

SINJIA LAND LIMITED

(Incorporated in Singapore on 26 February 2004)
(Company Registration Number 200402180C)

DISPOSAL OF ASSETS IN CONNECTION WITH THE BUSINESS OF PRECISION POLYMERIC DIE-CUTTING OF FOAMS AND OTHER MATERIALS BY SINJIA PROPERTIES PTE LTD TO PINNOVATIONTECHNOLOGIES PTE LTD

1. INTRODUCTION

The board of directors (the “**Directors**” or the “**Board**”) of Sinjia Land Limited (formerly known as HLN Technologies Limited) (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Sinjia Properties Pte Ltd (formerly known as Process Innovation Technology Pte Ltd) (“**Sinjia Properties**”) has, on 19 June 2015, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with PinnovationTechnologies Pte Ltd (“**Pinnovation**”) for the sale of its assets (the “**Assets**”) in connection with its business of precision polymeric die-cutting of foams and other materials (the “**Business**”).

2. SALE AND PURCHASE AGREEMENT

Pursuant to the Sale and Purchase Agreement, Sinjia Properties shall sell, and Pinnovation shall purchase, the Assets (the “**Proposed Sale**”) for consideration equal to the net tangible asset value (“**NTA**”) of the Assets, as determined by an independent accountant appointed by Pinnovation (the “**Independent Accountant**”), less reinstatement costs as determined by Pinnovation and certified by the Independent Accountant to be a fair assessment (the “**Consideration**”). The Consideration shall be satisfied in cash. Please refer to Section 5.1 of this announcement for further details.

Completion of the Proposed Sale (“**Completion**”) is expected to be in or around September 2015. The Proposed Sale is in the ordinary course of the Group’s business and is not subject to Chapter 10 of the Singapore Exchange Securities Trading Limited’s (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. However, the Board has decided to voluntarily disclose the Proposed Sale to enhance the corporate disclosure standards of the Company.

3. DESCRIPTION OF THE ASSETS

The Assets are assets necessary for the carrying on of the Business and include:

- (i) machines necessary for die-cutting, cutting, laminating and shearing;
- (ii) other ancillary equipment such as feeders, power presses and compressors;
- (iii) equipment necessary for quality control; and
- (iv) fixtures and equipment necessary for day-to-day operations of the Business.

4. INFORMATION ON PINNOVATION

Pinnovation is a private company incorporated in Singapore and is not related to the Group, or any of their directors or controlling shareholders.

Pursuant to a collaboration agreement dated 1 August 2013 (the “**Collaboration Agreement**”), Pinnovation has been running the Business on behalf of Sinjia Properties. Details of the Collaboration Agreement had been announced by the Company on 1 August 2013.

5. PRINCIPAL TERMS OF THE PROPOSED SALE

5.1 Consideration

The Consideration for the Proposed Sale shall be equal to the NTA of the Assets, as determined by the Independent Accountant, less reinstatement costs as determined by Pinnovation and certified by the Independent Accountant to be a fair assessment. The Consideration shall be satisfied in cash.

The Independent Accountant, Saw Meng Tee & Partners PAC, has on 22 July 2015 determined the NTA of the Assets to be the sum of S\$103,020 and the reinstatement costs to be S\$103,700. As the reinstatement costs are higher than the NTA of the Assets, in accordance to the Sale and Purchase Agreement, the Consideration to be paid by Pinnovation to Sinjia Properties shall be S\$1.

5.2 Non-Compete and Non-Solicitation

Sinjia Properties covenants and undertakes to Pinnovation that it will not do any of the following:

- (i) for a period of one (1) year from 19 June 2015, either alone or jointly with, through or as adviser to, or agent of, or manager for, any person directly or indirectly carry on or be engaged, concerned or interested in or assist a business which competes, directly or indirectly, with the Business in Singapore;
- (ii) for a period of one (1) year from 19 June 2015, do or say anything which is harmful to the Business or which may lead a person who has dealt with Pinnovation or Sinjia Properties at any time during the twelve (12) months prior to the date of this Agreement to cease to deal with Pinnovation on substantially equivalent terms to those previously offered or at all;
- (iii) for a period of one (1) year from 19 June 2015, on its own account or in conjunction with or on behalf of any other person in respect of the products or services of the Business, either seek to obtain orders from, or do business with, or encourage directly or indirectly another person to obtain orders from or do business with, a person who has been a customer of that business at any time during the twelve (12) months prior to 19 June 2015 for the products or services of that business in its territory of operation;
- (iv) for a period of one (1) year from 19 June 2015 directly or indirectly solicit or contact with a view to his engagement or employment by another person, a director, officer, employee or manager of Pinnovation or a person who was a director, officer, employee or manager of Pinnovation at any time during the twelve (12) months prior to 19 June 2015, in either case where the person in question either has confidential information or would be in a position to exploit any of Pinnovation's trade connections; and
- (v) for a period of one (1) year from 19 June 2015, seek to contract with or engage (in such a way as to affect adversely the Business) a person who has been contracted with or engaged to manufacture, assemble, supply or deliver goods or services to that business at any time during the twelve (12) months prior to 19 June 2015.

6. RATIONALE AND BENEFITS

The Company notes that the Business operates in a challenging environment with rising costs pressures and declining demand. With the termination of the Collaboration Agreement, the Company believes that it is in the interest of the Group to dispose of Assets relating to the Business to allow the Group to focus its resources on the development of other businesses.

7. FINANCIAL EFFECTS OF THE PROPOSED SALE

The Proposed Sale is not expected to have any material effect on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2015.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Sale, other than through their respective shareholdings in the Company.

9. INSPECTION

A copy of the Sale and Purchase Agreement will be made available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 229 Mountbatten Road, #03-31/32 Mountbatten Square, Singapore 398007, for a period of three (3) months from the date of this announcement.

10. FURTHER ANNOUNCEMENTS

Further announcements on the Completion of the Proposed Sale will be made in due course as and when appropriate.

11. 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 Proposed Sale, 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.

12. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
SINJIA LAND LIMITED

Cheong Weixiong
Group Chief Executive Officer

3 September 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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