



GOODLAND GROUP LIMITED

Incorporated in the Republic of Singapore
Company Registration No. 200405522N

PROPOSED ISSUE OF NEW CONVERTIBLE BONDS AND NEW CORPORATE BONDS

The Board of Directors (the “**Board**”) of Goodland Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its earlier announcement dated 14 January 2014 in relation to the acquisition of the entire share capital of Citrine Assets Pte. Ltd. (the “**Earlier Announcement**”).

Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings and construction as ascribed to them in the Earlier Announcement.

1. INTRODUCTION

1.1. Further to the Earlier Announcement and pursuant to the terms of the Agreement, the Board wishes to announce that the Company has, on 28 May 2014, entered into the following agreements with the Vendors:

- (i) a convertible bond subscription agreement (“**Convertible Bond Agreement**”) for the issue of an aggregate principal amount of S\$3,000,000, 0% redeemable convertible bonds, convertible at a price of S\$0.38 (“**Conversion Price**”) with a conversion period of 3 years (the “**Convertible Bonds**”); and
- (ii) a corporate bond subscription agreement (“**Corporate Bond Agreement**”) for the issue of an aggregate principal amount of S\$2,500,000, 3% redeemable corporate bonds with a redemption period of 3 years (the “**Corporate Bonds**”),

(collectively, the “**Subscription**”)

2. CANCELLATION OF THE CONVERTIBLE BONDS AND THE CORPORATE BONDS

On 28 December 2012, the Company announced that its wholly-owned subsidiary, Goodland Capital Pte. Ltd. (“**Goodland Capital**”) has entered into an investment agreement (the “**Investment Agreement**”) with Citrine Capital Pte. Ltd. (“**Citrine Capital**”) to invest S\$2,000,000 in Citrine Capital (the “**Investment**”). Pursuant to the terms of the Investment Agreement, Goodland Capital may, after a period of 2 years from the date of the Investment Agreement (the “**Lock-in Period**”), exercise an option to convert the investment amount of S\$2,000,000 into a 6% equity interest of Citrine Capital pursuant to the terms of the Investment Agreement (the “**Equity Option**”) and own a 6% equity interest in Citrine Capital. The Investment Agreement also provides for a guaranteed minimum return on investment of 16%.

In the event that Goodland Capital exercises the Equity Option after the Lock-in Period, Goodland Capital will own a 6% interest in Citrine Capital. Taking into account the Investment, Equity Option and the Lock-in Period, the Company and the Vendors have also agreed that an aggregate amount of Convertible Bonds and Corporate Bonds amounting to S\$3,760,578.18, being 6% of the Consideration, will be cancelled upon exercise of the Equity Option after the Lock-in Period in the following order of priority:

- (i) an aggregate principal amount of S\$2,500,000 of the Corporate Bonds, followed by;
 - (ii) an aggregate principal amount of S\$1,260,578.18 of the Convertible Bonds,
- (collectively, the “**Bond Cancellations**”).

As the Lock-in Period expires on 28 December 2014 and the proposed Acquisition is expected to be completed before that, the Company and the Vendors have agreed to the Bond Cancellations in the event the Equity Option is exercised instead of varying the previously agreed terms of the Investment Agreement, which had previously been approved by the Board. In the event the Equity Option is not exercised, the Bond Cancellations will not take place, and the Company will receive the Investment and the additional return on investment of 16%.

3. PRINCIPAL TERMS OF THE CONVERTIBLE BONDS AND THE CONVERTIBLE BOND AGREEMENT

- 3.1. Pursuant to the terms of the Convertible Bond Agreement, the Company has agreed to issue, and the Vendors have agreed to subscribe for the Convertible Bonds in the following proportion and convertible into the respective number of Shares:

SUBSCRIBER	PRINCIPAL AMOUNT SUBSCRIBED FOR	NUMBER OF SHARES
CITRINE CAPITAL PTE. LTD.	S\$2,760,000	7,263,158
TEH WING KWAN	S\$120,000	315,789
WONG KONG LEONG	S\$120,000	315,789
Total:	S\$3,000,000	7,894,736

- 3.2. The Convertible Bonds will be issued in registered form, will not be listed and will constitute direct, unconditional and unsecured obligations of the Company. The Convertible Bonds do not bear interest, and are governed by the laws of Singapore.
- 3.3. The Convertible Bonds will be transferable, save that no holder of a Convertible Bond may require the transfer of a Convertible Bond to be registered during the period of seven (7) business days immediately prior to the due date for any payment to be made on the Convertible Bonds.
- 3.4. **Condition Precedent**

The completion of the subscription for the Convertible Bonds is conditional upon, *inter alia*:

- (i) the completion of the Acquisition;
- (ii) the approval of the Board and Shareholders being obtained for the issuance of the Convertible Bonds; and
- (iii) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of the Conversion Shares on the Mainboard of the SGX-ST.

Unless otherwise agreed in writing between the Parties, if any of the conditions for the completion of the Convertible Bonds are not satisfied on or before 30 June 2014, the Convertible Bond Agreement shall terminate and shall be of no further effect.

3.5. **Maturity Date**

Unless redeemed, converted or purchased and cancelled as provided in the terms and conditions of the Convertible Bonds (the “**Convertible Bond Conditions**”), the Company will redeem each Convertible Bond at 100% of its principal amount on the day falling three (3) years after the date of issue of the Convertible Bonds (the “**Maturity Date**”).

3.6. **Conversion of the Bond**

The Convertible Bond may be converted at the option of the holder thereof into Conversion Shares at any time on or after the day falling immediately after the Lock-in Period and up to the close of business on the Maturity Date. The number of Conversion Shares to be issued on conversion of the Convertible Bonds shall be determined by dividing the principal amount of the Convertible Bonds by the Conversion Price of S\$0.38, subject to any adjustments made in accordance with the terms and conditions of the Convertible Bond.

Based on the foregoing, the number of Conversion Shares that can be issued on conversion of all the Convertible Bonds (assuming no adjustments to the Conversion Price) is 7,894,736 Conversion Shares.

The Conversion Price of S\$0.38 represents a premium of approximately 7.0% to the volume-weighted average price (“**VWAP**”) of S\$0.355 for trades done on the SGX-ST on 10 January 2014, being the full market day immediately prior to the date the Agreement is signed, and a premium of approximately 35.7% to the VWAP of S\$0.280 for trades done on the 28 May 2014, being the full market day on which the Convertible Bond Agreement is signed.

The Conversion Shares when issued, shall rank *pari passu* with the then existing issued ordinary shares of the Company, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the record date of which falls prior to the date of allotment of the Conversion Shares.

3.7. **Anti-dilution adjustments**

The Conversion Price will be adjusted in certain circumstances in accordance with the Convertible Bond Conditions, including (i) subdivisions, consolidations and reclassifications of Shares, (ii) capitalisation of profits or reserves (including a free distribution or bonus issue of Shares), (iii) capital distributions; and (iv) rights issues of Shares or options over Shares or other securities.

3.8. **Cancellation of the Convertible Bonds**

In the event that Goodland Capital exercises the Equity Option and after the cancellation of all the Corporate Bonds, the Company shall have the right, but not the obligation, to cancel up to an aggregate principal amount of S\$1,260,578.18 of the Convertible Bonds on a pro rata basis by delivering a notice to each holder of the Convertible Bond (a “**Convertible Bondholder**”) in accordance with the terms of the Convertible Bond Agreement. The Company is not required to pay the Convertible Bondholder the principal amount of the Convertible Bonds cancelled and the Company is released from any liability for loss, expenses, costs, or damage sustained or alleged to be sustained by reason of such cancellation.

4. PRINCIPAL TERMS OF THE CORPORATE BONDS AND THE CORPORATE BOND AGREEMENT

- 4.1. Pursuant to the terms of the Corporate Bond Agreement, the Company has agreed to issue, and the Vendors has agreed to subscribe for the Corporate Bonds in the following proportion:

SUBSCRIBER	PRINCIPAL AMOUNT SUBSCRIBED FOR
CITRINE CAPITAL PTE. LTD.	S\$2,300,000
TEH WING KWAN	S\$100,000
WONG KONG LEONG	S\$100,000
Total:	S\$2,500,000

- 4.2. The Corporate Bonds will be issued in registered form, will not be listed and will constitute direct, unconditional, unsubordinated and unsecured obligations of the Company, and shall at all times rank *pari passu* with all other present and future unsecured obligations of the Company. The Corporate Bonds are governed by the laws of Singapore.
- 4.3. The Corporate Bonds will be transferable, save that no holder of a Corporate Bond may require the transfer of a Corporate Bond to be registered during the period of seven (7) business days immediately prior to the due date for any payment to be made on the Corporate Bonds.
- 4.4. **Interest**

The Corporate Bonds bear interest from and including the day falling immediately after the Lock-in Period at the rate of 3 per cent. per annum calculated by reference to the principal amount thereof and payable annually in arrears on the last day of the month on which the date of issue of the Corporate Bonds ("**Corporate Bonds Issue Date**") falls (each an "**Interest Payment Date**"), commencing with the Interest Payment Date falling on the first anniversary of the Corporate Bonds Issue Date.

If interest is required to be calculated for a period other than an Interest Period, it will be calculated on the basis of a 360 day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed. In the event the Corporate Bonds are cancelled pursuant to the Bond Cancellations, the effective date of cancellation shall not count towards any calculation for interest.

"**Interest Period**" means the payment period beginning on (and including) the day falling immediately after the Lock-in Period and ending on (but excluding) the first anniversary of the Corporate Bonds Issue Date, being the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

Each Corporate Bond will cease to bear interest from the due date for redemption thereof. For the avoidance of doubt, no interest accrues even if on surrender, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment.

4.5. **Condition Precedent**

The completion of the subscription for the Corporate Bonds is conditional upon, *inter alia*:

- (i) the completion of the Acquisition; and
- (ii) the approval of the Board and Shareholders being obtained for the issuance of the Corporate Bonds.

Unless otherwise agreed in writing between the Parties, if any of the conditions for the completion of the Corporate Bonds are not satisfied on or before 30 June 2014, the Corporate Bond Agreement shall terminate and shall be of no further effect.

4.6. **Maturity Date**

Unless otherwise agreed in writing between the Parties and in the event there is no Bond Cancellations, the Company shall redeem the Corporate Bonds on the date falling three (3) years from the Corporate Bonds Issue Date (or such other date as may be agreed in writing between the parties) (the “**Maturity Date**”) by paying the holders of the Corporate Bonds (“**Corporate Bondholders**”) the principal amount of the Corporate Bonds together with all accrued interest (calculated up to but excluding the Maturity Date). The Corporate Bonds so redeemed shall forthwith be cancelled.

The Company may not redeem the Corporate Bonds, and the Vendors may not require the redemption of the Corporate Bonds, at any time prior to the Maturity Date.

4.7. **Cancellation of the Corporate Bonds**

In the event that Goodland Capital exercises the Equity Option, the Company shall have the right, but not the obligation, to cancel up to an aggregate principal amount of S\$2,500,000 of the Corporate Bonds on a pro rata basis by delivering a notice to each Corporate Bondholder in accordance with the terms of the Corporate Bond Agreement. The Company is not required to pay the Corporate Bondholder the principal amount of the Corporate Bonds cancelled and the Company is released from any liability for loss, expenses, costs, or damage sustained or alleged to be sustained by reason of such cancellation, save for any interest accrued up to but not including the effective date of cancellation.

5. **INFORMATION ON THE VENDORS**

- 5.1. Mr. Tan Chee Beng is currently an Executive Director and Executive Chairman of the Company. At the beginning of his career, he served as a civil engineer with a statutory board of the Singapore government undertaking public infrastructure and building construction works. Mr. Tan Chee Beng started in the property development and construction business in 1994. In 2003, he invested in mini farm businesses and started exploring investment opportunities in other countries in South East Asia and China. He is also the sole-shareholder of Top Fortune Capital Ltd (the ultimate holding company of Citrine Assets).
- 5.2. Mr. Teh Wing Kwan is currently an Executive Director and Group Chief Executive Officer of a company listed on the Mainboard of the SGX-ST. Mr. Teh Wing Kwan holds directorships, as a non-executive and non-independent director, in several other public companies listed on Hong Kong Stock Exchange, SGX-ST and Australia Securities Exchange. Mr. Teh Wing Kwan is a corporate finance and corporate restructuring expert. He is also a sophisticated investor investing in private equity funds and other corporate bonds. Jointly with Mr. Wong Kong Leong, he has been investing in properties in Ipoh, the capital city of Perak, which he is very familiar with and he has invested in the exchangeable bonds issued by Top Fortune Capital Ltd (the ultimate holding company of Citrine Assets) since January 2010. In connection with the proposed Acquisition, Mr. Teh Wing Kwan has confirmed that he is not a person prohibited under Rule 812(1) of the Listing Manual.
- 5.3. Mr. Wong Kong Leong has been appointed as corporate planning and investment consultant for the Company since October 2012. Mr. Wong Kong Leong has held senior management positions in a government department (since privatised), a government-linked company and a multinational company in Singapore. Mr. Wong Kong Leong has also held a senior executive

position in one of India's largest property development groups. Mr. Wong Kong Leong specialises in corporate development and property related business operational structuring and his experience spanned more than 15 years providing corporate consultancy services to many conglomerates in South East Asia and the Middle-East. Jointly with Mr. Teh Wing Kwan, he has also been investing properties in Ipoh, the capital city of Perak, which he is very familiar with and has also invested in the exchangeable bonds issued by Top Fortune Capital Ltd (the ultimate holding company of Citrine Assets) since January 2010. In connection with the proposed Acquisition, Mr. Wong Kong Leong has confirmed that he is not a person prohibited under Rule 812(1) of the Listing Manual.

- 5.4. Citrine Capital owns 92% of the issued share capital of Citrine Assets and Citrine Capital is a 100% owned subsidiary of Top Fortune Capital Ltd. Mr. Wong Kong Leong and Mr. Teh Wing Kwan each owns 4% of the issued share capital of Citrine Assets after the exercise of the exchangeable bonds issued by Top Fortune Capital Ltd, the ultimate holding company of Citrine Assets.

6. RATIONALE, USE OF PROCEEDS AND FINANCIAL EFFECTS

- 6.1. The Convertible Bonds and the Corporate Bonds are issued as part of the Consideration for the Acquisition.
- 6.2. Please refer to paragraph 5 and 6 of the Earlier Announcement for the rationale of the Acquisition and the financial effects of the Acquisition respectively.

7. APPROVALS

- 7.1. The Company intends to convene an extraordinary general meeting (the "EGM") to seek the approval of the Shareholders for, *inter alia*, the Acquisition and the issue of the Convertible Bonds and the Conversion Shares.
- 7.2. The Company will be making an application to the SGX-ST for the listing of and quotation for the Conversion Shares on the Mainboard of the SGX-ST. The Company will be making the necessary announcement upon receipt of the approval in-principle from the SGX-ST.

8. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for Mr. Tan Chee Beng as disclosed above and in the Earlier Announcement, none of the directors or controlling shareholders of the Company have any interest, direct or indirect, in the proposed Acquisition, other than in their respective capacity as Directors or Shareholders of the Company.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Convertible Bond Agreement and the Corporate Bond Agreement are available for inspection during normal business hours at the Company's registered office at 18 Roberts Lane, #02-01/02 Goodland Building, Singapore 218297, during normal business hours for three months from the date of this announcement.

By Order of the Board
Goodland Group Limited

Kenneth Hor Swee Liang
Company Secretary

29 May 2014