

**CIRCULAR DATED 22 JUNE 2017**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of Sincap Group Limited (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

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**This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Stamford Corporate Services Pte Ltd (the “Sponsor”) for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Circular and the Circular has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr. Bernard Lui (Tel: 6389 3000 or email: [bernard.lui@morganlewis.com](mailto:bernard.lui@morganlewis.com))**



**SINCAP GROUP LIMITED**

(Company Registration No.: 201005161G)  
(Incorporated in the Republic of Singapore)

## **CIRCULAR TO SHAREHOLDERS**

**in relation to the**

**THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF  
BEIJING RAFFLES INVESTMENT ADVISORY CO. LTD.**

### **IMPORTANT DATES AND TIMES:**

Last date and time for lodgment of Proxy Form	:	5 July 2017 at 9.30 a.m.
Date and time of Extraordinary General Meeting	:	7 July 2017 at 9.30 a.m.
Place of Extraordinary General Meeting	:	60 Benoi Road #03-02 EMS Building, Boardroom Singapore 629906

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## DEFINITIONS

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For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:–

- “Act” : Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
- “Beijing Raffles” : Beijing Raffles Investment Advisory Co. Ltd. (北京莱佛士投资顾问有限公司)
- “Beijing Raffles Group” : Beijing Raffles and its subsidiaries, namely, Beijing Sino-Lonther, Shandong Luneng and Shandong Sincap
- “Beijing Raffles SPA” : The sale and purchase agreement with the Purchaser in respect of the Proposed Disposal in which the Company will be disposing to the Purchaser the entire issued and paid-up share capital of Beijing Raffles including such supplementals, amendments and/or variations as may be entered into from time to time.
- “Beijing Raffles SPA Conditions” : The conditions precedent for completion of the Proposed Disposal which are set out in section 3.4 of this Circular
- “Beijing Sino-Lonther” : Beijing Sino-Lonther International Trading Co. Ltd.
- “Board” or “Board of Directors” : The board of directors of the Company as at the date of this Circular
- “Business Day” : A day (other than a Saturday, Sunday or public holiday) when the banks in the PRC and Singapore are generally open for business
- “Catalist Rules” : The SGX-ST’s Listing Manual – Section B: Rules of Catalist, as may be amended, varied or supplemented from time to time
- “CDP” : The Central Depository (Pte) Limited
- “Circular” : This circular to the Shareholders dated 22 June 2017 in respect of the Proposed Disposal
- “Company” : Sincap Group Limited
- “Directors” : The directors of the Company as at the date of this Circular
- “EGM” : The extraordinary general meeting of the Company to be held on 7 July 2017 at 9.30 a.m., notice of which is set out on page 18 of this Circular
- “Encumbrances” : Any form of legal, equitable or security interests, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, adverse claim, rent-charge, claim, option, pre-emption rights, right to acquire, security arrangement, restriction, security interest, hypothecation, right of first refusal, any preference arrangement (including title transfers and retention arrangements or otherwise) and any other encumbrance or condition whatsoever or any other arrangements having similar effect

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## DEFINITIONS

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“EPS”	: Earnings per Share
“FY”	: Financial year ended or, as the case may be, ending 31 December 2016
“Group”	: The Company and its subsidiaries as at the date of this Circular
“Latest Practicable Date”	: 9 June 2017, being the latest practicable date prior to the printing of this Circular
“Long Stop Date”	: 31 August 2017, or such other date as the Purchaser and the Company may otherwise agree in writing
“NTA”	: Net tangible assets
“PRC”	: The People’s Republic of China, excluding the special administrative regions of Hong Kong and Macau for the purposes of this Circular
“Proposed Disposal”	: The proposed disposal of the entire issued and paid-up share capital of Beijing Raffles pursuant to the Beijing Raffles SPA
“Purchaser”	: Advanceleap Corporation Pte. Ltd. (Company Registration No.: 201704264D) a company incorporated under the laws of the Republic of Singapore on 16 February 2017 and having its registered address at 6 Mohamed Sultan Road #03-01, Singapore 238956
“Securities Account”	: The securities account maintained by a Depositor with CDP (but does not include securities sub-account)
“Securities and Futures Act”	: The Securities and Futures Act (Chapter 289) of Singapore as amended, supplemented or modified from time to time
“SGX-ST”	: The Singapore Exchange Securities Trading Limited
“Shandong Luneng”	: Shandong Luneng Taishan Mining Co., Ltd.
“Shandong Sincap”	: Shandong Sincap International Trading Co., Ltd.
“Shareholders”	: Persons who are registered as holders of the Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	: Ordinary shares in the capital of the Company
“Sponsor”	: Stamford Corporate Services Pte. Ltd.
“RMB”	: Renminbi, the lawful currency of the PRC
“S\$” and “cents”	: Singapore dollars and cents respectively, the lawful currency of Singapore
“%” or “per cent.”	: Per centum or percentage

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## DEFINITIONS

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The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meaning ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Act.

The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof or the Catalist Rules and used in this Circular shall, where applicable, have the meaning assigned to it under the Act or any modification thereof or the Catalist Rules, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Certain names with Chinese characters have been translated into English names. Such translations are provided solely for the convenience of investors and may not have been registered with the relevant PRC authorities and as such, should not be construed as representations that the English names actually represent the Chinese characters.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### SINCAP GROUP LIMITED

(Company Registration No.: 201005161G)

(Incorporated in the Republic of Singapore)

#### **Board of Directors:**

Chu Ming Kin (Chairman and Chief Executive Officer)

Lim Jin Wei (Lead Independent Director)

Ian Tan Tee Hiang (Independent Director)

Yau Woon Foong (Independent Director)

Robby (Independent Director)

#### **Registered Office:**

15 Upper Circular Road

#04-01

Singapore 058413

Date: 22 June 2017

**To: The Shareholders of the Company**

Dear Sir/Madam,

#### **THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF BEIJING RAFFLES INVESTMENT ADVISORY CO. LTD. (北京莱佛士投资顾问有限公司)**

#### **1. INTRODUCTION**

- 1.1 The Group is principally engaged in the sale and trading of alumina and thermal coal, logistics management, the mining and sale of gypsum, as well as property development and property investment.
- 1.2 On 12 June 2017, the Board announced that the Company had on 12 June 2017 entered into the Beijing Raffles SPA with the Purchaser in respect of the Proposed Disposal in which the Company will be disposing to the Purchaser the entire issued and paid-up share capital of Beijing Raffles free from Encumbrances comprising a registered capital of RMB 10,000,000 on the terms of the Beijing Raffles SPA.
- 1.3 As the Proposed Disposal is a disposal of an asset in which the consideration is more than 50% of the market capitalization of the Company, in accordance to Rule 1014 read with Rule 1006(c) of the Catalist Rules, it is deemed to be a "Major Transaction" as defined under Rule 1014 of the Catalist Rules. Accordingly, the Proposed Disposal is conditional upon the receipt of approval, *inter alia*, from the Shareholders.
- 1.4 The Board of Directors is convening the EGM to be held on 7 July 2017 at 9.30 a.m. to seek the approval of the Shareholders for the Proposed Disposal.
- 1.5 The purpose of this Circular is to explain the reasons for, and to provide Shareholders with relevant information relating to the Proposed Disposal, including the rationale for the Proposed Disposal and the financial effects thereof on the Group, and to seek Shareholders' approval for the Proposed Disposal at the forthcoming EGM.
- 1.6 The SGX-ST and the Sponsor assume no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

#### **2. INFORMATION ON THE PROPOSED DISPOSAL**

##### **2.1 Information on Beijing Raffles and Beijing Raffles Group**

Beijing Raffles is a wholly foreign owned enterprise incorporated in the PRC on 20 August 2007 with its uniform social credit number of 91110105666947970L and legal address at Unit 912, Floor 8, No. 402 Wang Jing Yuan, Chaoyang District, Beijing Municipality. As at the date of this Circular, the Company owns 100% of the equity interest of Beijing Raffles. Pursuant to the Beijing Raffles SPA and on completion of the Proposed Disposal, the Purchaser shall hold 100% of the total

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## LETTER TO SHAREHOLDERS

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equity interest of Beijing Raffles. Beijing Raffles is an investment holding company and it owns 100% of the equity interest of Beijing Sino-Lonther, 98.69% of Shandong Luneng and 100% of Shandong Sincap.

The Beijing Raffles Group comprises Beijing Raffles and its subsidiaries, namely, Beijing-Lonther, Shandong Luneng and Shandong Sincap.

Beijing Sino-Lonther is incorporated in the PRC on 7 December 2005 with its uniform social credit number of 9111010578321723X6 and having its principal place of business at No. 9 Wan Jing North road, Ye Qing Towers Block C, Suite 03-303, Chaoyang District, Beijing 100102. The entire equity interest of Beijing Sino-Lonther comprises a registered capital of RMB 20,000,000. The main business activity of Beijing Sino-Lonther is the sale of alumina.

Shandong Luneng is incorporated in the PRC on 17 March 1999 with its uniform social credit number of 91370900706132646Q and having its principal place of business at Ma Zhuang Town, Tai'an City, Shandong Province, The PRC 271041. The entire equity interest of Shandong Luneng comprises a registered capital of RMB 40,000,000. The main business activity of Shandong Luneng is that of mining and sale of gypsum and gypsum related products.

Shandong Sincap is incorporated in the PRC on 19 October 2010 with its uniform social credit number of 91370900564053511X and having its principal place of business at No.96 Chang Cheng Road, Tower B-2406, Tianlong International Building, Tai'an, Shandong 271000. The entire equity interest of Shandong Sincap comprises a registered capital of RMB 10,000,000. Shandong Sincap is currently dormant.

Financial figures pertaining to Beijing Raffles Group have been attached to this Circular as Appendices B and C.

### 2.2 Information on the Purchaser

The Purchaser is a company incorporated under the laws of the Republic of Singapore, and is an investment holding company. The Purchaser's directors are Edy Sugianto and Lim Yi Harn. The Purchaser's sole shareholder is Edy Sugianto. The Purchaser is of the view that the business of Beijing Raffles Group is viable including the operations of Shandong Luneng.

## 3. SALIENT TERMS OF THE PROPOSED DISPOSAL

### 3.1 Consideration

The total purchase consideration ("**Consideration**") for the Proposed Disposal is S\$10,000,000. The Company and the Purchaser agree that the Consideration shall represent the full and final price which the Company will receive from the Purchaser for the Proposed Disposal and shall be deemed to include the Consideration and any share or entitlement which the Company may have to any dividends and accumulated undistributed retained earnings of Beijing Raffles for all past years up to and including the date on which the new business license of Beijing Raffles is issued, by the State Administration of Industry and Commerce and its local counterparts having the authority for issuance of the said license ("**SAIC**"), after the registration by SAIC reflecting the Proposed Disposal ("**Updated Business License**"). For the avoidance of doubt, the Consideration shall be the sole and only amount that the Company will receive for the sale of the entire equity interest of Beijing Raffles it owns and receipt of the same by the Company shall be deemed to include receipt by the Company of all of its share and entitlement to the dividends and accumulated undistributed retained earnings of Beijing Raffles for all past years up to and including the date of the Updated Business License.

### 3.2 Payment of Consideration

The Consideration shall be received in the following manner:

3.2.1 30% of the Consideration being S\$3,000,000 to be received within five (5) Business Days upon the date of approval of the Beijing Raffles SPA at the EGM;

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## LETTER TO SHAREHOLDERS

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3.2.2 30% of the Consideration being S\$3,000,000 by 21 July 2017 or such other date as the Company and the Purchaser may mutually agree in writing as long as it is before the Completion Date (defined in section 3.2.3 of this Circular); and

3.2.3 the remaining 40% of the Consideration being S\$4,000,000 on the completion date which is the fifth (5th) Business Day after the date on which the Beijing Raffles SPA Conditions have been achieved or 4 August 2017 (whichever is later) or such other date as the Company and the Purchaser may mutually agree in writing ("**Completion Date**"). The Completion Date shall not be later than the Long Stop Date.

### 3.3 Factors considered when determining the Consideration

The Board considered the following factors in determining the Consideration:

3.3.1 the disposal is done at a premium over the net asset value of RMB 35,833,771 of the Beijing Raffles Group; and

3.3.2 the net loss attributable to Beijing Raffles for FY2016 based on the audited consolidated accounts of Beijing Raffles Group is RMB 6,574,798.

### 3.4 Conditions Precedent

Under the terms of the Beijing Raffles SPA, completion of the Proposed Disposal ("**Completion**") is conditional upon the Beijing Raffles SPA Conditions as follows:

3.4.1 the filing and registration with the Ministry of Commerce of Chaoyang District, Beijing Municipality ("**MOFCOM**") with respect to the Completion;

3.4.3 the approval at the EGM of the Company; and

3.4.2 the Company shall deliver to the Purchaser on Completion Date the following material documents and certificates and both parties shall sign off the relevant checklist for closing for the purpose of confirming the closing documents and certificates. For the avoidance of doubt, the signing-off of the checklist for closing shall be deemed as the acceptance of all closing documents and materials by the Purchaser:

- (a) filing receipt issued by the MOFCOM in respect of the Proposed Disposal;
- (b) fully executed application and supporting documents for the registration with SAIC for the Proposed Disposal and alteration of directors of Beijing Raffles (including but not limited to application form of SAIC, amendment to Articles of Association of SAIC and letter removing the directors) in a form of execution accepted by the SAIC have been delivered to the Purchaser;
- (c) Chu Ming Kin, as the executive director and legal representative of Beijing Raffles and Fu Hao as supervisor of Beijing Raffles, having signed resignation letters in the form as attached in Schedule 2 of the Beijing Raffles SPA, and the Company having signed a letter removing all these directors in the form as attached in Schedule 3 of the Beijing Raffles SPA;
- (d) all seals of Beijing Raffles including the company seal, financial seal, seal of legal representative, contract seal being delivered to the Purchaser;
- (e) originals and duplicates of business license and other certificates of Beijing Raffles and approvals from relevant departments;
- (f) all staff roll, labour contracts, labour and human resource manuals and other documents of Beijing Raffles;



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## LETTER TO SHAREHOLDERS

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- (g) all originals and copies of certificates and documents regarding the ownership of major assets and real estate of Beijing Raffles; and
- (h) other documents and objects to be delivered on Completion Date agreed by the Company and the Purchaser.

### 3.5 Warranties

The Company represents and warrants and undertakes to the Purchaser that until Completion:

- 3.5.1 it has all rights, title and interest to the entire equity interest in Beijing Raffles and has the right to sell the said entire equity interest in Beijing Raffles;
- 3.5.2 the entire equity interest in Beijing Raffles is free and clear of and not subject to any Encumbrance whatsoever; and
- 3.5.3 it will cause the executive director, legal representative and supervisor appointed by it to resign in accordance with the provisions of the Beijing Raffles SPA.

### 3.6 Default by the Purchaser

If the Completion does not occur by or before the Long Stop Date due to any default by the Purchaser of the terms of the Beijing Raffles SPA (including without limitation the event that the Purchaser fails to pay any of the instalments of the Consideration), the Company shall have the option to immediately terminate the Beijing Raffles SPA and the Company shall be entitled to forfeit any instalments of the Consideration which have been paid and treat the same as damages payable by the Purchaser for its default of the terms of the Beijing Raffles SPA, without prejudice to any other rights or remedy of the Company under the Beijing Raffles SPA or relevant laws of PRC.

## 4. THE PROPOSED DISPOSAL AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES

### 4.1 Rule 1006 of the Catalist Rules

Pursuant to Chapter 10 of the Catalist Rules, where an issuer or its subsidiary enters into a transaction to acquire or dispose of assets, and the transaction is not in the ordinary course of its business or of a revenue nature, such transaction may require Shareholders' approval and/or an immediate announcement depending on the size of the relative figures computed on the following bases pursuant to Rule 1006 of the Catalist Rules (the "**Relative Figures**"):

- 4.1.1 the net asset value of the assets to be disposed of, compared with the group's net asset value;
- 4.1.2 the net profits attributable to the assets acquired or disposed of, compared with the group's net profits;
- 4.1.3 the aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares;
- 4.1.4 the number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue; or
- 4.1.5 the 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. This basis is applicable to a disposal of mineral, oil or gas asset by a mineral, oil and gas company, but not to an acquisition of such assets.

## LETTER TO SHAREHOLDERS

### 4.2 Relative Figures for the Proposed Disposal under Chapter 10 of the Catalist Rules

Based on the audited financial statements of the Company for the financial period ended 31 December 2016, the Relative Figures in respect of the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

	<b>Proposed Disposal</b>	<b>Group</b>	<b>Relative Figures (%)</b>
<b>Rule 1006 (a)</b> The net asset value of the assets to be disposed of, compared with the Group's net asset value as at 31 December 2016.	RMB 35,833,771	RMB 133,194,000	26.9
<b>Rule 1006 (b)</b> The net profits/ (losses) attributable to the assets disposed of, compared with the Group's net profits for FY2016.	RMB (6,574,798)	RMB 4,776,000	Not Meaningful <sup>(1)</sup>
<b>Rule 1006 (c)</b> Aggregate value of Consideration received, compared with the market capitalization of the Company as at 9 June 2017, being the last full market day with trades done immediately preceding the execution of the Beijing Raffles SPA.	S\$10,000,000	S\$8,104,503.69	123.4 <sup>(2)</sup>
<b>Rule 1006 (d)</b> The 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	Not applicable	Not applicable
<b>Rule 1006 (e)</b> The 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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable	Not applicable	Not applicable

**Notes:-**

- (1) Not meaningful as the Group made a net profit of RMB 4,776,000 whereas the Beijing Raffles Group made a net loss of RMB 6,574,798 for FY2016.
- (2) The market capitalisation was derived from the 900,500,410 Shares in issue and the weighted average price of S\$0.009 per Share as at 9 June 2017, being the last traded market day immediately preceding the date of the Beijing Raffles SPA.

As the Relative Figure calculated under Rule 1006 (c) of the Catalist Rules is more than 50%, the Proposed Disposal is considered a major transaction under Chapter 10 of the Catalist Rules, and is therefore subject to the approval of the Shareholders in the upcoming EGM.

## LETTER TO SHAREHOLDERS

### 5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

5.1 The financial effects have been prepared on a proforma basis based on the Group's audited consolidated financial statements for the financial year ended 31 December 2016. The financial effects of the Proposed Disposal on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after Completion.

#### 5.2 Gain On Disposal

The Group is expected to record a gain on disposal attributable to the Proposed Disposal of approximately RMB 13,325,000 which is derived as follows:

	RMB('000)
Total consideration based on exchange rate as at 9 June 2017 @4.91585	49,159
Less:	
Net asset value of the assets to be disposed as at 31 December 2016	(35,834)
	13,325
Gain on disposal	13,325

#### 5.3 Effect of the Proposed Disposal on NTA per Share

Assuming that the Proposed Disposal had been completed on 31 December 2016 and based on the audited consolidated financial statements of the Group for FY2016 (being the most recently completed financial year), the effect of the Proposed Disposal on the NTA per Share of the Company is as follows:

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
NTA (RMB\$'000)	121,045	135,179
Number of issued Shares ('000)	520,670	520,670
NTA per share (RMB cents)	23.25	25.96

#### 5.4 Effect of Proposed Disposal on EPS

Assuming that the Proposed Disposal had taken place on 1 January 2016 and based on the audited consolidated financial statements of the Group for FY2016 (being the most recently completed financial year), the Proposed Disposal would have the following effect on the Group's EPS as presented in the following table:

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
Consolidated net profit/(loss) attributable to shareholders (RMB\$'000)	(6,819)	14,777
Weighted average number of Shares ('000)	498,269	498,269
EPS (RMB cents)	(1.37)	2.97

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## LETTER TO SHAREHOLDERS

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### 5.5 Effect of Proposed Disposal on remaining core business of the Group

The Proposed Disposal has no impact on the Group's remaining core businesses as there is no business arrangement or transaction between Beijing Raffles Group and the remaining core businesses of the Group. The principal activities of the Group's remaining core businesses will be that of sales and trading of minerals and logistics management, as well as property development and property investment.

Further particulars of the Group's remaining business have been set out at Part I of Appendix A as attached to this Circular.

### 6. RATIONALE FOR THE PROPOSED DISPOSAL

The Board believes that the Proposed Disposal is in the best interests of the Company and its Shareholders due to the issues involving the management and employees' union of Shandong Luneng as made known via the Company's announcement dated 9 March 2017. The disposal will be done at a premium over the net asset value of the Beijing Raffles Group which will result in a gain on disposal. The disposal is undertaken as part of the restructuring of the Company and the Group. The Proposed Disposal will allow the Group to reallocate its resources and capital to other profitable operations and eventually deliver positive value to the Shareholders.

After the Proposed Disposal, the principal business activities of the Group shall be sales and trading of minerals and logistics management, as well as property development and property investment.

The assets value of the Beijing Raffles Group based on the Beijing Raffles Group's audited accounts as at 31 December 2016 is RMB 35,833,771. Separate audit of the accounts of the Beijing Raffles Group as at 31 December 2016 was conducted. No separate valuation had been conducted in relation to the Proposed Disposal as the Beijing Raffles Group had suffered losses for FY2016 and an audit for the Beijing Raffles Group was already conducted and deemed sufficient. As such, the Consideration was negotiated at arm's length on a "willing-buyer, willing-seller" basis and had been based on the net asset value of Beijing Raffles Group as at 31 December 2016.

### 7. USE OF PROCEEDS

- 7.1. The estimated net proceeds from the Proposed Disposal is approximately S\$9,900,000 after taking into account the professional fees incurred in relation to the Proposed Disposal ("**Net Proceeds**") and the Company intends to utilize the Net Proceeds to expand the business of the Company's subsidiary – Orion Energy Resources Pte. Ltd. ("**Orion**"). Further such Net Proceeds will also be used for the working capital of Orion.

### 8. SHARE CAPITAL AND CORPORATE STRUCTURE

The Proposed Disposal will not have any effect on the issued share capital of the Company of 900,500,410 Shares as at the Latest Practicable Date as no new Shares are expected to be issued for the Proposed Disposal.

The corporate structure of the Group after the completion of the Proposed Disposal has been set out at Part II of Appendix A as attached to this Circular.

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## LETTER TO SHAREHOLDERS

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### 9. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### 9.1 Interests of the Directors and Substantial Shareholders in the Shares

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, based on the Company's register of directors' shareholdings required to be kept under Section 164 of the Act and register of Substantial Shareholders respectively, are as follows:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Chu Ming Kin	69,406,200	7.71	–	–

Substantial Shareholder(s) other than Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Fu Hao	100,000,000	11.1	–	–

#### 9.2 Interests of the Directors and the Substantial Shareholders in the Proposed Disposal

Save as disclosed herein, none of the Directors or controlling shareholders of the Company have any direct or indirect interest in the Beijing Raffles SPA or the Proposed Disposal, other than through their respective shareholdings in the Company.

### 10. DIRECTORS' 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.

### 11. DIRECTORS' RECOMMENDATION

11.1 The Directors have considered carefully, *inter alia*, the terms, rationale and financial effects of the Proposed Disposal and all other relevant facts set out in this Circular. The Directors have no dissenting views in relation to the Proposed Disposal and are collectively of the view that the Proposed Disposal is in the interest of the Group and recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Disposal as set out in the notice of the EGM in this Circular.

11.2 Shareholders are advised to read this Circular in its entirety, in particular the rationale for and the financial effects of the Proposed Disposal. Shareholders and the public are advised to exercise caution before making any decision in respect of their dealings in the Shares. Shareholders who are in any doubt about this Circular should consult their stockbroker, bank manager, solicitor or other professional adviser.

### 12. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906 on 7 July 2017 at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the resolution as set out in the notice of the EGM.

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## LETTER TO SHAREHOLDERS

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### 13. ACTION TO BE TAKEN BY SHAREHOLDERS

- 13.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 48 hours before the time fixed for the EGM. The completion and lodgement of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.
- 13.2 A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register, as certified by the CDP at least 72 hours before the EGM.

### 14. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 15 Upper Circular Road, #04-01, Singapore 058413 during normal business hours for three (3) months from the date of this Circular:–

14.1.1 the Beijing Raffles SPA;

14.1.2 the Company's Annual Report for FY2016; and

14.1.3 the audited financial statements of Beijing Raffles Group for FY2016.

### 15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular 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 Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

Yours faithfully

For and on behalf of  
the Board of Directors of  
**SINCAP GROUP LIMITED**

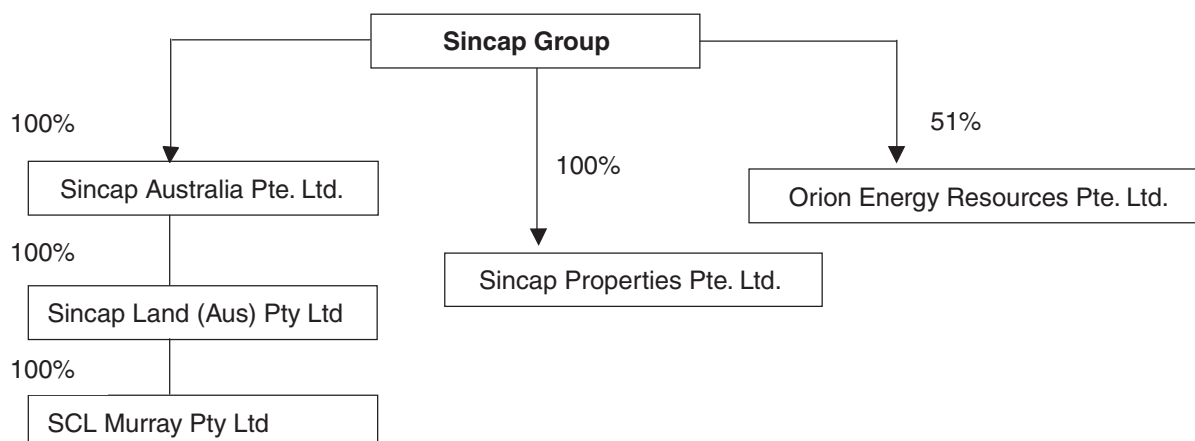
**Chu Ming Kin**  
Executive Chairman and Chief Executive Officer

## APPENDIX A – CORPORATE STRUCTURE AND PARTICULARS

### Part I – Particulars of the remaining businesses

Name of company (Country of incorporation)	Particulars of issued/registered capital	Percentage of equity held		Principal activities
		Direct %	Indirect %	
<b>Subsidiaries held by the Company</b>				
Orion Energy Resources Pte. Ltd. (Singapore)	Issued share capital of S\$15,510,000	51	–	Mineral trading and logistics management
Sincap Australia Pte. Ltd. (Singapore)	Issued share capital of S\$11,800,000	100	–	Investment holding
Sincap Properties Pte. Ltd. (Singapore)	Issued share capital of S\$10,000	100		Real estate related activities
<b>Held by Sincap Australia Pte. Ltd.</b>				
Sincap Land (Aus) Pty Ltd (Australia)	Issued share capital of AUD\$6,500,000	100	–	Dormant
<b>Held by Sincap Land (Aus) Pty Ltd</b>				
SCL Murray Pty Ltd (Australia)	Issued share capital of AUD\$6,500,000	100	–	Dormant

### Part II – The structure of the Group after the completion of the Proposed Disposal



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**APPENDIX B – PROFIT AND LOSS STATEMENT OF BEIJING RAFFLES GROUP  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Financial Information of Beijing Raffles Group**

Based on the profit and loss statement of Beijing Raffles Group for the year ended 31 December 2016, the financial figures of Beijing Raffles Group are as follows:

	<b>Beijing Raffles Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RMB</b>	<b>RMB (Unaudited)</b>
<b>Revenue</b>	85,387,103	678,243,570
Cost of sales	(76,082,433)	(655,182,338)
<b>Gross profit</b>	9,304,670	23,061,232
Other income	774,197	3,097,455
Distribution costs	(3,055,058)	(4,472,038)
Administrative costs	(10,679,714)	(10,239,638)
Finance costs	(114,045)	(1,904,804)
Other expenses	(2,804,848)	(908,381)
(Loss)/profit before tax	(6,574,798)	8,633,826
Tax expense	(1,696,987)	(3,909,020)
<b>(Loss)/profit and total comprehensive (loss)/income for the financial year</b>	(8,271,785)	4,724,806
<b>(Loss)/profit and total comprehensive (loss)/income attributable to:</b>	(8,289,882)	4,721,015
Equity holders of the Company	18,097	3,791
Non-controlling interest	(8,271,785)	4,724,806



**APPENDIX C – BALANCE SHEET OF BEIJING RAFFLES GROUP AS AT 31  
DECEMBER 2016**

	<b>Beijing Raffle Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RMB</b>	<b>RMB (Unaudited)</b>
<b>Non-current assets</b>		
Property, plant and equipment	24,014,608	26,064,096
Intangible assets	6,965,658	9,859,559
Land use rights	366,218	393,216
Deferred tax assets	143,897	901,719
	31,490,381	37,218,590
<b>Current assets</b>		
Inventories	2,389,753	2,420,828
Trade and other receivables	13,962,327	31,986,953
Bank and cash balances	7,579,862	41,353,526
	23,931,942	75,761,307
<b>Total assets</b>	55,422,323	112,979,897
<b>Non-current liabilities</b>		
Borrowings	–	645,976
<b>Current liabilities</b>		
Trade and other payables	12,411,020	51,999,957
Provision	227,121	388,615
Borrowings	5,490,477	12,377,578
Income tax payable	1,459,934	3,462,215
	19,588,552	68,228,365
Total liabilities	19,588,552	68,874,341
<b>Net assets</b>	35,833,771	44,105,556
<b>Equity</b>		
Share capital	5,000,000	5,000,000
Accumulated profits	12,365,283	20,793,313
Statutory reserve	17,660,043	17,521,895
Equity attributable to equity holders of the Company, total	35,025,326	43,315,208
Non-controlling interest	808,445	790,348
<b>Total Equity</b>	35,833,771	44,105,556

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Sincap Group Limited

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201005161G)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “**EGM**”) of the shareholders (the “**Shareholders**”) of Sincap Group Limited (the “**Company**”) will be held at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906 on 7 July 2017 at 9.30 a.m. for the purposes of considering and, if thought fit, passing (with or without modifications) the following ordinary resolution.

### ORDINARY RESOLUTION:

#### THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF BEIJING RAFFLES INVESTMENT ADVISORY CO. LTD.

THAT :-

1. approval be and is hereby given for the Company to effect and complete the Proposed Disposal and all transactions in relation thereto, on the terms and subject to the conditions set out in the Beijing Raffles SPA, as defined in the circular to the Shareholders of the Company dated 22 June 2017 (“**Circular**”), the principal terms of which are set out in the Circular and the net proceeds from the completion of the Proposed Disposal shall be used for the expansion of the business of the Company’s subsidiary- Orion Energy Resources Pte. Ltd. and will also be used for the working capital of Orion Energy Resources Pte. Ltd.;
2. the Directors of the Company and each of them be and are hereby authorised to implement, execute, perfect or give effect to complete and do all such acts and things (including but not limited to the execution of all such agreements and documents as may be required) as they/he may in their/his absolute discretion consider necessary, desirable, expedient or in the interests of the Company, to complete the transactions contemplated in the Beijing Raffles SPA (as defined in the Circular) and to give effect to the approvals given by this ordinary resolution.

All capitalised terms used in this notice of EGM which are not defined herein shall have the same meanings ascribed to them in the Circular dated 22 June 2017.

By Order of the Board

### SINCAP GROUP LIMITED

Low Yew Shen  
Leow Siew Yon  
Joint Company Secretaries  
Singapore, 22 June 2017

### Notes:-

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. A member who is not a relevant intermediary (as defined in section 181 of the Companies Act (Cap. 50)) is entitled to appoint not more than two proxies and where two proxies are appointed, shall specify the proportion of shareholding to be represented by each proxy.
3. A member who is a relevant intermediary is entitled to appoint more than two proxies and where such member’s proxy form appoints more than one proxy, the number of and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. Each proxy must be appointed to exercise the rights attached to the different share or shares held by such member.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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4. In any case where more than one proxy is appointed, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be either under its common seal or under the hand of any duly authorised officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and be deposited at the office of the Company, 15 Upper Circular Road, #04-01, Singapore 058413, not less than 48 hours before the time appointed for the EGM, failing which the instrument may be treated as invalid.
6. The instrument appointing a proxy must be deposited at the office of the Company, 15 Upper Circular Road, #04-01, Singapore 058413, not less than 48 hours before the time of the EGM.
7. Unless defined herein, capitalised terms in the Resolution set out in this Notice of EGM shall bear the same meanings as in the Circular dated 22 June 2017.

### **PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representative appointed for the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representatives to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representatives for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## PROXY FORM

### SINCAP GROUP LIMITED

(Company Registration No. 201005161G)  
(Incorporated in the Republic of Singapore)

### PROXY FORM

(Please see notes overleaf before completing this Form)

**IMPORTANT:**

1. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/ Passport No.)

of \_\_\_\_\_ (Address)

being a member/members of SINCAP GROUP LIMITED (the "Company") hereby appoint:

Name	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy	
		No. of Shares	%
Address			

\*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy	
		No. of Shares	%
Address			

to attend and vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906 on 7 July 2017 at 9.30 a.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for or against the ordinary resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies\* will vote or abstain from voting at his/their\* discretion.

Note: Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the notice of the Meeting. In the absence of specific directions or in the event of any item arising at the Meeting not summarised below, the proxy/proxies may vote or abstain from voting as he/they may think fit.

S/N	Ordinary Resolution	For	Against
1	To approve the Proposed Disposal		

**Note:** Please note that the short descriptions given above of the Resolution to be passed do not in any way whatsoever reflect the intent and purpose of the Resolution. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Extraordinary General Meeting for the full purpose and intent of the Resolution to be passed.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Total number of Shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) and  
Common Seal of Corporate Member

\* Delete where applicable

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



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## PROXY FORM

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### Notes:–

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in the relevant sections of the Securities and Futures Act (Cap. 289)), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at the above Extraordinary General Meeting of the Company (“EGM”) is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. A member who is not a relevant intermediary (as defined in section 181 of the Companies Act (Cap. 50)) is entitled to appoint not more than two proxies and where two proxies are appointed, shall specify the proportion of shareholding to be represented by each proxy.
4. A member who is a relevant intermediary is entitled to appoint more than two proxies and where such member’s proxy form appoints more than one proxy, the number of and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. Each proxy must be appointed to exercise the rights attached to the different share or shares held by such member.
5. In any case where more than one proxy is appointed, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
6. The instrument appointing a proxy or proxies must be deposited at the office of the Company, 15 Upper Circular Road, #04-01, Singapore 058413, not less than 48 hours before the time appointed for the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
8. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof shall, if required by law, be duly stamped and be deposited at the office of the Company, 15 Upper Circular Road, #04-01, Singapore 058413, not less than 48 hours before the time appointed for the EGM, failing which the instrument may be treated as invalid.
9. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Cap. 50).
10. Subject to note 11 below, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
11. An investor who holds shares under the Supplementary Retirement Scheme (“SRS Investors”) (as may be applicable) may attend and cast his vote(s) at the EGM in person. SRS Investors who are unable to attend the EGM but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the EGM.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 22 June 2017.

### General:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company