019, public auction took place on 22 May 2019 where Company was the highest bidder and thus the property was sold to the Company. On 16 Aug 2019, the property had been legally transferred to the name of the Company. Did the Company disclose these transactions of provide any updates on these developments?**

Company response

The Company had announced that it had commenced foreclosure action against Barons Vista in relation to the Vista Property in an announcement dated 16 June 2017 ("**16 June 2017 Announcement**"). The Judgment was the next step in the foreclosure action pursuant to which the Court declared that the Lien was superior and paramount to all other liens of the Junior Lienholders. Accordingly, the Judgment and the Public Auction are not separate transactions entered into by the Company; rather they were various stages in the Vista Foreclosure Action (as described in the Announcement) of which the conveyance represented the completion of the Vista Foreclosure Action. The Board was of the view that the conveyance of the Vista Property was a material development in the Vista Foreclosure Action and accordingly, the shareholders should be updated.

The Company and the Directors are fully aware of their obligations to keep its shareholders updated and informed of any material developments and have provided, and will continue to provide, the appropriate disclosures and updates where possible going forward.

**Query 2**

**Please disclose the rationale for the Company's bid for the property.**

Company response

As stated in the Announcement, the Public Auction took place on 22 May 2019. The sale and bidding process took place on the county courthouse steps and was conducted by the Stark County Sheriff's office. Any person or entity could have appeared and made a bid for the property. The aforesaid person or entity must also have evidence of immediately available funds in order to immediately provide payment for the full amount of their bid.

The Company could also place a "*credit bid*" up to the full amount of the outstanding debt owed by Barons Vista to the Company pursuant to the Judgment (the "**Judgment Debt**"). If the credit bid was the highest bid, the Company would take ownership of the Vista Property. The Company was not required to have tendered funds to itself.

At the time, the decision for the Company to make was whether to accept a cash bid from a third party (if there is one) or to place their own credit bid in the amount of the Judgment Debt so that they could acquire ownership of the Vista Property. The reasons why the Company made a full credit bid in the amount of the Judgment Debt was as follows:

- (a) following the Public Auction, the debtor, Barons Vista, had the opportunity to redeem the Vista Property for 60 days;
- (b) to redeem or take ownership and possession of the Vista Property, Barons Vista would have had to pay the full amount bid by the Company at the aforementioned Public Auction; and
- (c) the Company made a full credit bid in the amount of the Judgment Debt to ensure that if Barons Vista had applied to make a redemption of the Vista Property, it would have had to make full payment of the Judgment Debt. Accordingly, the placing of the bid at the full amount of the Judgment Debt was to prevent Barons Vista from re-acquiring the Vista Property at a discount from the Judgment Debt.

Accordingly, the Company, acting under advice from Fred Law, decided to bid in the full amount of the Judgment Debt and take ownership of the Vista Property. Having taken ownership of the Vista Property, the Company could then negotiate with any other interested party to sell the Vista Property on agreed upon terms.

### **Query 3**

**How did the Company arrive at the amount to bid for the property? Was there a valuation performed prior to the auction?**

#### **Company response**

Please see our response to Query 2 above.

The Company had commissioned a valuation report dated 11 January 2018, which valued the property at US\$400,000. No updated valuation has been conducted as the foreclosure sale was conducted via a Public Auction as ordered by the Court. The Company did not have sufficient time to conduct an updated valuation before placing a bid for the Vista Property.

### **Query 4**

**Please disclose whether there were other bidders for the property at the auction.**

#### **Company response**

As advised by Fred Law, there were no other third-party bidders for the Vista Property at the Public Auction. The lack of third-party bidders may be attributed to several factors. Firstly, third-party bidding at foreclosure sales is uncommon in the United States. Secondly, while North Dakota is a state known for its shale oil, the location of the Vista Property is not in an area known for oil or gas production. Lastly, due to lower oil prices, all forms of land development in North Dakota have slowed. Fred Law, on behalf of the Company, made the full credit bid and the Company eventually acquired the Vista Property as stated in the Announcement.

### **Query 5**

**Please confirm that this is the same property that the Company is disposing off in its 16 August 2019 announcement. If so, please disclose the Board's considerations in deciding on the purchase and subsequent disposal. In its response, the Company should disclose the purchase price and the subsequent disposal price**

#### Company response

The Vista Property, which is the subject of the Vista Foreclosure Action, is not the Barons Lodge Hotel, which is the subject of the proposed disposal as disclosed in the Company's 16 August 2019 announcement.

For avoidance of doubt, the Barons Lodge Hotel is located at Lots 3, 4, 15 and 15 of TA Dardis Addition Assessor Parcel Number 10-8303-000 (the "**Lodge Property**"), while the property conveyed to the Company in the Announcement is a 31-acre parcel of land to be subdivided from a 125-acre site in Dickinson, Stark County, North Dakota, the United States of America (the "**Vista Property**").

In this regard, the Company refers to its announcement dated 16 June 2017 ("**16 June 2017 Announcement**") and makes reference to the DIL Agreement referred therein. The Company wishes to highlight that although the DIL Agreement encompassed both the Lodge Property and the Vista Property, there were no other creditors with competing claims to the Lodge Property. Accordingly, no public auction was ordered in respect of the Lodge Property and the settlement was executed via a conveyance of the Lodge Property. In contrast, as the Junior Lienholders had competing claims to the Vista Property, it was necessary for the Company to procure the Judgment from the Court declaring that the Lien held by the Company was superior and paramount to all other liens of the Junior Lienholders.

#### Query 6

**Please disclose the relative figures pursuant to Rule 1006 and clarify whether the transaction(s) would require shareholders' approval.**

#### Company response

The Company's acquisition of the right and title to and interest in the Vista Property was undertaken for the Vista Foreclosure Action. The Company was acquiring the Vista Property as part of a recovery exercise to recover sums owing to the Company pursuant to the Judgment. The Company wishes to highlight that proceeding by public sale is the only available sale procedure in a foreclosure action under North Dakota law. The Company has no control over the auction process for the Vista Property. Accordingly, it is not a transaction as defined in Rule 1002(1) of the Catalyst Rules, and hence not subject to shareholders' approval.

#### **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 Vista Property, the Vista Foreclosure Action, 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 the 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 the announcement in its proper form and context.

## By Order of the Board

Cheong Weixiong  
Group Chief Executive Officer and Executive Director  
5 September 2019

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*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.*

*The contact person for the Sponsor is Mr Liao H.K.  
Telephone number: 6221 0271*