

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

RESPONSE TO QUERIES FROM SGX-ST ON THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Board of Directors (the "**Board**") of China Great Land Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce the information set out below in response to queries from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in respect of the Company's unaudited financial statements for the financial year ended 31 December 2013, which was announced on 1 April 2014 (the "**Prior Announcement**").

Query 1:

In the Balance Sheet under Non-current Assets, "Property, Plant and Equipment" decreased from RMB 47.9 million in 2012 to RMB 7.2 million in 2013. Please provide a **breakdown of the items under Property, Plant and Equipment amounting to a decrease of RMB 40.7 million**. Please advise if this was due to a disposal of the group's Property, Plant and Equipment. If so, please disclose the ratios under Listing Rule 1006 and provide the details required under Listing Rule 1010 if any of the ratios exceed 5%. In addition, if any of the ratios exceed 20%, **please advise if the company had obtained shareholders' approval for disposals under Listing Rule 1014?**

Response:

The Company had previously announced on 20 February 2013 and 1 April 2014 that the Company has ceased production at Sanya Pearl River Pile Co., Ltd ("**Sanya Pearl River**") and Hainan Pearl River Pile Co., Ltd. ("**Hainan Pearl River**").

The Company further announced on 2 September 2013 that the Company is proposing to dispose of its shareholding interest of 16,000,000 ordinary shares (80% of the share capital of Sanya Pearl River) out of its entire direct shareholding interest of 19,250,000 ordinary shares in Sanya Pearl River (96.25% of the share capital of Sanya Pearl River) (the "**Proposed Disposal**"). In addition, the Company announced on 1 April 2014 that it is actively seeking a buyer for Hainan Pearl River.

The decrease in the carrying amount of property, plant and equipment from RMB 47.9 million as at 31 December 2012 to RMB 7.2 million was due to (i) re-designation of the property, plant and equipment held by Sanya Pearl River and Hainan Pearl River as "disposal group held for sale" which amounted to around RMB 35 million as at 31 December 2013. In addition, the decrease was also due to (i) the disposal of certain piling equipment with net book value of RMB 4.7 million in the continuing operations as well as (ii) depreciation expense for FY 2013 amounting to RMB 3.2 million, offset by additions of RMB 2.3 million.

For further details on the Listing Rule 1006 ratios for the Proposed Disposal, please refer to the Company's previous announcement on 2 September 2013. The disposal of the piling equipment with net book value of RMB 4.7 million does not trigger the 5% thresholds under Listing Rule 1006.

As announced on 1 April 2014, the Company is still in the process of obtaining the Industrial Land Use Right. Once the Company has obtained the Land Use Right, it will be seeking shareholders' approval to the Proposed Disposal.

Query 2:

In the Balance Sheet under Current Assets, "**Trade Receivables**" decreased from RMB 44.1 million in 2012 to RMB 6.1 million in 2013. Please quantify the items that resulted in the significant decrease and provide explanations for material changes.

Response:

The trade receivables as at 31 December 2013 amounting to RMB 6.1 million relate only to the trade receivables from the Group's continuing operations. The difference is due to (i) re-designation of trade receivables to discontinued operations as "disposal group held for sale" amounted to \$17.8 million (ii) net impairment of \$10.5 million and (iii) \$9.7 million from collections.

Query 3:

In the Cash Flow Statement under "Changes in Working Capital", we note a "**Deposit paid to third party**" which amounted to RMB 30 million. Please provide details on this transaction.

Response:

The Company has received the first tranche consideration of RMB 30 million arising from the Proposed Disposal. Certain condition precedents have not been met and accordingly, the monies have been placed in an escrow account to earn interest pending the completion of the transaction.

Query 4:

In the Cash Flow Statement under "Financing Activities", we note a "**Deposit received from a minor shareholder**". Please provide details of this deposit received and the nature of the underlying transaction which resulted in the deposit.

Response:

This is the same deposit as described in our response to Query 3 above.

Query 5:

In Section 8 under "Continued Operation", the Company announced that "**Other operating expenses dived from RMB 30 million in FY2012 to a reversal of RMB 4.6 million.**" Please provide reasons for the "net income" recognised under "Other Operating Expenses".

Response:

As disclosed in Section 1(a)(ii) of the Prior Announcement, other operating expenses for FY 2012 that arose from continuing operations comprised mainly the impairment loss made on trade receivable amounting to RMB 25.7 million. There was no impairment loss made on trade receivables from continuing operations in FY 2013. In FY 2013, the Group also recorded gain on disposal of property, plant and equipment which was recorded in "other operating expenses", resulting in a net debit balance in the statement of comprehensive income.

Query 6:

In Section 10, the Company commented that "The intense competition in the piling and construction industry has led to an erosion of margins in its core business resulting in its core business resulting in deep losses and two of its subsidiaries ceasing production." **Please provide details of the Company's Order Book and how this would affect the group in the next reporting period and next 12 months.**

Response:

Currently, the Company has order book for its engineering piling related services amounting to RMB0.8 million as of 31 March 2014.

As announced on 1 April 2014, the factory held by Hainan Pearl River has been leased out with an annual rental of RMB4.3 million commencing 21 February 2014, for the next 5 years.

The Company has been reviewing its current business model and is considering various options to generate cash flows and new streams of income. The Group has also obtained commitments from third parties to continue lending and to extend the loan repayment period. In addition, the major shareholders will provide financial support and are ready to seek external financing for the Group should there be a need for additional working capital by the Group.

BY ORDER OF THE BOARD

Li Zhangjiang De Malca
Executive Chairman and Managing Director

16 April 2014