

## SINCAP GROUP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 201005161G)

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### MATTERS CONCERNING IRREGULARITIES IN RESPECT OF CERTAIN TRANSACTIONS UNDERTAKEN BY AN AUSTRALIAN SUBSIDIARY OF THE COMPANY

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1. The board of directors (the “**Board**” or “**Directors**”) of Sincap Group Limited (the “**Company**”) wishes to announce that, on 14 May 2015, the Board was alerted to a series of transactions undertaken by SCL Murray Pty Ltd (“**SCL Murray**”), a wholly-owned subsidiary of the Company through Sincap Land (Aus) Pty Ltd and Sincap Australia Pte. Ltd..
2. The details of the transactions are set out as follows (collectively, the “**Transactions**”):-
  - (i) On 9 March 2015, SCL Murray entered into a loan agreement (the “**Loan Agreement**”) with Walthamstow Pty Ltd t/a Reliance Finance & Mortgage Services (“**Reliance Finance**”) pursuant to which SCL Murray secured a loan of AUD5.1 million (the “**Reliance Loan**”) from Reliance Finance. The Reliance Loan is secured by way of a first mortgage over SCL Murray’s freehold property at 581 Murray Street, Perth, Australia (the “**Property**”), and bears interest, payable on a monthly basis of between 11.75% and 14.75% per annum and is repayable by 8 March 2016. Based on the audited consolidated financial statements of the Company as at 31 December 2014, the net book value of the Property amounted to RMB53.45 million, representing approximately 60.6% of the net tangible assets of the Group.
  - (ii) On 30 March 2015, SCL Murray entered into a finance agreement (the “**Finance Agreement**”) with Richardson 1 Pty Ltd (“**Richardson**”) pursuant to which SCL Murray extended a loan of AUD4.7 million (the “**Richardson Loan**”) to Richardson. The Richardson Loan is unsecured, bears interest of 17.5% per annum and is repayable by 29 March 2017.

As at the date of this announcement, the directors of SCL Murray are Mr Damon George Ferguson (“**Mr Damon Ferguson**”), Mr Chad William Ferguson (“**Mr Chad Ferguson**”) (brother of Mr Damon Ferguson), Mr Anthony Kan Hatt (“**Mr Anthony Hatt**”), Mr Lawrence Tan and Mr Ng Hong Whee. As at the date of the Finance Agreement, the directors of Richardson are Mr Damon Ferguson, Mr Chad Ferguson and Mr Anthony Hatt. Accordingly, Mr Damon Ferguson, Mr Chad Ferguson and Mr Anthony Hatt are common directors of both SCL Murray and Richardson.

The Finance Agreement was executed by Mr Damon Ferguson and Mr Lawrence Tan on behalf of SCL Murray, and Mr Chad Ferguson and Mr Anthony Hatt on behalf of Richardson. It is the same Mr Damon Ferguson and Mr Chad Ferguson who signed the Loan Agreement on behalf of SCL Murray.

3. As of the date of this announcement, the Directors and controlling shareholders of the Company are not related to: (a) Richardson, its shareholders and directors; and (b) Reliance Finance, its shareholders and directors.
4. The Board became aware that SCL Murray had entered into the Loan Agreement and the Finance Agreement on 14 May 2015. However, it was not until 18 May 2015 that the Board received copies of the Loan Agreement and the Finance Agreement. Therefore, the Reliance Loan and the Richardson Loan had not been duly disclosed in the Company’s annual report for the financial year ended 31 December 2014 (“**FY2014**”) under “Events

after the end of the reporting year” of the audited financial statements for FY2014, dated 7 April 2015.

5. The Board wishes to advise that it is currently looking into the Transactions, including carrying out an inquiry into how SCL Murray utilised the proceeds of the Reliance Loan, and is determining the potential impact on the Company and its recourses in respect of SCL Murray. It will update shareholders on any further developments in due course.
6. In the meantime, shareholders of the Company are advised to exercise caution when dealing in the shares of the Company (“**Shares**”), and to refrain from taking any action in respect of their Shares which may be prejudicial to their interests. 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**

LUN CHEE LEONG  
Company Secretary

21 May 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The 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 announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

*The contact person for the Sponsor is Ms. Alice Ng, Director and Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.*