

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

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**ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE LISTING MANUAL – DISCLAIMER OF  
OPINION BY THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS FOR  
FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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Pursuant to Rule 704(5) of the Listing Manual of the SGX-ST, the Board of Directors of China Great Land Holdings Ltd. (the “**Company**”) wishes to announce that the Company’s independent auditors, Foo Kon Tan LLP, had included a disclaimer of opinion in the Independent Auditors’ Report on the financial statements for the financial year ended 31 December 2015 (“**FY2015**”). An extract of the Independent Auditors’ Report is attached to this announcement for shareholders’ reference.

Shareholders of the Company are advised to read the Independent Auditors’ Report and the Group’s financial statements for FY2015 in the Company’s annual report, which will be despatched in due course.

**BY ORDER OF THE BOARD**

Li Zhangjiang De Malca  
Executive Chairman and Managing Director  
8 April 2016

# Independent auditor's report to the members of China Great Land Holdings Ltd.

## Report on the financial statements

We were engaged to audit the accompanying financial statements of China Great Land Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for Disclaimer of Opinion

Note 2 to the financial statements describes the material uncertainty regarding the going concern assumption of the Group and the Company. The Group incurred losses and total comprehensive loss from continuing operations of RMB 2.4 million (2014 – profit from continuing operations of RMB 1.3 million) and reported net cash outflows from operating activities of RMB 2.0 million (2014 - net cash outflows from operating activities of RMB 6.1 million) for the financial year ended 31 December 2015. As at 31 December 2015, the Group and the Company had cash and cash equivalents of RMB 62,000 and RMB 45,000 (2014 – RMB 774,000 and RMB 502,000) respectively and reported net current liabilities and deficiency in net equity of RMB 20.9 million and RMB 7.2 million (2014 - RMB 72.8 million and RMB 5.3 million) and RMB 73.0 million (2014 - RMB 131.9 million) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group and the Company's ability to continue as a going concern.

## Independent auditor's report to the members of China Great Land Holdings Ltd. (Cont'd)

### Basis for Disclaimer of Opinion (Cont'd)

The directors are of the view that the going concern assumption is appropriate for the preparation of these financial statements and that debts owing will be paid as and when they fall due as:-

- (a) On 24 March 2016, the Company entered into a loan agreement (“Agreement”) with a director cum major shareholder whereby the latter agreed to provide the Company with an interest-free loan of RMB 10 million (equivalent to approximately S\$2,096,490), repayable within two years from the date of the agreement. The loan will be disbursed in the manner where 1<sup>st</sup> Tranche of not less than RMB 4 million will be made on or before 30 April 2016 and the balance amount on or before 31 December 2016;
- (b) The director cum major shareholder has also confirmed that she will not be demanding the repayment of the non-trade advances due to her amounting to RMB 3.85 million as disclosed in Note 14 to the financial statements within the next twelve months;
- (c) The Company has also received a letter of financial support from the director cum major shareholder that she will provide continuing financial support to the Group and the Company as and when its liabilities fall due; and
- (d) During the current financial year, the director cum major shareholder has disbursed approximately RMB 0.89 million (2014: RMB 0.65 million) to the Group to meet its operational needs.

As at 31 December 2015, the Group and the Company has cash amounting to only RMB 62,000 and RMB 45,000 (2014: RMB 774,000 and RMB 502,000) respectively and the available cash balances are not sufficient to settle its outstanding current liabilities, comprising trade and other payables of its operating subsidiary, and other accrued expenses such as director fees, salaries and professional fees. Although the director cum major shareholder has committed an interest-free loan of RMB 10 million to the Company, the audit evidence available was limited because we were unable to obtain sufficient audit evidence to attest the financial capability of the director cum major shareholder in providing such support required to ensure that the Company and the Group are able to pay their liabilities as and when they fall due.

### Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

### **Other matters**

On 2 March 2016, the Company announced that SGX-ST has notified the Company on 2 March 2016 that it will be placed on the Watch-List due to the Minimum Trading Price (“MTP”) Entry Criterion with effect from 3 March 2016. The Company must take active steps to meet the requirements under Rule 1314(2) of the Listing Manual of the SGX-ST (the “Listing Manual”) for its removal from Watch-List within 36 months from 3 March 2016, failing which the SGX-ST may either remove the Company from the official list of the SGX-ST (the Official List”), or suspend trading of the Company with a view to remove the Company from the Official List.

# Independent auditor's report to the members of China Great Land Holdings Ltd. (Cont'd)

## Report on other legal and regulatory requirements

In our opinion, in view of the significance of the matter referred to in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants

Singapore, 8 April 2016