

CIRCULAR DATED 12 APRIL 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT ON THE ACTION YOU SHOULD TAKE, CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your shares in Sincap Group Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as CDP will arrange for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares not deposited with CDP, you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Company is a sponsored company listed on the Catalist board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Companies listed on Catalist may carry higher investment risks when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares traded on Catalist.

The Company has prepared this Circular, which has been reviewed by the Company’s sponsor, Stamford Corporate Services Pte Ltd (the “**Sponsor**”) for compliance with the rules of the SGX-ST. The Sponsor has not independently verified the contents of this Circular. The SGX-ST has not examined or approved this Circular. The SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the accuracy 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).



SINCAP GROUP LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED EXPANSION OF THE GROUP’S PROPERTY BUSINESS;**
- (2) THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS INTO THE LOGISTICS AND TECHNOLOGY BUSINESSES; AND**
- (3) THE PROPOSED ADOPTION OF A GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS.**

Independent Financial Adviser
in relation to the Proposed IPT General Mandate



ZICO CAPITAL PTE. LTD.

(Company Registration No.: 201613589E)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	25 April 2018 at 10:00 a.m.
Date and time of Extraordinary General Meeting	:	27 April 2018 at 10:00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 9:30 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906

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DEFINITIONS

In this Circular, unless the context otherwise requires, these terms or expressions have these meanings:

- “AGM”** : Annual general meeting of the Company
- “Artwell”** : Has the meaning given to it in Section 4.1 of this Circular
- “Associates”** : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual):
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company), any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board”** : The board of directors of the Company for the time being
- “Catalist”** : The Catalist Board of the SGX-ST
- “Catalist Rules”** : The rules of the Listing Manual applicable to issuers listed on the Catalist, as set out in Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time
- “CDP”** : Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 12 April 2018
- “Companies Act”** : Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
- “Company”** : Sincap Group Limited
- “EGM”** : The extraordinary general meeting of the Company, notice of which is set out on page 31 of this Circular
- “Group”** : The Company and its subsidiaries collectively
- “IFA Letter”** : The letter dated 12 April 2018 from the Independent Financial Adviser to the Independent Directors in relation to the Proposed IPT General Mandate, a copy of which is set out in Appendix A
- “Independent Directors”** : The Company’s directors deemed to be independent for the purposes of making a recommendation on the Proposed IPT General Mandate, namely Lim Jin Wei, Robby, Ian Tan Tee Hiang and Teng Wai Leung Wilson

DEFINITIONS

“Independent Financial Adviser” or “IFA”	: ZICO Capital Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Proposed IPT General Mandate
“Latest Practicable Date”	: 3 April 2018, being the latest practicable date before this Circular is printed
“Logistics Business”	: Has the meaning given to it in Section 3.2.1 of this Circular
“Mandated Transactions”	: Has the meaning given to it in Section 4.1 of this Circular
“NTA”	: Net tangible asset value, being total assets less total intangible assets, total liabilities and non-controlling interests
“Orion”	: Orion Energy Resources Pte. Ltd.
“PRC”	: The People’s Republic of China
“Property Business”	: Has the meaning given to it in Section 2 of this Circular
“Property Management Business”	: Has the meaning given to it in Section 3.1.1 of this Circular
“Property Related Assets”	: Has the meaning given to it in Section 2 of this Circular
“Proposals”	: Has the meaning given to it in Section 1.1 of this Circular
“Proposed IPT General Mandate”	: Has the meaning given to it in Section 4.1 of this Circular
“Proposed New Businesses”	: The Property Management Business, the Logistics Business and the Technology Business
“Renminbi”	: The lawful currency of the People’s Republic of China
“SFA”	: Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders”, in relation to such Shares, means the Depositors whose securities accounts maintained with CDP are credited with Shares
“Shares”	: Ordinary shares in the Company
“Substantial Shareholder”	: A person who has an interest (as defined in the Companies Act) in one or more voting shares of a company and the total votes attached to those shares is not less than 5% of the total votes attached to all the voting shares of that company
“Technology Business”	: Has the meaning given to it in Section 3.3.1 of this Circular
“S\$” and “cents”	: Singapore dollar and cents respectively, being the lawful currency of Singapore

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” have the meanings ascribed to them respectively in Section 81SF of the SFA. The term “**subsidiary**” has the meaning ascribed to it in Section 5 of the Companies Act.

DEFINITIONS

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

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Any reference to a time of day and date in this Circular is to Singapore time, unless otherwise stated.

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 Companies Act or the Catalist Rules and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or the Catalist Rules, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and do not affect its interpretation.

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “potential”, “strategy”, “forecast”, “possible”, “probable” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” or “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions, given available information. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, you should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA assumes any obligation to update publicly or revise any forward-looking statement.

LETTER TO SHAREHOLDERS

SINCAP GROUP LIMITED

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

Directors:

Chu Ming Kin (*Executive Chairman and Chief Executive Officer*)
Lim Jin Wei (*Lead Independent Director*)
Robby (*Independent Director*)
Ian Tan Tee Hiang (*Independent Director*)
Teng Wai Leung Wilson (*Independent Director*)

Registered Office:

6 Mohamed Sultan Road
#03-01
Singapore 238956

12 April 2018

To: The Shareholders of Sincap Group Limited

Dear Sir/Madam

- (1) **THE PROPOSED EXPANSION OF THE PROPERTY BUSINESS;**
- (2) **THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS INTO THE LOGISTICS AND TECHNOLOGY BUSINESSES; AND**
- (3) **THE PROPOSED ADOPTION OF A GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS.**

1. INTRODUCTION

1.1 EGM

The Company's directors propose to convene an EGM to seek Shareholders' approval for these proposals:

- (a) Resolution No. 1, as an ordinary resolution, relating to the proposed expansion of the Property Business to include the Property Management Business;
- (b) Resolution No. 2, as an ordinary resolution, relating to the proposed diversification of the Group's business to include the Logistics Business;
- (c) Resolution No. 3, as an ordinary resolution, relating to the proposed diversification of the Group's business to include the Technology Business; and
- (d) Resolution No. 4, as an ordinary resolution, relating to the Proposed IPT General Mandate,

(collectively, the "**Proposals**").

1.2 Purpose of this Circular

This Circular provides Shareholders with information pertaining to and reasons for the Proposals, and seeks Shareholders' approval for the Proposals at the EGM to be held on 27 April 2018 at 10:00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 9:30 a.m. on the same day and at the same place) at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906, the notice of which is set out on page 31 of this Circular.

Shareholders should note that passing each resolution is not inter-conditional on passing any other resolution.

LETTER TO SHAREHOLDERS

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholder to whom this Circular is despatched) or for any other purpose.

1.2 Sponsor and SGX-ST

The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular. If a Shareholder is in any doubt as to the action he/she should take, he/she should consult his/her legal, financial, tax or other professional adviser(s) immediately.

2. BACKGROUND

At an extraordinary general meeting of the Company held on 25 June 2014, the Shareholders had approved the diversification of the Group's business to include the property business ("**Property Business**") comprising (a) property development activities, including acquisition, development and/or sale of residential, hospitality, commercial (retail and office), industrial and any other types of properties (including mixed development properties) ("**Property Related Assets**"); and (b) holding of Property Related Assets as long term investment for the collection of rent, capital growth potential and/or provision of property related services and facilities. The Shareholders had also approved the Group's investment in or acquisition or disposal of shares or interests in any entity in the Property Business.

The Company completed the disposal of its wholly-owned subsidiary, Beijing Raffles Investment Advisory Co., Ltd ("**Beijing Raffles**"), on 12 October 2017, and ceased its sale of alumina and gypsum mining business.

The following sets forth the corporate structure of the Group as at the Latest Practicable Date:

Name of subsidiary	Country of incorporation	Effective interest held by the Group	Principal activities
Subsidiaries held by the Company			
Orion Energy Resources Pte. Ltd.	Singapore	51%	Mineral trading and logistics management
Sincap Properties Pte. Ltd.	Singapore	100%	Real estate related activities
Sincap Australia Pte. Ltd.	Singapore	100%	Investment holding
Held by Sincap Australia Pte. Ltd.			
Sincap Land (Aus) Pty Ltd	Australia	100%	Dormant
Held by Sincap Land (Aus) Pty Ltd			
SCL Murray Pty Ltd.	Australia	100%	Dormant

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3. PROPOSED EXPANSION AND BUSINESS DIVERSIFICATION

3.1 Proposed Expansion

3.1.1 Information regarding the Property Management Business

The Group proposes to expand the Property Business to include the management, operation and sale of Property Related Assets, which may be owned by the Group or any third party (“**Property Management Business**”). The Group intends for the Property Management Business to include the provision of services to property owners and/or tenants such as tenancy management, regular building maintenance and repairs, facilities management and supervision of service providers and contractors. The Group intends to provide such management services for Property Related Assets owned or leased by the Group or owned or leased by third party entities.

The Group from time to time is presented with new opportunities to acquire and/or develop various types of Property Related Assets, including land parcels and industrial parks. In addition, the Group is also from time to time presented with opportunities to operate and manage various Property Related Assets. The expansion into the Property Management Business will enable the Group to exploit these opportunities. In particular, the Group is considering developing, managing and operating industrial parks. Currently, the Group is looking at suitable opportunities in the PRC but the Group does not plan to confine itself to any specific geographical market.

The Group may also invest in or acquire or dispose of shares or interests in any entity in the Property Management Business.

The Group believes expanding into property management would enable the Group to increase revenue through recurring management income from managing and operating Property Related Assets.

3.1.2 Rationale for the expansion of scope of the Property Business

The Company’s directors believe that the Property Management Business will enable the Group to pursue secondary opportunities in other segments of the Property Business. The proposed expansion allows the Group to grow and generate additional revenue streams and improve its growth prospects. This is in line with the Group’s business diversification efforts as the Group continually evaluates opportunities to enter into more revenue generating segments of the property market.

3.2 Proposed Diversification into the Logistics Business

3.2.1 Information regarding the Logistics Business

As and when appropriate opportunities arise, the Group intends to enter the marine and shipping logistics business (the “**Logistics Business**”). The Group does not intend to restrict the Logistics Business to any specific geographical market but its initial focus will be on the PRC and Indonesia.

The Logistics Business will include investing in, acquiring, owning and leasing all kinds or types of ship vessels (both existing and newly built) for chartering, leasing and/or sale to third parties, acquiring vehicles and equipment for the transportation of goods and cargoes, the provision of supply chain logistics and other ancillary services, and the provision of other logistics services for the shipping and marine sector and other ancillary services.

The Group may engage ship management companies to operate and manage its vessels, or may operate and manage them on its own, depending on the cost efficacy.

The vessels may carry a wide range of dry bulk cargo like coal, rock and sand, although initially the vessels will primarily be intended to transport coal. The Group may invest in different types of sea vessels that the Group may find suitable from time to time in order to increase the Logistics Business activities.

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The initial focus of the Logistics Business will be the PRC and Indonesia, since the Group's coal trading business is primarily focused on these two countries. However, the Group intends to reduce undue reliance on any specific industry or geographical region and should appropriate opportunities arise, the Group may explore opportunities to expand the Logistics Business into other geographical markets and into product segments other than coal.

The Logistics Business will initially complement the Group's coal trading business, and the Group intends to grow its customer base from within the coal mining industry in the PRC and Indonesia.

3.2.2 Rationale for the Logistics Business

The Company's directors believe that marine and shipping logistics is a key part of its coal trading business. The Group will be able to offer integrated logistics services instead of having to source for third party logistics providers, which will bolster the Group's coal business. By having more control and management over logistics, the Group can better manage its costs of operations, and derive higher profit margins from the coal trading business.

Diversification into the Logistics Business will also help to diversify the risks involved in the Group's existing coal trading business, such as failure to maintain the Group's network of overseas logistics service providers.

In addition, the Company's directors believe the Logistics Business is an opportunity for the Group to provide Shareholders with diversified returns and long-term growth through a new revenue and earnings stream.

3.3 Proposed Diversification into the Technology Business

3.3.1 Information regarding the Technology Business

As and when appropriate opportunities arise, the Group also intends to invest in businesses in the technology sector, including e-commerce, digital, internet, fintech, information technology, hardware or software research and development, and other businesses providing information technology-related services to end-users, service providers and other commercial users via multiple platforms including mobile internet and cloud computing technology (the "**Technology Business**").

The Group seeks to create a portfolio of investments to capitalise on the growth and development of companies in the growing technology sector with the potential to generate gains on investment for the Group, although the Group will also consider investments of a longer term where it deems appropriate depending on availability of funds. The Board is in the process of evaluating prospective investment targets and will release announcements in accordance with the Catalist Rules on such investment targets when there are further concrete developments.

Prior to making any investment, management will consider the Group's investment objectives, strategic approach, performance benchmarks, investment restrictions, investment horizon and guidelines, and evaluate each potential investment with due diligence and based on the consideration of factors such as:

- projected rate of return;
- the projected investment capital involved;
- estimated profit margins;
- the type of securities or instruments proposed for investment;

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- the underlying business and/or assets of the investment;
- the value of the proposed investment;
- its potential for increase in value;
- assessment of risk factors associated with the specific potential investment;
- the borrowing costs involved (where applicable); and
- prevailing local and general market conditions.

Investments exceeding an internally determined threshold approved by the Board must be specifically approved by the Company's audit and risk committee. Where necessary, the Company's board and/or the audit and risk committee may seek the advice of reputable financial advisors and/or other experts.

3.3.2 Rationale for the Technology Business

The Company's directors believe that the Technology Business presents an opportunity for the Group to generate new revenue and profit streams by tapping into opportunistic investments in companies in industries not closely related to the Group's existing businesses and enable the Group to capitalise on the growing e-commerce and information technology space. This will help to diversify the risks involved in the Group's existing business (i.e. coal trading), such as risks relating to coal price fluctuations, reduced demand for coal and failure to maintain or obtain supply of coal.

3.4 Chapter 10 of the Catalist Rules

The Proposed New Businesses will be substantially different from the Group's existing businesses and may change the Group's risk profile. Accordingly, the Company is convening the EGM to seek Shareholders' approval for the Proposed New Businesses.

If the Shareholders approve the Proposed New Businesses, any investment or acquisition in, or in connection with, the Proposed New Businesses, will be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. The Group may then, in its ordinary course of business, enter into transactions relating to the Proposed New Businesses in an efficient and timely manner without convening separate general meetings to seek Shareholders' approval as and when opportunities arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

However, in the event that Shareholders approve the Proposed New Businesses, the Company must still make announcement(s) and/or seek the approval of Shareholders at a general meeting before venturing into the proposed transactions, including but not limited to:

- that fall within Rules 1002(1), 1010, 1013 and 1014 of the Catalist Rules (read with Practice Note 10A of the Catalist Rules);
- where any of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100.00% or that will cause a change in control of the issuer. Rule 1015 of the Catalist Rules will still apply and the transactions must be made conditional upon approval by Shareholders in a general meeting;
- that constitute an "interested person transaction" as defined under the Catalist Rules. Chapter 9 of the Catalist Rules will apply to the transactions and the Company must comply with Chapter 9 of the Catalist Rules; or
- that involve the expansion of the Proposed New Businesses that will cause a material change in the risk profile of the Group.

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3.5 Risk Factors

3.5.1 Introduction

The Group could be affected by a number of risks that relate to the Proposed New Businesses or the markets in which they operate. Risks may arise from economic, business, market and political factors, including the risks set out below. You should carefully consider and evaluate each of these considerations and all other information in this Circular.

The Group has set out below all the risk factors known to the Company's directors and material to you in deciding how to vote at the EGM.

If any of the factors and/or uncertainties described below develops into actual events, it may materially and adversely affect the Proposed New Businesses and the Group's results of operations, financial condition and prospects.

The risks described below are not intended to be exhaustive. New risk factors emerge from time to time, and it is impossible for the Company's directors and management to predict all risk factors, nor can they assess the impact of all factors, or the extent to which any factor, or combination of factors, may affect the Proposed New Businesses.

3.5.2 General Risk Factors

(a) The Group has limited record and operating history in the Proposed New Businesses

The Group has no proven track record in carrying on the Proposed New Businesses. There is no assurance that the Proposed New Businesses will be commercially successful or profitable. The Proposed New Businesses may require high capital commitments and may expose the Group to unforeseen liabilities or risks.

The Proposed New Businesses may involve added business risks such as increased financial costs and costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Proposed New Businesses effectively, the Group's financial condition and results of operations may be materially and adversely affected.

(b) The Group may not have the ability or sufficient expertise to execute the Proposed New Businesses

The Group's ability to successfully diversify into the Proposed New Businesses depends upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Proposed New Businesses. As the Group's existing management team has no experience and expertise in the Proposed New Businesses, there is no assurance that the Group can hire and retain employees with the experience and knowledge or adequately outsource its manpower requirements to contractors with the experience and knowledge. If the Group is unsuccessful in the Proposed New Businesses, the Group's financial condition and results of operations may be materially and adversely affected.

(c) The Proposed New Businesses are subject to the general risk of doing business overseas

The Group does not plan to limit the Proposed New Businesses to any specific geographical market but will initially focus on opportunities in the Asia Pacific. The Group is subject to the general risk of doing business overseas. These general risks include unexpected regulatory changes, difficulties in staffing and managing foreign operations, maintaining good union and labour relations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, unexpected changes in

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local law and barriers to the repatriation of capital or profits, any of which could materially affect the overseas operations of the Group, and materially and adversely affect the Group's financial condition and results of operations.

(d) The Group is subject to government regulation of the Proposed New Businesses

The Proposed New Businesses must comply with the laws and regulations of the territories in which they operate. Laws and regulations governing business entities operating the Proposed New Businesses may be subject to several possibly conflicting interpretations, both by business entities and by the courts. From time to time, new laws and regulations are enacted. Any amendment or change in the laws, regulations, policies or in the regulatory environment of any territory, could result in higher compliance costs and adversely affect the Group's operations, including the Proposed New Businesses. There is no assurance that any changes in laws and regulations will not materially and adversely affect the financial condition or results of operations of the Group.

Operating the Proposed New Businesses may require licences, permits, certificates, consents or regulatory approvals. The Group must also comply with the regulations relating to, among others, workplace health and safety, environmental public health and environmental pollution control. Failure to comply with laws and regulations may subject the Group to penalties or result in the Group having its licences or approvals revoked, thereby materially and adversely affecting the Group's operations, financial condition and results of operations.

Changes in government regulations may also affect the Group's ability to complete any project, and/or sell any products and/or services. The implementation of short-term, medium-term and/or long-term regulatory measures may also affect consumer sentiments or demands, and adversely and materially affect the Group's financial condition and results of operations.

(e) The Group is subject to fluctuations in foreign exchange rates which may have a material adverse effect on the Group's profitability

The Group conducts business across different countries, using different currencies. Conducting business across multiple currencies subjects the Group to currency fluctuation risks. In particular, fluctuations in currency exchange rates can have an impact on the translation of foreign currency-denominated amounts into Renminbi, which is the Group's currency for the presentation of its financial data. This may affect the Group's results of operations when it transacts between foreign currencies. If the Group increases the portion of its income denominated in currencies other than the Renminbi and does not hedge its exchange rate risk, changes in exchange rates could materially adversely affect the Group's business and reported results.

(f) The Group is subject to risks inherent in investing in entities it does not control and the manner in which it holds its investments and property interests

The Group may hold investments through or make investments in entities that are not the Group's subsidiaries and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the property investment's business that affect the Group described in this Circular. There is no assurance that the Group can influence the management, operation and performance of these entities through its voting rights, in a manner favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

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- (g) The actual performance of the Group may differ materially from the forward-looking statements in this Circular

The actual performance of the Group may differ materially from that expressed or implied by the forward-looking statements in this Circular. This Circular contains forward-looking statements, which are based on a number of assumptions subject to significant uncertainties and contingencies, many of which are outside the Group's control. Furthermore, the Group's revenue and financial performance are dependent on a number of external factors such as increased competition and regulatory changes. The Group cannot ensure that these assumptions will be realised and the Group's actual performance will be as projected.

3.5.3 Risk Factors Relating to the Property Management Business

- (a) The Group may face intense competition from existing competitors and new market entrants in the Property Management Business

The Property Management Business is highly competitive, with strong competition from established industry participants who may have larger financial resources or a stronger track record. Properties owned or managed by the Group will compete for tenants with numerous other developers, owners and operators, many of whom own properties similar to, or which compete with, the Group's.

The Group may not provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors with larger financial resources and stronger track records. Owners or tenants may choose property management services from future or existing competitors over the Group, thereby resulting in the Group's sales, business, financial position and performance being adversely affected.

To compete effectively, the Group must offer more competitive pricing or differentiate itself by adopting more innovative property management services. If the Group fails to do so or management services prices decrease significantly because of price competition, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

- (b) The Group may be involved in legal and other proceedings arising from its operations from time to time

The Group may be involved from time to time in disputes with various parties involved in the property management projects that the Group undertakes. These parties include owners, tenants, contractors, sub-contractors, suppliers, construction companies, purchasers and other partners. Claims may also be made against the Group by the owners or occupiers of neighbouring properties regarding the use and enjoyment of such properties. These disputes may lead to legal and other proceedings.

If unfavourable judgments are passed by the courts, the Group may be liable for damages and incur legal costs, which may materially and adversely affect the Group's financial performance and financial condition.

- (c) Poor demand for leased property under the Property Management Business may affect the Group's profitability

The Group's performance for the Property Management Business will depend largely on its ability to secure tenants for its properties for lease. In addition, poor demand for the relevant property could drive down management fees for the Group.

If the Group cannot secure sufficient tenants or secure renewal of tenancies from tenants, or if management fees are insufficient to cover costs, or the Group is unable to collect management fees due to bankruptcy or insolvency of tenants, its financial performance may be materially and adversely affected.

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(d) Increased costs may affect the Group's Property Management Business

Contracts for the Property Management Business are usually entered into for a fixed term. Fees for managing property may be agreed with customers in advance and be fixed for the term. If the cost of providing the services increases during the term and cannot be passed on to customers, the Group may suffer losses on the contract, materially and adversely affecting its financial performance.

3.5.4 Risk Factors Relating to the Logistics Business

(a) The Group may be affected by risks specific to the Logistics Business

In entering the Logistics Business, the Group will be exposed to various inherent risks and external factors outside its control, such as adverse weather and sea conditions, mechanical failure of its vessels, pirate attacks and catastrophic marine disasters. These factors may cause general disruptions to the operations of the Logistics Business and may cause losses or damages to the Group's vessels or cargoes transported. The Group may also be liable for damages or compensation payable to third parties arising from vessel collisions where negligence or contributory negligence is proved against the Group. If the Group is liable for payment of any such costs, damages or compensation, and its existing insurance coverage does not cover, or cannot pay for the total amounts incurred, the Group's financial performance may be materially and adversely affected. In addition, the Group's insurance premium costs may increase as a result, thereby leading to an increase in the cost of its operations, which may adversely affect its financial performance.

(b) The Group is exposed to fluctuations in freight and charter rates

The Group's operating results will depend on the prevailing charter rates in a time period, which are based on the supply of and demand for vessels and are extremely competitive. The prevailing charter rates are not based on any reference point and are instead largely influenced by factors such as supply and demand, global oil and water prices, weather conditions, voyage difficulty, payment terms, client relationships, nature and scope of service and vessel age. The Group will generally provide its customers with short-term or spot freight charters, where the Group's customers may charter vessels on an immediate or ad hoc basis. Charter rates will generally be reviewed on a quarterly basis. Such charters will be based on the prevailing market rates and will usually be for a short duration ranging from three to six months. Short-term charters will give the Group the flexibility in managing fleet capacity in response to the demand for its vessels. However, it may expose the Group to short-term fluctuations in charter rates. If a decline in the charter rates occurs, this may materially and adversely affect the Group's financial results.

(c) The Group may not meet prescribed appraisal and certification standards

The marine and shipping logistics business is also subject to meeting prescribed appraisal and certification standards and requirements for seagoing vessels issued by independent certification authorities from time to time. Failure to meet such standards and requirements can interrupt the smooth operation of the vessels and the Group's Logistics Business.

(d) The business is capital intensive and the Group may require further financing

The Logistics Business is capital intensive and further expansion and development of the business will require significant additional capital. Substantial additional funds will be required if the Group intends to expand its fleet of vessels. Further, there is no assurance that the Group will succeed in the Logistics Business and its plans.

Under the above circumstances, the Group may need to obtain additional debt or equity financing. Additional equity financing may lead to a dilution in the interests of Shareholders. Should additional debt financing be required, the ability of the Company

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to pay dividends may be restricted or it may need to seek the consent of third parties for the payment of dividends. Such financing may increase its vulnerability to adverse economic and industrial conditions and also reduce the availability of cash derived from operations due to repayment of its debt. Hence, the Group's growth may be limited due to reduction in funds for capital expenditures, working capital and other general corporate purposes. This may affect the Group's flexibility in planning for, or reacting to, changes in its business and industry. There is no assurance that the Group can obtain additional financing on terms acceptable to it, or at all.

(e) The Group is subject to operating costs regardless of the level of business activity

The Group's Logistics Business will be subject to fixed operating costs such as crew wages, insurance premiums, dry-docking costs, interest costs and repair and maintenance costs, as well as other costs such as fuel and water costs that do not necessarily fluctuate in proportion to changes in operating revenues. These fixed costs can have a material negative effect on the Group's financial condition and results of operations if lower revenue occurs arising from lower charter rates, downtime, reduced demand, weather interruptions or other causes.

3.5.5 Risk Factors Relating to the Technology Business

(a) The Group may not succeed in its investments and the investments may be relatively illiquid compared to investments in quoted securities

While the Group intends to make investments directly in or through funds comprising a portfolio of technology companies that the Group believes have growth potential, these investments generally carry higher risks and capital may be locked in for a longer period as compared to investments in quoted securities, such as investment funds, which are listed on recognised stock exchanges and other unquoted instruments such as funds and bonds as managed by professional licensed fund managers. There is no assurance that the Group's investments (if any) may be realised at the expected return or that the Group's expected exit strategy may eventually materialise or if materialised, be within such period anticipated by the Group. If the investees do not perform as expected or become financially distressed, the Group may lose part or all of its investments in such investees. In such an event, the Group's results of operations and financial condition may be materially and adversely affected.

(b) Investments in higher growth companies in the early stages of development may entail a higher level of risk

The Group may invest (whether directly or indirectly through instruments such as funds) in companies in the early stages of development and have high growth potential. While investments in these companies may present greater opportunities for growth, they may also involve greater business risks than is customarily associated with more established companies. There can be no assurance that the original investment amounts will not be partially or wholly written off. In such an event, the Group's results of operations and financial condition may be materially and adversely affected.

(c) Inability to influence or exercise management control over the companies in which the Group invests may affect performance of investments and reputation of the Group

The Group may have limited or no control or influence in the management of companies in which it invests. Accordingly, the mismanagement of any company in which the Group invests may be beyond the control of the Group. Such mismanagement may adversely affect the financial performance of the investee, which may in turn affect the returns on the Group's investments. The impact of any negative publicity or announcements relating to such mismanagement of the investee may also be extended to the Group's reputation, whether or not justified, and ultimately the value of the Shares.

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- (d) The Group's risk management systems and policies may not be effective in mitigating the Group's risk exposure, and the Group may be exposed to unidentified or unanticipated risks, which may materially and adversely affect its results of operations and financial condition

The Group's risk management systems and policies may not be effective in mitigating the Group's risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Any failure of the Group's risk management initiatives or any failure to identify risks may materially and adversely affect the Group's results of operations and financial condition.

Notwithstanding the risks set out above, the Company's Board, having considered the rationale of the Proposed New Businesses, believes that it is to the benefit of the Group to expand and diversify its businesses to include the Property Management Business, the Logistics Business and the Technology Business.

3.6 Management of the Proposed New Businesses

Even though the Proposed New Businesses differ from the Group's current principal business activities, the Board recognises that the relevant experience and expertise required can be acquired and developed by the Group over time as it progresses in the Proposed New Businesses. The Board and senior management of the Group comprise individuals with varied qualifications and experience who will provide the strategic vision and policy on the Proposed New Businesses.

In making decisions, the Board and senior management will seek the advice of reputable external consultants and experts where necessary and appropriate. The Group intends to engage in the Proposed New Businesses incrementally; it will monitor developments and progress in the Proposed New Businesses and take the necessary steps to identify suitable candidates both from within the Group as well as externally to manage the Proposed New Businesses to take it forward as and when required. In addition, the Group will evaluate the manpower and expertise required for the Proposed New Businesses and will, as and when required, hire suitably qualified personnel, external consultants, external industry experts and professionals for the New Business and/or make arrangements of any existing management team of the Proposed New Businesses.

The Group may foster partnerships with various third parties in the relevant industries to assist it in undertaking the Proposed New Businesses more effectively and efficiently as the Group seeks to build its expertise and capabilities in this field. Such partnerships may be done either on a case by case basis or on a term basis. Where necessary, work may be outsourced to reputable third parties who have expertise in the relevant area. In selecting its partners, the Group will take into account the specific expertise and competencies required and the experience, historical track record and financial standing of the party concerned.

3.7 Financing for the Proposed New Businesses

To finance the Proposed New Businesses, the Company may use the net proceeds from the Company's proposed placement of Shares announced on 30 August 2017 and internal resources. As and when necessary and deemed appropriate, the Group may explore bank borrowings or fund-raising exercises by tapping into the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

4. THE PROPOSED IPT GENERAL MANDATE

4.1 Background

As at the Latest Practicable Date, Mr. Chu Ming Kin, the Executive Chairman and Chief Executive Officer, owns approximately 7.71% of the Shares. Accordingly, Mr. Chu Ming Kin and his Associates are "interested persons" within the meaning of Chapter 9 of the Catalist Rules.

Mr. Chu Min Fang, the brother of Mr. Chu Ming Kin, owns the entire shareholding in Artwell Minerals Resources Company Limited, a company incorporated in Hong Kong ("**Artwell**"). Accordingly, Artwell is an interested person of the Group. Artwell is principally engaged in the business of coal trading and acting as agent for certain coal purchasers.

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The Group has not entered into any transaction with Artwell on or prior to the Latest Practicable Date.

It is anticipated there will be recurrent transactions between the Group and Artwell that are of a revenue and trading nature in respect of and related to the trading of coal.

The Company seeks the approval of Shareholders at the EGM (other than Shareholders required to abstain from voting under Rule 920(1)(b)(viii) of the Catalist Rules) for adopting the general mandate permitting an “entity at risk” (including Orion) to enter into transactions of a revenue and trading nature in respect of and relating to the sale of coal (“**Mandated Transactions**”) to Artwell (the “interested person”) in the future, provided that the transactions are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders (the “**Proposed IPT General Mandate**”).

Transactions with Artwell that do not fall within the ambit of the Proposed IPT General Mandate will be subject to Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

For the avoidance of doubt, there will be no sale of any assets (other than coal), undertakings or businesses within the scope of the Proposed IPT General Mandate. The Proposed IPT General Mandate will also not cover any transaction with Artwell below S\$100,000 in value under the threshold and aggregation requirements of Chapter 9 of the Catalist Rules, which would not apply to such transactions.

4.2 Rationale for, and Benefits of, the Proposed IPT General Mandate

Orion is the only company in the Group carrying on the coal trading business. The Company anticipates that coal trading transactions with Artwell will entail Artwell making a deposit payment of 90% of the shipment value in advance, with the balance 10% payment made at the time loading of the coal onto the vessel is completed. These terms are favourable to the Group as the risks relating to shipment will be borne by Artwell instead of the Group. Other buyers of coal from the Group are usually only willing to make payment after the coal have arrived at the discharging port, and after the discharge and sampling of the coal. In the meantime, the Group has to pay their suppliers first, which poses risks to the Group. Such favourable payment terms in trading with Artwell allows the Group to negotiate for lower prices from their suppliers, as the Group can pay their suppliers sooner upon receiving the deposit payment from Artwell. With better cashflow, the Group can complete more shipments, thus carrying out more transactions annually and generating more revenue.

In view of the time-sensitive and recurrent nature of these commercial transactions, and the need for smooth and efficient conduct of business, it would be advantageous for the Group to obtain the Proposed IPT General Mandate for Orion to enter into certain types of transactions of a revenue or trading nature with Artwell in the ordinary course of business without the need to convene a general meeting to seek Shareholders’ approval each time potential transactions arise provided that they are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. This will substantially reduce the time and expenses associated with convening general meetings, improve administrative efficacy, and allow resources and time to be focused towards other corporate and business opportunities.

4.3 Chapter 9 of the Catalist Rules

Under Chapter 9 of the Catalist Rules, if a listed company or any of its subsidiaries or associated companies defined as an “entity at risk” proposes to enter into a transaction with an “interested person”, an immediate announcement or an immediate announcement and shareholders’ approval are required for that transaction if its value is equal to, or more than, certain financial thresholds.

In particular, an immediate announcement is required where:

- (a) the transaction is of a value equal to, or more than, 3.0% of the group’s latest audited NTA;
or

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- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of the group's latest audited NTA.

Further, shareholders' approval (in addition to an immediate announcement) is required where:

- (a) the transaction is of a value equal to, or more than, 5.0% of the group's latest audited NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5.0% of the group's latest audited NTA.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000, and certain transactions that, by reason of the nature of the transactions, are not considered to put the listed company at risk and hence excluded from the ambit of Chapter 9 of the Catalist Rules.

For the purpose of Chapter 9 of the Catalist Rules:

an **"entity at risk"** means:

- (a) the listed company;
- (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
- (c) an associated company of the listed group that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

an **"interested person"** means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

an **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules;

an **"interested person transaction"** means a transaction between an entity at risk and an interested person; and

a **"transaction"** includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly.

Rule 920 of the Catalist Rules permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.

For illustration purposes, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2017, the audited NTA of the Group was approximately RMB148,354,000. Accordingly, in relation to the Group and for the purposes of Chapter 9 of the Catalist Rules for the current financial year, Shareholders' approval is required where:

- (a) the interested person transaction is of a value equal to, or more than, approximately RMB7,417,700, being 5% of the latest audited NTA value of the Group; or

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- (b) the interested person transaction, when aggregated with other transactions entered into with the same interested person or interested persons of the same group during the same financial year, is of a value equal to, or more than, approximately RMB7,417,700.

4.4 Validity Period of the Proposed IPT General Mandate

If approved by Shareholders at the EGM, the Proposed IPT General Mandate will take effect from the date of the EGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next AGM is held or is required by law to be held, whichever is the earlier. Approval from the Shareholders will be sought for the renewal of the Proposed IPT General Mandate at the next AGM and each such subsequent AGM, subject to satisfactory review by the audit and risk committee of the continued requirement of the Proposed IPT General Mandate and the continued sufficiency of the review procedures to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4.5 Guidelines and Review Procedures for the Mandated Transactions under the Proposed IPT General Mandate

The Group has established these procedures to ensure that the Mandated Transactions are carried out on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and on terms generally not more favourable than those extended to unrelated third parties and will not be prejudicial to the interests of the Company and its minority Shareholders.

- (a) Guidelines and review procedures for the Mandated Transactions

The transaction prices for coal will be negotiated between the Group and Artwell on an arm's length basis, with reference to the relevant coal price index, in particular the Indonesian Coal Index. The transaction prices will be at the relevant index price, or a margin over the relevant index. In the event that the specifications of the coal sold and delivered to or on behalf of Artwell deviate from the specified tolerance levels stated in the contract or agreement with Artwell, the transaction prices will be adjusted according to the price adjustment mechanism stated in the relevant contract or agreement. The relevant head of business for Orion (who is independent of the interested persons and who has no direct or indirect interest in the Mandated Transactions), will compare the quotation offered to Artwell with at least two (2) contracts or agreements recently entered into by the Group with unrelated third parties to determine whether the margin, price adjustment mechanism and terms offered to Artwell are in accordance with the Group's usual business practices and policies and not more favourable to Artwell than those extended to unrelated third parties taking into consideration factors such as, but not limited to, product quantity, delivery schedule, customer requirements and specifications, duration of contract and credit terms. The quotation as determined by the head of business for Orion shall be approved by the Group Chief Financial Officer or Financial Controller (each of whom is independent of the interested persons and who has no direct or indirect interest in the Mandated Transactions) prior to entry and subject to the audit and risk committee's review on a half-yearly basis.

Where it is impossible or impractical to obtain the terms of other similar transactions with unrelated third parties or where the prevailing market prices are not available, the pricing of the coal is to be determined in accordance with the Group's usual business practices and pricing policies, consistent with the usual margin and price adjustment mechanism to be obtained for substantially similar type of contracts with unrelated third parties taking into consideration factors such as, but not limited to, product quantity, delivery schedule, customer requirements and specifications, duration of contract and credit terms.

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4.6 Additional Guidelines and Review Procedures

In addition to the guidelines and review procedures set out above, the Company will implement the following supplementary procedures to ensure that the Mandated Transactions are undertaken on an arm's length basis and on normal commercial terms.

(a) Maintain register of Mandated Transactions

The Group's finance department will maintain and update a register of all transactions carried out with Artwell, including those of value below S\$100,000. The register will record the basis for the Mandated Transactions including but not limited to, the size of each Mandated Transaction, the pricing and terms of two other transactions of a similar nature with non-interested persons used for comparison.

The Group's finance department will, on a half-yearly basis, submit a report to the audit and risk committee on all the Mandated Transactions and the basis of such transactions entered into by the Group with Artwell.

(b) Review by Audit and Risk Committee

The Company's audit and risk committee will conduct regular periodic reviews of all Mandated Transactions on a half-yearly basis and the internal audit reports to ensure that the established Guidelines and Review Procedures for the Mandated Transactions have been complied with and the relevant approvals have been obtained.

The audit and risk committee will also review the established Guidelines and Review Procedures for Mandated Transactions and determine if they continue to be adequate and/or are commercially practicable in ensuring that the Mandated Transactions are conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders. If the audit and risk committee is of the view that the Guidelines and Review Procedures have become inappropriate or insufficient to meet such objectives, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures for the Mandated Transactions. During the period prior to obtaining a fresh mandate from Shareholders, all Mandated Transactions will be subject to prior review and approval by the audit and risk committee. In the event that a member of the audit and risk committee has a conflict of interest in relation to the Mandated Transaction, he will abstain from reviewing and/or approving that particular transaction.

(c) Review by Internal Auditors

The Group will incorporate a half-yearly review of all Mandated Transactions in its internal audit plan. The internal auditors will review the Mandated Transactions to check that the relevant approvals have been obtained and the Guidelines and Review Procedures for the Mandated Transactions have been adhered to. The internal auditors will forward its review reports to the audit and risk committee.

(d) Review by External Auditors

The Group's external auditors will review the Mandated Transactions on a sampling basis as part of the Group's annual audit. The external auditors will report to the audit and risk committee any non-compliance issues noted from the reviews.

(e) Review by Directors

The Company's Board will ensure that all disclosure, approval and other requirements on the Mandated Transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with.

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4.7 Disclosure under Catalyst Rules

In accordance with Rule 920 of the Catalyst Rules, the Company will disclose the Proposed IPT General Mandate in the annual report, giving details of the aggregate value of the transactions conducted pursuant to the Proposed IPT General Mandate during the financial year.

The Company will announce the aggregate value of transactions conducted with Artwell pursuant to the Proposed IPT General Mandate for the relevant financial periods on which the Company is required to report pursuant to Rule 705 of the Catalyst Rules and within the time required for the announcement of such reports.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

5.1 Directors' Interests in Shares

The interests of the Company's directors in the issued and paid-up share capital of the Company as at the Latest Practicable Date, as recorded in the register of director shareholdings kept by the Company, were:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	%	No. of Shares	% ⁽¹⁾
Directors						
Chu Ming Kin	69,406,200	7.71	–	–	69,406,200	7.71
Lim Jin Wei	–	–	–	–	–	–
Robby	–	–	–	–	–	–
Ian Tan Tee Hiang	–	–	–	–	–	–
Teng Wai Leung Wilson	–	–	–	–	–	–

Note:

- (1) As at the Latest Practicable Date, the issued and paid-up share capital of the Company was S\$32,142,712.10 comprising 900,500,410 Shares.

5.2 Substantial Shareholders' Interests in Shares

The interests of the Substantial Shareholders (other than the Company's directors) in the issued and paid-up share capital of the Company as at the Latest Practicable Date, as recorded in the register of Substantial Shareholders' shareholdings kept by the Company, were:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	%	No. of Shares	% ⁽¹⁾
Substantial Shareholders (other than Directors)						
Wang Xiaoling	157,373,000	17.48	–	–	157,373,000	17.48

Note:

- (a) As at the Latest Practicable Date, the issued and paid-up share capital of the Company was S\$32,142,712.10 comprising 900,500,410 Shares.

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6. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

ZICO Capital Pte. Ltd. has been appointed as the independent financial adviser to the Independent Directors to opine, for the purposes of Chapter 9 of the Catalist Rules, on whether the guidelines and review procedures as set out in Sections 4.5 and 4.6 of this Circular, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Having considered *inter alia*, the guidelines and review procedures of the Company for determining transaction prices and terms of the Mandated Transactions, the role of the audit and risk committee of the Company in enforcing the Proposed IPT General Mandate, the rationale for and benefits of the Proposed IPT General Mandate, and the information available to them as at the Latest Practicable Date and subject to the qualifications and assumptions set out in the IFA Letter, the Independent Financial Adviser is of the opinion that the guidelines and review procedures for determining transaction prices and terms of the Mandated Transactions as set out in Sections 4.5 and 4.6 of this Circular, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter is reproduced and appended as Appendix A to this Circular and Shareholders are advised to read the IFA Letter carefully.

7. STATEMENT FROM THE AUDIT AND RISK COMMITTEE

Having considered the rationale for and the benefits of the Proposed IPT General Mandate in Section 4.2 of this Circular, the audit and risk committee has reviewed the guidelines and review procedures, as set out in Sections 4.5 and 4.6 of this Circular and proposed by the Company for determining pricing and terms of the Mandated Transactions, and is satisfied that the guidelines and review procedures for the Mandated Transactions, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

8. DIRECTORS' RECOMMENDATIONS

8.1 Proposed New Businesses

Having considered the rationale for the Proposed New Businesses, the Company's directors are of the opinion it is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Resolutions No.1, No. 2, and No.3, being the ordinary resolutions relating to the Proposed New Businesses to be proposed at the EGM.

8.2 Proposed IPT General Mandate

Having reviewed the terms, rationale and benefit of the Proposed IPT General Mandate, the audit and risk committee (consisting of Lim Jin Wei, Ian Tan Tee Hiang and Robby) confirms that it does not take a different view from the opinion of the Independent Financial Adviser set out in Section 6 of this Circular and the IFA Letter.

Having fully considered the rationale for the proposed adoptions of the Proposed IPT General Mandate, the Independent Directors are of the opinion that the proposed adoption of the Proposed IPT General Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution No. 4, being the ordinary resolution relating to the proposed adoption of the Proposed IPT General Mandate to be proposed at the EGM.

8.3 No Regard to Specific Objectives

In giving the above recommendations, the Company's directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and

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profiles, the Company's directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

9. ABSTENTION FROM VOTING

Mr. Chu Ming Kin is not considered independent for the purposes of the Proposed IPT General Mandate and has not made any voting recommendation to Shareholders regarding Resolution No. 4. Mr. Chu Ming Kin will abstain and has undertaken to ensure that his associates will abstain, from voting on the resolution approving the Proposed IPT General Mandate.

Furthermore, Mr. Chu Ming Kin and his Associates will not accept nominations to act as proxy, corporate representative or attorney in respect of Resolution No. 4 unless specific instructions as to voting have been given by the Shareholder.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 31 of this Circular, will be held on 27 April 2018 at 10:00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 9:30 a.m. on the same day and at the same place) at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906 for the purpose of considering and, if thought fit, passing, with or without modifications the resolutions set out therein.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf must complete and sign the attached proxy form in accordance with the instructions printed thereon and return it to the Company's registered office at 6 Mohamed Sultan Road, #03-01, Singapore 238956 not less than 48 hours before the time fixed for the holding of the EGM. The completion and return of the proxy form by a Shareholder will not preclude him from attending the EGM and voting in person in place of his proxy should he subsequently wish to do so.

A Depositor will not be regarded as a Shareholder of the Company entitled to attend, speak and vote at the EGM unless his name appears on the Depository Register maintained by the CDP at least 72 hours before the EGM.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Company's directors collectively and individually accept full responsibility for the accuracy of the information 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 Proposals, the Company and its subsidiaries, and the Company's directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Company's directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

13. CONSENT OF INDEPENDENT FINANCIAL ADVISER

ZICO Capital Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and its IFA Letter set out in Appendix A, and all references thereto in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

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14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of these documents are available for inspection at the registered office of the Company at 6 Mohamed Sultan Road, #03-01, Singapore 238956 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the constitution of the Company;
- (b) the annual report of the Company for FY2017;
- (c) the IFA Letter; and
- (d) the letter of consent from the Independent Financial Adviser.

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 – IFA LETTER

12 April 2018

SINCAP GROUP LIMITED

6 Mohamed Sultan Road

#03-01

Singapore 238956

Attention: The Independent Directors

THE PROPOSED ADOPTION OF A GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

*Unless otherwise defined or the context otherwise requires, all terms used in this letter (“**IFA Letter**”) shall have the same meanings as defined in the circular to shareholders of the Company dated 12 April 2018 (the “**Circular**”).*

1. INTRODUCTION

Sincap Group Limited (the “**Company**”) is seeking its shareholders’ approval (other than shareholders required to abstain from voting under Rule 920(1)(b)(viii) of the Catalist Rules) for the proposed adoption of a general mandate pursuant to Chapter 9 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”) for interested person transactions (“**Mandated Transactions**”) with Artwell Minerals Resources Company Limited (“**Artwell**”) (the “**Proposed IPT General Mandate**”).

As at the Latest Practicable Date, Mr. Chu Ming Kin, the Executive Chairman and Chief Executive Officer, owns approximately 7.71% of the ordinary shares in the Company (“**Shares**”). Mr. Chu Min Fang, the brother of Mr. Chu Ming Kin, owns the entire shareholding in Artwell. Pursuant to Chapter 9 of the Catalist Rules, each of Mr. Chu Ming Kin and his associates and Artwell is regarded as an “interested person” of the Group. Accordingly, transactions between the Group and Artwell will be regarded as “interested person transactions” and subject to the provisions of Chapter 9 of the Catalist Rules.

Mr. Chu Ming Kin will abstain, and has undertaken to ensure that his associates will abstain, from voting on the resolution approving the Proposed IPT General Mandate.

Artwell is a company incorporated in Hong Kong, principally engaged in the business of coal trading and acting as agent for certain coal purchasers. Orion Energy Resources Pte. Ltd. (“**Orion**”) is the only company in the Group carrying on the coal trading business. The Group has not entered into any transaction with Artwell on or prior to the Latest Practicable Date. It is anticipated that there will be recurrent transactions between the Group and Artwell that are of a revenue and trading nature in respect of and related to the trading of coal. In view of the time-sensitive and recurrent nature of these commercial transactions, and the need for smooth and efficient conduct of business, the Company is proposing to adopt the Proposed IPT General Mandate for Orion to enter into the aforementioned transactions with Artwell in the ordinary course of their business without the need to convene a general meeting to seek shareholders’ approval each time potential transactions arise provided that they are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

ZICO Capital Pte. Ltd. (“**ZICO Capital**”) has been appointed by the Company as the independent financial adviser (“**IFA**”) to advise the directors of the Company who are considered independent in respect of the Proposed IPT General Mandate (“**Independent Directors**”), for the purpose of making their recommendation to the Company’s shareholders (“**Shareholders**”) in respect of the Proposed IPT General Mandate.

This IFA letter (“**IFA Letter**”) is addressed to the Independent Directors, to provide an opinion on whether the guidelines and review procedures of the Group for determining the transaction prices and terms of the Mandated Transactions under the Proposed IPT General Mandate are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not

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be prejudicial to the interests of the Company and its minority Shareholders. This IFA Letter forms part of the Circular to be despatched to Shareholders in relation to the Proposed IPT General Mandate.

2. TERMS OF REFERENCE

ZICO Capital has been appointed as the IFA to advise the Independent Directors in respect of the Proposed IPT General Mandate. We are not and were not involved in or responsible for, any aspect of the discussions on the scope of the Proposed IPT General Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the adoption of the Proposed IPT General Mandate for the approval of the Shareholders. We also do not, by this IFA Letter, warrant the merits of the Proposed IPT General Mandate, other than to express an opinion on whether the guidelines and review procedures for determining transaction prices and terms of the Proposed IPT General Mandate are sufficient to ensure that the Mandated Transactions under the Proposed IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Our terms of reference do not require us to evaluate or comment on the rationale for, as well as the legal, financial and commercial risks of the Proposed IPT General Mandate or the Mandated Transactions contemplated under the Proposed IPT General Mandate. We do not, by this IFA Letter, warrant the merits of the Proposed IPT General Mandate or the Mandated Transactions contemplated under the Proposed IPT General Mandate, other than to form our opinion for the purposes as stated above. Such evaluations or comments shall remain the sole responsibility of the Directors and the management of the Company (“**Management**”) although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

In the course of our evaluation, we have held discussions with the Management. We have also examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Management, including information contained in the Circular. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information or representations.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate in all material aspects. The Directors have confirmed to us that, to the best of their knowledge and belief, there is no other information or fact, the omission of which would cause any statement in the Circular in respect of the Proposed IPT General Mandate to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made such enquiry and judgement as we have deemed necessary and have found no reason to doubt the accuracy or reliability of the information upon which we have relied.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group. Such review or comment, if any, remains the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our advice as set out in this IFA Letter.

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Our opinion as set out in this IFA Letter is based upon market, economic, industry and other conditions prevailing, as well as information made available to us, as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our recommendations in light of any subsequent developments after the Latest Practicable Date that may affect our recommendations contained therein. Shareholders should take note of any announcements relevant to their consideration of the Proposed IPT General Mandate, which may be released after the Latest Practicable Date, if any.

In rendering our advice and providing our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. We recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Proposed IPT General Mandate. Any recommendations made by the Independent Directors to the Shareholders in respect of the Proposed IPT General Mandate shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Proposed IPT General Mandate) at any time and in any manner without the prior written consent of ZICO Capital. Our opinion in relation to the Proposed IPT General Mandate should be considered in the context of the entirety of this IFA Letter and the Circular.

3. EVALUATION OF THE GUIDELINES AND REVIEW PROCEDURES FOR THE MANDATED TRANSACTIONS UNDER THE PROPOSED IPT GENERAL MANDATE

In evaluating and arriving at our opinion on whether the guidelines and review procedures for determining the transaction prices and terms of the Proposed IPT General Mandate are sufficient to ensure that the Mandated Transactions under the Proposed IPT General Mandate, as set out in Sections 4.5 and 4.6 of the Circular, will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, we have taken into consideration the following:

- (a) the rationale for, and benefits of, the Proposed IPT General Mandate as set out in Section 4.2 of the Circular;
- (b) the scope of the Proposed IPT General Mandate as set out in Section 4.1 of the Circular; and
- (c) the guidelines and review procedures under the Proposed IPT General Mandate, as set out in Sections 4.5 and 4.6 of the Circular, which provide for the following:-
 - (i) transaction prices for coal will be negotiated between the Group and Artwell on an arm's length basis, with reference to the relevant coal price index, in particular the Indonesian Coal Index. The transaction prices will be at the relevant index price, or a margin over the relevant index. In the event that the specifications of the coal sold and delivered to or on behalf of Artwell deviate from the specified tolerance levels stated in the contract or agreement with Artwell, the transaction prices will be adjusted according to the price adjustment mechanism stated in the relevant contract or agreement;

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- (ii) the relevant head of business for Orion (who is independent of the interested persons and who has no direct or indirect interest in the Mandated Transactions), will compare the quotation offered to Artwell with at least two (2) contracts or agreements recently entered into by the Group with unrelated third parties to determine whether the margin, price adjustment mechanism and terms offered to Artwell are in accordance with the Group's usual business practices and policies and not more favourable to Artwell than those extended to unrelated third parties taking into consideration factors such as, but not limited to, product quantity, delivery schedule, customer requirements and specifications, duration of contract and credit terms. The quotation as determined by the head of business for Orion shall be approved by the Group Chief Financial Officer or Financial Controller (each of whom is independent of the interested persons and who has no direct or indirect interest in the Mandated Transactions), prior to entry and subject to the audit and risk committee's review on a half-yearly basis.

Where it is impossible or impractical to obtain the terms of other similar transactions with unrelated third parties or where the prevailing market prices are not available, the pricing of the coal is to be determined in accordance with the Group's usual business practices and pricing policies, consistent with the usual margin and price adjustment mechanism to be obtained for substantially similar type of contracts with unrelated third parties taking into consideration factors such as, but not limited to, product quantity, delivery schedule, customer requirements and specifications, duration of contract and credit terms;

- (iii) the Group's finance department will maintain and update a register of all transactions carried out with Artwell, including those of value below S\$100,000; and
- (iv) there will be periodic reviews conducted by the Directors, the audit and risk committee of the Company as well as the internal and external auditors of the Group as set out in Section 4.6 of the Circular.

4. VALIDITY PERIOD OF THE PROPOSED IPT GENERAL MANDATE

As set out in Section 4.4 of the Circular, the Proposed IPT General Mandate will take effect from the date of the EGM and will (unless revoked or varied by the Company in general meeting) continue to be in force until the next AGM is held or is required by law to be held, whichever is the earlier. Approval from the Shareholders will be sought for the renewal of the Proposed IPT General Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the audit and risk committee of the continued requirement of the Proposed IPT General Mandate and the continued sufficiency of the review procedures to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders

5. ROLE OF AUDIT AND RISK COMMITTEE

We note that the audit and risk committee of the Company has the following role in relation to the Proposed IPT General Mandate:

- (a) conduct review of all Mandated Transactions on a half-yearly basis as well as the review of internal audit reports to ensure that the established guidelines and review procedures for the Mandated Transactions have been complied with and all relevant approvals have been obtained;
- (b) conduct review of established guidelines and review procedures for Mandated Transactions and determine if they continue to be adequate and/or are commercially practicable in ensuring that the Mandated Transactions are conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders. If the audit and risk committee of the Company is of the view that the guidelines and review procedures have become inappropriate or insufficient to meet such objectives, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures for the

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Mandated Transactions. During the period prior to obtaining a fresh mandate from Shareholders, all Mandated Transactions will be subject to prior review and approval by the audit and risk committee of the Company. In the event that a member of the audit and risk committee of the Company has a conflict of interest in relation to the Mandated Transaction, he will abstain from reviewing and/ or approving that particular transaction; and

- (c) the audit and risk committee of the Company will be informed in the event the Group's external auditors report on any non-compliances in respect of its review of the Mandated Transactions pursuant to its annual audit.

6. OTHER TRANSACTIONS WITH INTERESTED PERSONS

The Independent Directors should note that any transactions with interested persons which do not fall within the ambit of the Proposed IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

7. DISCLOSURE UNDER CATALIST RULES

In accordance with Rule 920 of the Catalist Rules, the Company will disclose the Proposed IPT General Mandate in the annual report, giving details of the aggregate value of the transactions conducted pursuant to the Proposed IPT General Mandate during the financial year.

The Company will also announce the aggregate value of transactions conducted with Artwell pursuant to the Proposed IPT General Mandate for the relevant financial periods on which the Company is required to report pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such reports.

8. OUR OPINION IN RESPECT OF THE PROPOSED IPT GENERAL MANDATE

In arriving at our opinion in respect of the Proposed IPT General Mandate, we have considered, *inter alia*, the guidelines and review procedures for determining transaction prices and terms of the Mandated Transactions, the role of the audit and risk committee in enforcing the Proposed IPT General Mandate, as well as the rationale for and benefits of the Proposed IPT General Mandate.

Having regard to the considerations set out in this IFA Letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the guidelines and review procedures for determining transaction prices and terms of the Mandated Transactions under the Proposed IPT General Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Our opinion, as disclosed in this IFA Letter, is based solely on publicly available information and information provided to us by the Directors and the Management as at the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

We have prepared this IFA Letter pursuant to Rule 920(1)(b)(v) of the Catalist Rules for the use by the Independent Directors in connection with their consideration of the Proposed IPT General Mandate, but any recommendations made by the Independent Directors in respect of the Proposed IPT General Mandate shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Proposed IPT General Mandate) at any time and in any manner without the prior written consent of ZICO Capital.

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This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan
Chief Executive Officer

Karen Soh
Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

SINCAP GROUP LIMITED

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

All capitalised terms in this Notice of Extraordinary General Meeting not defined herein have the same meanings ascribed to them in the Company's circular dated 12 April 2018.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Sincap Group Limited (the "**Company**") will be held on 27 April 2018 at 10:00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 9:30 a.m. on the same day and at the same place) at 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906, to consider and, if thought fit, passing (with or without modifications), the following resolutions:

1. ORDINARY RESOLUTION

– THE PROPOSED EXPANSION OF THE GROUP'S PROPERTY BUSINESS TO INCLUDE THE PROPERTY MANAGEMENT BUSINESS

That:

- (a) approval be and is hereby granted for the Company to expand the scope of the Group's business to include the Property Management Business; and
- (b) the Directors be and are hereby authorised to do any and all such acts (including executing all such documents as may be required) as they may, in their absolute discretion deem fit, expedient or necessary to give effect to the Property Management Business.

2. ORDINARY RESOLUTION

– THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE LOGISTICS BUSINESS

That:

- (a) approval be and is hereby granted for the Company to expand the scope of the Group's business to include the Logistics Business; and
- (b) the Directors be and are hereby authorised to do any and all such acts (including executing all such documents as may be required) as they may, in their absolute discretion deem fit, expedient or necessary to give effect to the Logistics Business.

3. ORDINARY RESOLUTION

– THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE TECHNOLOGY BUSINESS

That:

- (a) approval be and is hereby granted for the Company to expand the scope of the Group's business to include the Technology Business; and
- (b) the Directors be and are hereby authorised to do any and all such acts (including executing all such documents as may be required) as they may, in their absolute discretion deem fit, expedient or necessary to give effect to the Technology Business.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. ORDINARY RESOLUTION – THE PROPOSED ADOPTION OF A GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules as may be amended, supplemented or modified from time to time (“**Chapter 9**”), for the Company, its subsidiaries and its associated companies which are entities at risk as defined under Chapter 9, to enter into any of the transactions falling within the types of interested person transactions described in the Section 4.3 of the Company’s circular to Shareholders dated 12 April 2018 (the “**Circular**”), with any person who falls within the classes of interested persons described in Section 4.3 of the Circular, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for interested person transactions as set out in Sections 4.5 and 4.6 of the Circular (the “**IPT General Mandate**”);
- (b) the IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the date that the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier;
- (c) the audit and risk committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and
- (d) the Independent Directors for the purpose of the IPT General Mandate be and are authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary in the interests of the Company to give effect to the IPT General Mandate and/or this Resolution.

By Order of the Board

Chu Ming Kin
Executive Chairman and Chief Executive Officer
12 April 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote in his/her stead at the Extraordinary General Meeting (the "**Meeting**"). Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's proxy form appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 6 Mohamed Sultan Road, #03-01, Singapore 238956 not less than forty-eight (48) hours before the time appointed for holding the Meeting and any adjournment thereof.
4. By attending the Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a Member (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing 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 representative(s) to the Company (or its agents), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) 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.

SINCAP GROUP LIMITED

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

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.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____

of _____

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

Name	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	%
Address			

or failing *him/her/them, the Chairman of the meeting as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary, to demand a poll 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 27 April 2018 at 10:00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company to be held at 9:30 a.m. on the same day and at the same place) and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the Meeting as indicated. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions	To be used for poll	
		No. of Votes For	No. of Votes Against
1.	The Proposed Expansion of the Group's Property Business to include the Property Management Business		
2.	The Proposed Diversification of the Group's Business to include the Logistics Business		
3.	The Proposed Diversification of the Group's Business to include the Technology Business		
4.	The Proposed Adoption of a General Mandate for Interested Person Transactions		

Dated this _____ day of April 2018

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

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* please delete accordingly.



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 Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), 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) A member who is not a relevant intermediary entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend, speak and vote in his/her stead. Where such member's proxy form of proxy appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
 - (b) A member who is a relevant intermediary entitled to attend the Meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's proxy form appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 6 Mohamed Sultan Road, #03-01, Singapore 238956 not less than forty-eight (48) hours before the time appointed for the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of 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. 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 must be lodged with the instrument, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him/her from attending and voting in person at the Meeting if he/she is able to do so. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting 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 Meeting.
8. An investor who holds Shares under the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his/her 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.

General:

1. The Company may reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
2. 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 Extraordinary General Meeting dated 12 April 2018.