

**PROPOSED PLACEMENT OF 100,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT A PLACEMENT PRICE OF S\$0.02 PER PLACEMENT SHARE**

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**1. INTRODUCTION**

The board of directors (the “**Board**” or the “**Directors**”) of China Great Land Holdings Ltd. (the “**Company**”) wishes to announce that the Company (together with its subsidiaries, the “**Group**”) has entered into (i) a placement agreement dated 8 August 2016 (the “**Deepwater Harbour Placement Agreement**”) with Deepwater Harbour Investment Pte Ltd (“**Deepwater Harbour**”) and (ii) a placement agreement dated 8 August 2016 (the “**Spring Rain Placement Agreement**”) with Spring Rain Investment Pte Ltd (“**Spring Rain**”) (Deepwater Harbour and Spring Rain shall each be referred to as a “**Placee**” and collectively, the “**Placees**”), whereby the Placees have agreed to subscribe for an aggregate of 100,000,000 new ordinary shares in the capital of the Company in equal proportions (the “**Placement Shares**”) at an issue price of S\$0.02 per Placement Share (the “**Issue Price**”), subject to and upon the terms and conditions of the Deepwater Harbour Placement Agreement and Spring Rain Placement Agreement, respectively (the “**Placement**”).

There is no placement agent appointed for the purpose of this Placement. The Placement will be undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act (Chapter 289 of Singapore). As such, no prospectus or offer information statement in connection with the Placement will be issued by the Company and lodged with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) acting as agent on behalf of the Monetary Authority of Singapore.

**2. THE PLACEMENT**

**2.1 Issue Price**

The Issue Price of S\$0.02 per Placement Share represents a premium of 81.8% to the volume weighted average price (“**VWAP**”) of S\$0.011 per ordinary share in the capital of the Company (“**Share**”) for trades done on the Mainboard of the SGX-ST on 8 August 2016, being the full market day on which trades were recorded on the Mainboard of the SGX-ST immediately preceding the date on which the Deepwater Harbour Placement Agreement and the Spring Rain Placement Agreement (collectively the “**Placement Agreements**”) were signed.

The Issue Price was commercially agreed between the Company and each Placee after arm’s length negotiations with reference to the historical 6 months VWAP per Share.

**2.2 The Placement Shares**

The Placement Shares will be allotted and issued to, and subscribed and paid for, by each of the Placees, in the following proportions:

| Name of Placee    | Placement amount (\$\$) | Number of Placement Shares | As a percentage of Existing Issued Share Capital <sup>(1)</sup> | As a percentage of Enlarged Issued Share Capital <sup>(2)</sup> |
|-------------------|-------------------------|----------------------------|---|---|
| Deepwater Harbour | 1,000,000               | 50,000,000                 | 29.4%   | 18.5%   |
| Spring Rain       | 1,000,000               | 50,000,000                 | 29.4%   | 18.5%   |
| <b>Total:</b>     | <b>2,000,000</b>        | <b>100,000,000</b>         | <b>58.8%</b>  | <b>37.0%</b>  |

**Notes:**

- (1) Based on the existing issued and paid-up share capital of the Company (excluding treasury shares) as at the date of this announcement, comprising 170,000,000 Shares (the **"Existing Issued Share Capital"**).
- (2) Based on an enlarged issued and paid-up share capital of the Company (excluding treasury shares), comprising 270,000,000 Shares, after taking into account the allotment and issuance of 100,000,000 Placement Shares (the **"Enlarged Issued Share Capital"**).

The Placement Shares, when issued and fully paid, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the Shares existing as at the date of issue of the Placement Shares, save that they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before the date of completion of the allotment and issue of the Placement Shares.

The Placement Shares represent approximately 58.8% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement. Assuming the successful allotment and issue of the Placement Shares, the Placement Shares represent approximately 37.0% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company following the completion of the Placement. Immediately upon completion of the Placement, the Company's issued and paid-up share capital will increase from 170,000,000 Shares to 270,000,000 Shares.

## 2.3 Shareholders' Approval

Pursuant to Rule 805 of the SGX-ST Listing Manual (the **"Listing Rules"**), an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares.

The allotment and issue of the Placement Shares also constitutes a transfer of a controlling interest to each of the Placees. Pursuant to Rule 803 of the Listing Rules, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

Accordingly, the Company intends to seek the approval of the Shareholders for the issue and allotment of the Placement Shares at an extraordinary general meeting of the Company (the **"EGM"**) to be convened.

A circular containing further details on the proposed issue and allotment of the Placement Shares and enclosing a notice of the EGM in connection therewith, will be despatched by the Company at the appropriate time to Shareholders.

## 2.4 Conditions Precedent

The Placement is subject to certain usual conditions precedent more particularly set out in the Placement Agreements, including the following:

- (i) the receipt by the Company and the Placees of all authorisations, consents, clearances, permissions and approvals as are necessary or required by the Company and the Placees under any and all applicable laws (including any corporate approvals and authorisations of the Company and the Placees) and third parties, for or in respect of the Placement, including, but not limited to, approval of the Shareholders for the Placement;
- (ii) in-principle approval for the listing and quotation of the Placement Shares on the Mainboard of the SGX-ST being obtained on conditions (if any) acceptable to the Company and the Placees and not being revoked or amended (the “**Listing Approval**”);
- (iii) any conditions attached to the Listing Approval above which are required to be fulfilled on or before the date of completion of the Placement being fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (iv) the allotment, issue, and subscription of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated or issued hereafter by any legislative, executive or regulatory body or authority of Singapore; and
- (v) the representations and warranties of the Company and the Placees being true, accurate and correct in all material respects as if made on the date of completion of the Placement, with reference to the then existing circumstances and the relevant party having performed in all material respects all of its obligations to be performed on or before the date of completion of the Placement.

The Company will be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the Mainboard of the SGX-ST. The Company will make the necessary announcements once the Listing Approval has been obtained.

## 2.5 Completion of the Placement

Completion of the Placement is to take place on the date falling five (5) business days after the date on which the SGX-ST grants to the Company the Listing Approval.

## 2.6 Appointment of Directors Nominated by the Placees

Pursuant to the Deepwater Harbour Placement Agreement and the Spring Rain Placement Agreement, following completion of the Placement, and subject to approval of the Shareholders and compliance with the Listing Rules, the Company undertakes to each of the Placees separately, that it will appoint one (1) director nominated by each Placee as a new director of the Company.

### 3. INFORMATION ON THE PLACEES

Deepwater Harbour is an investment holding company incorporated in Singapore. Deepwater Harbour is wholly-owned by Mr. Xing Fei, an individual who is investing in the Company for investment purposes.

Spring Rain is an investment holding company incorporated in Singapore. Spring Rain is wholly-owned by Beijing Shineland Investment & Management Co., Ltd, a company incorporated in the PRC which is investing in the Company for investment purposes.

The Placees were identified and introduced by business associates of the Company, were separately approached by the Company, and are not associates of the Company, its subsidiaries, its Directors and substantial shareholders.

The Placees do not fall into the categories as specified under Rule 812(1) of the Listing Rules. No commission or any other additional payment will be made in relation to the Placement. As at the date of this announcement, the Placees do not hold any Shares in the Company.

To the best of the Company's knowledge, there is no agreement, arrangement or understanding between the Placees or any Shareholder to acquire Shares to obtain or consolidate effective control of the Company, and the Placees are not acting in concert with any other Shareholder, as defined in The Singapore Code on Take-Overs and Mergers.

### 4. RATIONALE FOR THE PLACEMENT AND USE OF PROCEEDS

The Company is undertaking the Placement to strengthen the Group's financial position and capital base of the Group, as well as to enhance the financial flexibility of the Group to capitalise on potential growth opportunities.

The Placement will raise gross proceeds of S\$2.0 million and net proceeds of approximately S\$1.92 million (the "**Net Proceeds**") (after deducting estimated expenses of approximately S\$0.08 million).

The Company intends to use S\$1.5 million of the Net Proceeds to satisfy existing debt obligations. The remainder will be used for working capital purposes.

Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the Net Proceeds in its annual report(s).

## 5. FINANCIAL EFFECTS OF THE PLACEMENT

The pro forma financial effects of the Placement are presented **for illustrative purposes only** and are not intended to be indicative or reflect the actual financial situation of the Group after completion of the Placement.

The pro forma financial effects of the Placement on the Group, as set out below, are prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 (“FY2015”), and the following assumptions:

- (i) for purposes of computing the effect of the Placement on the net liability value (“NLV”) per Share of the Group, it is assumed that the Placement had been completed on 31 December 2015;
- (ii) for purposes of computing the effect of the Placement on the earnings per Share (“EPS”) of the Group, it is assumed that the Placement had been completed on 31 December 2015; and
- (iii) expenses relating to the Placement of approximately S\$80,000.00.

### NLV per Share

The effect of the Placement on the NLV per Share of the Group for FY2015 is as follows:

|  | Before the Placement | After the Placement |
|--|----------------------|---------------------|
| NLV attributable to Shareholders (RMB'000)             | 72,972               | 63,372              |
| Number of Shares ('000)                                | 170,000              | 270,000             |
| NLV per Share attributable to Shareholders (RMB cents) | 42.92                | 23.47               |

### EPS

The effect of the Placement on the EPS of the Group for FY2015 is as follows:

|  | Before the Placement | After the Placement |
|--|----------------------|---------------------|
| Profit attributable to equity holders of the Company (RMB'000) | 59,015               | 59,015              |
| Weighted average number of Shares ('000)                       | 170,000              | 270,000             |
| Earnings per Share (RMB cents)                                 | 34.71                | 21.86               |

**6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Placement, other than in their capacity as Director or Shareholder of the Company.

**7. 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.

**8. TRADING CAUTION**

Shareholders are advised to exercise caution in trading their Shares. The Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Placement Agreements may be inspected at the registered office of the Company at 1 Robinson Road, #17-00 AIA Tower, Singapore 048542 during normal office hours for a period of three (3) months commencing from the date of this announcement.

**10. ANNOUNCEMENTS**

Further announcements on the Placement will be made in due course as and when appropriate.

**BY ORDER OF THE BOARD**

**Li Zhangjiang De Malca**

Executive Chairman and Managing Director

8 August 2016