

REPLY TO SGX QUERIES REGARDING THE COMPANY'S ANNUAL REPORT 2014

The Board of Directors (the “**Board**”) of Sinjia Land Limited (the “**Company**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 28 April 2015 on its Annual Report for the financial year ended 31 December 2014, and would like to provide the following responses to the queries.

SGX Queries:

1. Guideline 11.3 of the Code of Corporate Governance 2012 (the “**Code**”) states that the Board should comment in the Company’s Annual Report on whether it has received assurance from the CEO and the CFO:- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company’s operations and finances; and (b) regarding the effectiveness of the company’s risk management and internal control systems.

Guideline 11.3 of the Code states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company’s annual report. As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please make disclosures on the Board’s comments on the adequacy and effectiveness of the Company’s risk management systems or otherwise explain the reason(s) for the deviation from the Code recommendation.

We note that the Company did not mention in the Company’s annual report on “risk management/risk management systems” as per the above Guidelines recommended by the Code. Please make the disclosure as recommended in the Code or otherwise explain the reason(s) for the deviation from the Code recommendation.

Company’s response:

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Audit Committee (“**AC**”) and the Board are of the opinion that the Group’s internal controls and risk management systems addressing financial, operational, compliance and information technology risks were adequate and effective as at 31 December 2014.

Pursuant to the Code, the Board has taken steps to engage a professional service firm to develop a risk management policy and to perform an Enterprise Risk Assessment exercise. The risk management policy will be aligned to ISO 31000: 2009, the international standards on Enterprise Risk Management (“**ERM**”), with the objective of meeting the compliance in the design, implementation and monitoring of the ERM and internal control systems in place.

Until the set-up and implementation of the ERM is completed, the AC and management will continue to review the Group’s operational activities on a quarterly basis to identify areas of material risks. The AC, together with management and the internal and external auditors, will table all control issues and

SINJIA LAND LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200402180C)

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review the appropriate measures being recommended to mitigate areas of weaknesses highlighted to the Board during its quarterly meetings.

The Board has obtained assurance from the Chief Executive Officer and Financial Controller that:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the internal controls and risk management systems established and maintained are adequate in addressing the financial, operational, compliance and information technology risks faced by the Group under the current operating environment.

- 2. Under page 27 of the Company's annual report, it is disclosed that there were no interested person transactions exceeding \$100,000 as at 31 December 2014. However, on page 95 of the Company's annual report, we note there was "Sale of goods to an entity related by common shareholder" of S\$150,000 in 2014. In this respect, please explain and clarify why there were no interested person transactions.

Company's response:

We wish to clarify that upon further investigation, we regret to inform that the disclosure was erroneous as the transaction referred to on page 95 was actually with PT HLN Batam, a subsidiary of the Group. Accordingly, this should not be defined as an interested person transaction. We apologise for any inconvenience caused.

By Order of the Board
SINJIA LAND LIMITED

Cheong Weixiong
Group Chief Executive Officer

29 April 2015