

**SINJIA LAND LIMITED**  
(Incorporated in the Singapore on 26 February 2004)  
(Company Registration No. 200402180C)

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**PROPOSED DISPOSAL OF PROPERTY BY SINJIA PROPERTIES SDN. BHD.**

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**1 INTRODUCTION**

The board of directors (“**Board**” or “**Directors**”) of Sinjia Land Limited (“**Company**”, and together with its subsidiaries, “**Group**”) wishes to announce that its wholly-owned subsidiary, Sinjia Properties Sdn. Bhd., (“**Sinjia Properties**”) had on 2 June 2022 entered into a sale and purchase agreement (“**SPA**”) with Kien Seng Motor Trading Sdn. Bhd., (“**Purchaser**”) for the sale of its property as described below for a cash consideration of RM1,800,000 (approximately S\$562,860 based on an exchange rate of S\$1: RM0.3127) (“**Consideration**”) upon the terms and conditions of the SPA. (“**Proposed Disposal**”).

**2 INFORMATION ON THE PROPERTY**

The Property is a freehold commercial land with a newly completed corner three-storey terrace shop-office bearing the postal address of Nos. 23 Jalan Dataran Kulai 2, Taman Dataran Kulai, 81000 Kulai, Johor. It has a total land area of approximately 292.175 square metres held under Lot nos. PTD 109431, Mukim of Senai, District of Kulai, State of Johor. The total gross floor area of approximately 508.37 square metres for the main building and approximately 76.92 square metres for the five-footway and air-condition ledge. The Property is currently free from all encumbrances and the only ground floor being rented out.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2021, the net assets value of the Group attributable to equity holders of the Company and the book value of the Property were approximately S\$2.704 million and S\$0.551 million (RM1,700,000 based on an exchange rate of S\$1: RM0.3238), respectively.

There is no valuation being commissioned by the Company for the Proposed Disposal purpose. However, the Company had appointed Cheston International (Johor) Sd. Bhd. to conduct an independent desk-top valuation on the Property for the purpose of assess the market value of the Property for accounting purposes. Based on the independent valuation report on the Property dated 22 November 2021, the open market value of the Property was RM1.7 million. The valuation was primarily derived by taking into consideration the present property market conditions and other relevant factors.

**3 INFORMATION ON THE PURCHASER**

The Purchaser, Kien Seng Motor Trading Sdn. Bhd. is a company incorporated in Malaysia on 16 November 1995 with its registered office at Nos 1 Jalan NB2 2/2, Taman Nusa Bestari 2, 81300 Skudai, Johor. The nature of business is engaged as dealer in new and used motorcycle and spare parts, motorcycles repairs and hire-purchase and insurance agent. The Purchaser is an independent and unrelated third party. The Purchaser is not related to the Directors or controlling Shareholders and their respective associates.

#### 4 RATIONALE FOR THE PROPOSED DISPOSAL

The Board believes that the Proposed Disposal is in the best interests of the Group and Shareholders, as it will enable the Group to realise the value of the Property and improve the liquidity of the Group.

#### 5 SALIENT TERMS OF THE PROPOSED DISPOSAL

##### 5.1 Consideration

The Consideration for the Property is RM1,800,000 (approximately \$562,860 based on an exchange rate of S\$1: RM0.3127) was arrived at after arm's length negotiation with the Purchaser on a willing buyer willing seller basis, taking into account, the current market conditions.

The Consideration shall be paid in the following manner:

- (a) upon execution of the SPA, the Purchaser shall pay a sum of RM54,000 being deposit or partial payment equivalent to 3.0% of the Consideration to Inland Revenue Board of Malaysia;
- (b) upon execution of the SPA, the Purchaser shall pay a sum of RM126,000 being the deposit or partial payment equivalent to 7.0% of the Consideration to Sinjia Properties; and
- (c) the balance sum of RM1,620,000 shall be paid within three months from the date of SPA executed.

Upon completion of the Proposed Disposal, the Group is expected to recognise approximately RM46,000 (approximately S\$14,384 based on the exchange rate of S\$1: RM0.3127) (net of estimated taxes and related transaction costs) as a gain in the income statement.

#### 6 RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES IN RELATION TO THE PROPOSED DISPOSAL

The relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the Catalist Rules and the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 ("FY2021") are as follows:

Rule	Base of Computation	Relative Figures
1006 (a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	20.38% <sup>(1)</sup>
1006 (b)	Net profits attributable to the assets disposed of, compared with the Group's net losses	(0.51)% <sup>(2)</sup>
1006 (c)	Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total	3.94% <sup>(3)</sup>

	number of issued shares excluding treasury shares	
1006 (d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>(4)</sup>
1006 (e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable <sup>(5)</sup>

**Notes:**

- (1) The net asset value of the Property and the Group as at 31 December 2021 was S\$550,460 and S\$2.704 million respectively.
- (2) The Property generated net annual rental income of S\$10,000 and the Group generated net losses S\$1.974 million for financial year ended 31 December 2021.
- (3) Based on the Consideration of S\$562,860 (RM1.8 million based on an exchange rate of S\$1: RM0.3127) and the Company's market capitalisation of approximately S\$14,289,766, being the issued ordinary share capital, excluding treasury shares of the Company of 177,072,685 shares ("**Shares**") at the volume weighted average price of the Shares of S\$0.0807 on 1 June 2022, which is the market day preceding the date of the SPA
- (4) This basis is not applicable as it is not an acquisition.
- (5) This basis is not applicable as the Company is not a mineral, oil and gas company.

Based on the relative figure computed under each of Rule 1006(a) and 1006(c) of the Catalyst Rules exceeds 5% but did not exceed 50%, the Proposed Disposal constitutes a "discloseable transaction" as defined under Rule 1010 of the Catalyst Rules.

## **7 FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL**

The *pro forma* financial effects of the Proposed Disposal on the Group set out below are purely for illustrative purposes only and are therefore not indicative of the actual future financial position of the Company or the Group after the Completion.

Based on the Group's latest audited consolidated financial statements for the financial year ended 31 December 2021, the *pro forma* financial effects of the Proposed Disposal are as follows:

### **7.1 Effect on Group's net tangible assets ("NTA") per share**

For illustrative purposes only, had the Proposed Disposal been completed on 31 December 2021 and based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2021 (being the end of the most recently completed financial year), the Proposed Disposal would have had the following impact on the Group's NTA per share:

	Before the Proposed Sale	After the Proposed Sale
NTA (S\$'000)	2,704	2,718
Number of issued shares (excluding treasury shares)	177,072,685	177,072,685
NTA per share (cents)	1.53	1.53

## 7.2 Effect on earnings per share (“EPS”)

For illustrative purposes only, had the Proposed Disposal been completed on 1 January 2022 and based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2021 (being the end of the most recently completed financial year), the Proposed Disposal would have had the following impact on the Group's EPS:

	Before the Proposed Sale	After the Proposed Sale
Profit/(Loss) after tax attributable to equity holders of the Company (S\$'000)	(1,974)	(1,960)
Number of issued shares (excluding treasury shares)	177,072,685	177,072,685
EPS (cents)	(1.11)	(1.11)

## 8 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and their respective associates, and to the best of the Directors' knowledge, none of the controlling shareholders of the Company, as well as their respective associates, has any interest, whether direct or indirect, in the Proposed Disposal (other than arising from their shareholdings in the Company, if any).

## 9 SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## 10 DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours from 9 a.m. to 5 p.m at the Company's registered office at 16 Kallang Place, #01-16, Singapore 339156 for a period of three (3) months from the date of this announcement.

Pursuant to the relevant health and safety measures imposed in respect of the COVID-19 pandemic, all Shareholders are to register their intention to inspect said document at least five (5) business days before the date of their appointment, via the Company's email address [sinjia@sinjl.com](mailto:sinjia@sinjl.com). The Company shall be entitled to reject requests for inspection as it deems necessary to comply with the relevant laws and regulations relating to the COVID-19 pandemic.

## 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 Disposal, 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.

By Order of the Board

Cheong Weixiong  
Executive Director and Group Chief Executive Officer  
2 June 2022

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*This announcement has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange 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 document.*

*The contact person for the Sponsor is Mr. Jerry Chua – Registered Professional, at 138 Robinson Road, #13-02 Oxley Tower, Singapore 068906, Telephone number: 6241 6626*