

**CHINA GREAT LAND HOLDINGS LTD.**  
(Company Registration No. 200312792W)  
(Incorporated in the Republic of Singapore)

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- (1) **TRANSFER OF THE COMPANY'S RIGHTS AND OBLIGATIONS UNDER THE SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED DISPOSAL OF 80% OF THE ISSUED AND PAID UP ORDINARY SHARES IN THE SHARE CAPITAL OF SANYA PEARL RIVER PILE CO., LTD TO HAINAN PEARL RIVER HOLDINGS CO., LTD; AND**
  - (2) **PROPOSED DISPOSAL OF: (i) SANYA PEARL RIVER PILE CO., LTD; (ii) HAINAN PEARL RIVER PILE CO., LTD; AND (iii) HAINAN HUADI BUILDING MATERIAL CO., LTD TO LIONVIEW GLOBAL INVESTMENTS (THE "PROPOSED DISPOSALS")**
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## 1. INTRODUCTION

The Board of Directors (the "**Board**") of China Great Land Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its announcements dated 20 February 2013, 28 March 2013, 12 June 2013, 2 September 2013, 1 April 2014 and 2 June 2014 (the "**Prior Announcements**").

*All capitalised terms used and not defined herein shall have the same meanings given to them in the Prior Announcements.*

Subsequent to the Prior Announcements, the Board wishes to announce that the Company has entered into a transfer agreement with Hainan Pearl River Holdings Co., Ltd (the "**Former Purchaser**") and Lionview Global Investments (the "**Purchaser**") to transfer the Company's rights and obligations under the New SPA (the "**SPRP Transfer Agreement**") from the Company to the Purchaser.

In addition to the above, the Board wishes to announce that the Group has entered into the following agreements with the Purchaser in relation to the Proposed Disposals:

- (i) the sale and purchase agreement in relation to the proposed disposal of Hainan Pearl River Pile Co., Ltd (the "**HPRP SPA**"); and
- (ii) the sale and purchase agreement in relation to the proposed disposal of Hainan Huadi Building Material Co., Ltd (the "**HHBM SPA**").

The SPRP Transfer Agreement, HPRP SPA and HHBM SPA shall collectively be referred to as the "**SPAs**".

## 2. THE SPRP TRANSFER AGREEMENT

As previously announced on 2 June 2014, the Company and the Former Purchaser had mutually agreed to amend the terms of the New SPA to extend the deadline to obtain the Industrial Land Use Right by 31 July 2014. Under the terms of the New SPA, if the Industrial Land Use Right is not obtained on or before 31 July 2014, the Company shall return the consideration paid by the Purchaser on or before December 2013 (the "**Paid Consideration**") plus interest at the rate of 15% per annum on the Paid Consideration to the Former Purchaser (the "**Interest**").

As the Company has not obtained the Industrial Land Use Right by 31 July 2014, the Company, the Former Purchaser, and the Purchaser have, on 30 September 2014 entered into the SPRP Transfer Agreement to transfer the Company's rights and obligations under the New SPA from the Company to the Purchaser.

Under the terms of the SPRP Transfer Agreement, the Company shall dispose of the entire shareholding in SPRP to the Purchaser for a consideration of RMB30,000,000. On the condition that the Purchaser fulfils the Company's previous obligations under the New SPA, the Former Purchaser agrees to waive the obligations owed by the Company to the Former Purchaser.

### **3. THE PROPOSED DISPOSALS AS A MAJOR TRANSACTION**

Pursuant to the SPAs which were entered into on 30 September 2014, the Company is proposing to dispose of the following:

- (i) the entire issued share capital of Sanya Pearl River Pile Co., Ltd (“**SPRP**”);
  - (ii) the entire issued share capital of Hainan Pearl River Pile Co., Ltd (“**HPRP**”); and
  - (iii) the entire issued share capital of Hainan Huadi Building Material Co., Ltd (“**HHBM**”)
- (each, a “**Sale Company**” and collectively the “**Sale Companies**”)

#### **3.1 Information on the Sale Companies and Description of Trade**

##### SPRP

SPRP is a company incorporated in the People's Republic of China (“**PRC**”) and having its registered office at Sanya Haineng Road 20, Lizhikou Industrial district, Sanya, China. As at the date of this announcement, SPRP has an issued and paid-up share capital of RMB20,000,000 comprising 20,000,000 ordinary shares, and the Company has a direct and indirect shareholding interest of 99.95% in SPRP. SPRP used to be in the business of manufacturing and sales of piles and other building materials.

##### HPRP

HPRP is a company incorporated in the PRC and having its registered office at Chengmai Xian, LaoCheng Industrial Kaifa district, Hainan, China. As at the date of this announcement, HPRP has an issued and paid-up share capital of RMB30,000,000 comprising 30,000,000 ordinary shares, and the Company has a direct and indirect shareholding interest of 98.67% in HPRP. HPRP used to be in the business of manufacturing and sales of piles and other building materials.

##### HHBM

HHBM is a company incorporated in the PRC and having its registered office at Sanya Haineng Road 20, Lizhikou Industrial district, Sanya, China. HHBM is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, HHBM has an issued and paid-up share capital of RMB13,000,000 comprising 13,000,000 ordinary shares, and the Company has a direct and indirect shareholding interest of 100% in HHBM. HHBM used to be in the business of manufacturing and sale of aerated concrete.

#### **3.2 Information on the Purchaser**

The Purchaser, Lionview Global Investments, is a company incorporated in British Virgin Islands and having its registered office at Morgan & Morgan Building, P.O. Box 958 Pasea Estate Road Town, Tortola, British Virgin Islands. The Purchaser is an investment holding company.

#### **3.3 Rationale for the Proposed Disposals**

As disclosed in the Prior Announcements, the Group has ceased production at the Sale Companies so that the Group may control the losses and realign its resources for better use. As at 30 June 2014, the Sale Companies have aggregate net liabilities of RMB82.3 million. Therefore, the sale of the Sale Companies will remove their net liabilities from the financial statements of the Group.

### **3.4 Salient Terms of the SPAs**

#### **3.4.1 Consideration**

3.4.1.1 The aggregate consideration for the Proposed Disposals is RMB3,(the “**Aggregate Consideration**”), equivalent to approximately S\$0.62 based on the exchange rate of S\$0.20726:RMB1.00 as at 29 September 2014 (being the date preceding the date of the SPAs). The consideration for each SPA is as follows:

##### THE SPRP TRANSFER AGREEMENT

Pursuant to the New SPA, if the Industrial Land Use Right is not obtained on or before 31 July 2014, the Company shall return the Paid Consideration of RMB30,000,000 to the Former Purchaser. Pursuant to the SPRP Transfer Agreement, the Purchaser agrees to bear these obligations. Accordingly, the Company agrees to dispose the entire shareholding in SPRP to the Purchaser for a consideration of RMB30,000,000.

##### HPRP SPA

The Company agrees to dispose its entire shareholding in HPRP and all of the liabilities of HPRP to the Purchaser for a consideration of RMB1.

##### HHBM SPA

The Company agrees to dispose its entire shareholding in HHBM and all of the liabilities of HHBM to the Purchaser for a consideration of RMB1.

3.4.1.2 The Aggregate Consideration shall be payable upon completion of the Proposed Disposals (“**Completion**”).

3.4.1.3 The Aggregate Consideration was negotiated at arms-length and arrived at on a willing-buyer willing-seller basis, taking into account: (a) the liabilities of the Sale Companies; (b) the RMB30,000,000 to be paid by the Purchaser to the Former Purchaser; and (c) the potential value of the Land that is currently occupied by SPRP’s piling plant.

3.4.1.4 The Board is of the view that the Aggregate Consideration is in the interests of the Company and is not prejudicial to the interests of the minority shareholders of the Company.

#### **3.4.2 Transfer of Hainan Pearl River Foundation Engineering Co., Ltd (“HPRFE”)**

Pursuant to the terms of the HPRP SPA, prior to completion of the HPRP SPA, HPRP will transfer its entire shareholding in its subsidiary, HPRFE to the Company for a nominal consideration of RMB1. This ensures that HPRFE will remain as a subsidiary of the Group.

### **3.5 Gain on the Proposed Disposals and Use of Proceeds**

The aggregate value of the Sale Companies as at 30 June 2014 is (RMB82,320,135). Accordingly, the excess of the proceeds over the net book value of the Sale Companies will be approximately RMB82,320,138 and the expected net gain on the

Proposed Disposal will be RMB82,320,138. The net proceeds of RMB3 will be used for working capital purposes.

### 3.6 Financial Effects of the Proposed Disposals

The pro forma financial effects of the Proposed Disposals on the Group are set out below. The pro forma financial effects have been prepared based on the figures derived from the Group's audited consolidated financial statements for the financial year ended 31 December 2013 ("FY2013") and are purely for illustration purposes only and do not reflect the actual financial position of the Group after Completion:

#### 3.6.1 Effect on the Company's NTA per Share

For illustrative purposes only, had the Proposed Disposals taken place on 31 December 2013 and based on the audited consolidated financial statements of the Group as at 31 December 2013 (being the end of the most recently completed financial year), the Proposed Disposals would have had the following impact on the Group's NTA as at FY2013:

	<u>Before the Proposed Disposals</u>	<u>After the Proposed Disposals</u>
NTA (RMB'000)	(100,559)	34,278
Total number of issued shares ('000)	170,000	170,000
NTA per share (cents)	(0.59)	(0.20)

#### 3.6.2 Effect on Earnings per Share ("EPS")

For illustrative purposes only, had the Proposed Disposals taken place on 1 January 2013 and based on the audited consolidated financial statements of the Group as at 31 December 2013 (being the end of the most recently completed financial year), the Proposed Disposals would have had the following impact on the Group's EPS for FY2013:

	<u>Before the Proposed Disposal</u>	<u>After the Proposed Disposal</u>
Profit/Loss attributable to equity holders of the Company from continued operations (RMB'000)	5,092	5,092
Weighted average number of issued shares ('000)	170,000	170,000
Profit/Loss from continued operations per share (cents)	0.03	0.03

### 3.7 Rule 1006

The relative figures in relation to the Proposed Disposals in aggregate on the applicable bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the "Listing Manual"), based on the Group's latest announced unaudited consolidated

financial statements of the Group for the period ending 30 June 2014 (“Q2FY2014”)<sup>(1)</sup>, are as follows:-

		The Proposed Disposals on an aggregate basis (RMB)	The Group (RMB)	Percentage (%)
<b>Rule 1006(a)</b>	Net asset value of the Sale Assets, compared with the Group's net asset value	(82,320,135)	(125,863,377)	65.4%
<b>Rule 1006(b)</b>	Net profits / (losses) attributable to the Sale Assets, compared with the Group's net profits / (losses)	(27,021,187)	(25,305,843)	106.8%
<b>Rule 1006(c)</b>	Consideration received for the Proposed Disposal compared with the Company's market capitalization <sup>(2)</sup>	3	7,369,232	Not meaningful
<b>Rule 1006(d)<sup>(3)</sup></b>	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable	Not applicable	Not applicable
<b>Rule 1006(e)<sup>(4)</sup></b>	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable	Not applicable	Not applicable

**Notes:-**

- (1) The figures computed here are based on the unaudited financial results for Q2FY2014 which was announced on 13 August 2014.
- (2) Under Rule 1002(5) of the Listing Manual, the market capitalisation of the Company is determined by multiplying the number of shares in issue (170,000,000) by the weighted average price (S\$1,530,000 or approximately RMB 7,369,232 at an exchange rate of SGD 0.20726:RMB1.00) of such shares transacted on 29 September 2014, being the market day preceding the date of the SPAs.

- (3) This rule is not applicable as the Proposed Disposals are not acquisitions.
- (4) This rule is not applicable as the Proposed Disposals are not disposals of mineral, oil or gas assets by a mineral, oil and gas company.

As the relative figures under Rule 1006(a) and Rule 1006(b) of the Listing Manual of the SGX-ST exceed 20.0%, the Proposed Disposals constitute a “major transaction” under Rule 1014 of the Listing Manual of the SGX-ST. Accordingly, the Proposed Disposal will be subject to the approval of shareholders at an extraordinary general meeting (“**EGM**”) to be convened.

#### **4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

As at the date of this announcement, save for their shareholdings in the Company, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposals.

#### **5. DIRECTORS’ SERVICE CONTRACTS**

No person will be appointed to the Board in connection with the Proposed Disposals and no service contracts in relation thereto will be entered into by the Company.

#### **6. CIRCULAR AND DOCUMENTS FOR INSPECTION**

The circular to shareholders containing, *inter alia*, further information on the Proposed Disposals and enclosing notice of the EGM will be despatched by the Company to shareholders in due course.

A copy of each of the SPAs will be available for inspection at the Company’s registered office at 1 Robinson Road, #17-00 AIA Tower, Singapore 048542, during normal business hours for a period of three (3) months from the date of this announcement.

#### **BY ORDER OF THE BOARD**

Li Zhangjiang de Malca  
Executive Chairman and Managing Director

30 September 2014