

SINCAP GROUP LIMITED

(Incorporated in the Republic of Singapore)

Co. Reg. No.201005161G

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (“FY”) 2015**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Group		% Change Increase/ (Decrease)
	Unaudited FY2015 RMB'000	Audited FY2014 RMB'000	
Revenue	692,429	892,172	(22)
Cost of sales	(669,716)	(862,504)	(22)
Gross profit	22,713	29,668	(23)
<u>Other items of income</u>			
Interest income	5,336	98	n.m.
Other gains	279	143	95
<u>Other items of expense</u>			
Distribution costs	(4,472)	(4,203)	6
Administrative expenses	(20,653)	(21,061)	(2)
Finance costs	(6,018)	(1,104)	n.m.
Other losses	(10,341)	(305)	n.m.
(Loss)/Profit before tax	(13,156)	3,236	n.m.
Income tax expense	(5,583)	(3,620)	54
Loss, net of tax	(18,739)	(384)	n.m.
Other comprehensive loss for the year, net of tax	(3,278)	(7,658)	(57)
Total comprehensive loss	(22,017)	(8,042)	n.m.
Loss attributable to owners of the parent, net of tax	(18,982)	(432)	n.m.
Profit attributable to non-controlling interests, net of tax	243	48	n.m.
Loss, net of tax	(18,739)	(384)	n.m.
Total comprehensive loss attributable to owners of the parent	(22,260)	(8,090)	n.m.
Total comprehensive income attributable to non-controlling interests	243	48	n.m.
Total comprehensive loss	(22,017)	(8,042)	n.m.

n.m. denotes not meaningful

1(a)(ii) (Loss)/Profit, net of tax, is arrived at:

	Group		% Change Increase/ (Decrease)
	Unaudited	Audited	
	FY2015	FY2014	
	RMB'000	RMB'000	
After (charging)/ crediting:			
Amortisation of all other intangible assets and land use rights	(201)	(173)	16.2
Depreciation of property, plant and equipment	(4,462)	(4,147)	7.6
Foreign exchange loss	(956)	(305)	n.m.
Gain on disposal of plant and equipment	73	13	n.m.
Interest expenses	(6,018)	(1,104)	n.m.
Interest income	5,335	98	n.m.
Impairment loss on development property	(9,385)	-	n.m.
Reversal of write-off of other receivable	-	100	n.m.

1(b)(i) A statement financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	Unaudited 31.12.2015 RMB'000	Audited 31.12.2014 RMB'000	Unaudited 31.12.2015 RMB'000	Audited 31.12.2014 RMB'000
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	27,530	29,156	1,125	1,647
Intangible assets	22,664	9,401	-	-
Deferred tax assets	1,063	1,063	-	-
Other assets	394	420	-	-
Other receivables	15,282	-	-	-
Investment in subsidiaries	-	-	80,123	63,474
Total non-current assets	66,933	40,040	81,248	65,121
<u>Current assets</u>				
Development property	43,201	53,450	-	-
Inventories	2,421	5,599	-	-
Trade and other receivables	39,149	17,355	28,233	8,281
Other assets	20,602	15,448	7	46
Cash and cash equivalents	52,673	18,623	5,214	490
Total current assets	158,046	110,475	33,454	8,817
Total assets	224,979	150,515	114,702	73,938
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital	122,417	86,925	122,417	86,925
(Accumulated losses)/retained earnings	(18,320)	3,075	(23,873)	(18,618)
Statutory reserve	17,694	15,281	-	-
Translation reserve	(10,936)	(7,658)	-	-
Equity, attributable to owners of the parents	110,855	97,623	98,544	68,307
Non-controlling interests	4,118	786	-	-
Total equity	114,973	98,409	98,544	68,307
<u>Non-current liabilities</u>				
Deferred tax liabilities	1,600	307	-	-
Other financial liabilities	1,613	12,247	967	1,423
Total non-current liabilities	3,213	12,554	967	1,423
<u>Current liabilities</u>				
Provision	389	576	-	-
Income tax payable	4,368	1,951	57	31
Trade and other payables	31,392	21,948	10,837	1,288
Other financial liabilities	42,558	8,128	4,297	2,889
Other liabilities	28,086	6,949	-	-
Total current liabilities	106,793	39,552	15,191	4,208
Total liabilities	110,006	52,106	16,158	5,631
Total equity and liabilities	224,979	150,515	114,702	73,938

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

	Group	
	Unaudited	Audited
	31.12.2015	31.12.2014
	RMB'000	RMB'000
Payable in one year or less, or on demand		
Secured		
Obligation under finance leases (a)	158	237
Term loan (b)	25,884	-
Unsecured		
Term loan	4,138	2,652
Related party loan	287	232
Amount owing to shareholder	12,091	5,007
	42,558	8,128
Payable after one year		
Secured		
Obligation under finance leases (a)	967	1,423
Unsecured		
Related party loan	646	950
Amount owing to shareholder	-	9,874
	1,613	12,247
TOTAL	44,171	20,375

Details of any collateral

- a) The obligations under finance leases are secured by charges of the lessors (banks) over the leased assets of the Group.
- b) The term loan is secured by charges of the finance institution over the development property at 581 Murray Street in Perth ,Australia ("**Development Property**").

1 (c) A statement of cash flows (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	<u>Group</u>	
	Unaudited	Audited
	FY2015	FY2014
	RMB000	RMB000
<u>Cash flows from operating activities</u>		
(Loss)/Profit before tax	(13,156)	3,236
Adjustments for:		
Interest income	(5,336)	(98)
Interest expense	6,018	1,104
Depreciation of property, plant and equipment	4,462	4,147
Staff cost paid via shares	1,009	-
Gain on disposal of plant and equipment	(73)	(13)
Amortisation of other intangible assets and land use rights	201	173
Impairment of development property	9,385	-
Currency translation adjustments	(2,159)	(7,658)
Operating cash flows before changes in working capital	351	891
Development property	-	(53,144)
Inventories	3,178	(2,838)
Trade and other receivables	(31,584)	4,010
Other assets	(3,780)	7,735
Trade and other payables	(3,006)	1,503
Other liabilities	21,137	(20,057)
Net cash flows used in operations before tax	(13,704)	(61,900)
Income tax paid	(2,890)	(2,949)
Net cash flows used in operating activities	(16,594)	(64,849)
<u>Cash flows from investing activities</u>		
Acquisition of a subsidiary, net of cash acquired	538	-
Purchase of plant and equipment	(3,159)	(1,734)
Purchase of intangible assets	-	(303)
Proceeds from disposal	396	94
Interest received	5,336	98
Net cash flows from / (used in) from investing activities	3,111	(1,845)
<u>Cash flows from financing activities</u>		
Interest paid	(4,209)	(214)
Finance lease repayment	(535)	(266)
Repayment to shareholder	-	(908)
Proceeds from term loan	29,722	7,039
Repayment of term loan	(2,352)	(4,693)
Repayment of related party loan	(249)	(229)
Proceeds from issuance of new shares, net of issuance expenses	25,156	59,171
Net cash flows from financing activities	47,533	59,900
Net increase / (decrease) in cash and cash equivalents	34,050	(6,794)
Cash and cash equivalents, beginning balance	18,623	25,417
Cash and cash equivalents, ending balance (see note below)	52,673	18,623

Cash and cash equivalents comprise:

(RMB'000)

Bank and cash balances
Cash restricted in use
Cash and cash equivalents, ending balance

<u>Group</u>	
Unaudited 31.12.2015	Audited 31.12.2014
52,673	18,623
-	-
52,673	18,623

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Total equity	Attributable to parent	Share capital	Retained earnings	Statutory reserve	Translation reserve	Non-controlling interests
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2015	98,409	97,623	86,925	3,075	15,281	(7,658)	786
Movement in equity:							
Issuance of new shares pursuant to the Sincap Performance Share Plan	1,009	1,009	1,009	-	-	-	-
Acquisition of 51% stake in Orion Energy Resources Pte Ltd	12,416	9,327	9,327	-	-	-	3,089
Issue of new shares pursuant to the placement	25,191	25,191	25,191	-	-	-	-
Share issuance expenses	(35)	(35)	(35)	-	-	-	-
Total comprehensive loss for the year	(22,017)	(22,260)	-	(18,982)	-	(3,278)	243
Appropriation for the year	-	-	-	(2,413)	2,413	-	-
As at 31 December 2015	114,973	110,855	122,417	(18,320)	17,694	(10,936)	4,118
As at 1 January 2014	47,280	46,542	27,754	4,631	14,157	-	738
Movement in equity:							
Issue of new shares pursuant to the placement	61,059	61,059	61,059	-	-	-	-
Share issuance expenses	(1,888)	(1,888)	(1,888)	-	-	-	-
Total comprehensive loss for the year	(8,042)	(8,090)	-	(432)	-	(7,658)	48
Appropriation for the year	-	-	-	(1,124)	1,124	-	-
As at 31 December 2014	98,409	97,623	86,925	3,075	15,281	(7,658)	786

Company

	Total equity RMB'000	Share capital RMB'000	Accumulated losses RMB'000
As at 1 January 2015	68,307	86,925	(18,618)
Movement in equity:			
Issuance of new shares pursuant to the Sincap Performance Share Plan	1,009	1,009	-
Placement of new shares for acquisition of 51% stake in Orion Energy Resources Pte Ltd	9,327	9,327	-
Issue of new shares pursuant to the placement	25,191	25,191	-
Share issuance expenses	(35)	(35)	-
Total comprehensive loss for the year	(5,255)	-	(5,255)
As at 31 December 2015	98,544	122,417	(23,873)
As at 1 January 2014	17,287	27,754	(10,467)
Movement in equity:			
Issue of new shares pursuant to the placement	61,059	61,059	-
Share issuance expenses	(1,888)	(1,888)	-
Total comprehensive loss for the year	(8,151)	-	(8,151)
As at 31 December 2014	68,307	86,925	(18,618)

1(d)(ii) Details of any changes in the company's share capital arising from rights issues, bonus shares, shares buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares of the issuers, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	Number of shares	Share capital (S\$)	Share capital (RMB)
As at 30 June 2015	354,604,000	17,671,572	87,933,458
Placement of new shares for acquisition of 51% stake in Orion Energy Resources Pte Ltd	38,000,000	2,052,000	9,327,273
Issuance of new shares pursuant to the placement on 16 December 2015	91,400,000	5,484,000	25,190,753
Share issuance expenses	-	(7,550)	(34,679)
As at 31 December 2015	<u>484,004,000</u>	<u>25,200,022</u>	<u>122,416,805</u>

There were no outstanding convertibles or treasury shares as at 31 December 2015 and 31 December 2014 respectively.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	<u>Company</u>	
	31.12.2015	31.12.2014
	Unaudited	Audited
Number of ordinary shares in issue (excluding treasury shares)	<u>484,004,000</u>	<u>351,000,000</u>

There was no treasury share as at 31 December 2015 and 31 December 2014 respectively.

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

4. Whether the same accounting policies and methods of computation have been applied as in the company's most recently audited annual financial statements

Save as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to those used in the most recently audited annual financial statements for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by the accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current financial year compared with the most recently audited financial statements for the financial year ended 31 December 2014, except for the adoption of the Financial Reporting Standards ("FRSs") and Interpretation of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2015. The adoption of these new FRS and INT FRS has no material impact to the results of the Group and of the Company for the current financial year reported on.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year

	<u>Group</u>	
	Unaudited FY2015	Audited FY2014
Loss per share ("LPS") (RMB cents)		
on weighted average number of ordinary shares	(5.15)	(0.16)
on fully diluted basis	(5.15)	(0.16)
Net loss attributable to shareholders (RMB'000)		
on basic LPS	(18,982)	(432)
on diluted LPS	(18,982)	(432)
Weighted average number of ordinary shares in issue		
for basic LPS	368,850,904	266,375,342
for diluted LPS	368,850,904	266,375,342

Basic and diluted loss per share was the same as there are no potentially dilutive securities in issue as at 31 December 2015 and 31 December 2014.

7. Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of: (a) current financial period reported on; and (b) immediate preceding financial year

	<u>Group</u>		<u>Company</u>	
	Unaudited 31.12.2015	Audited 31.12.2014	Unaudited 31.12.2015	Audited 31.12.2014
Net asset value per ordinary share based on existing issued share capital as at the end of year (RMB cents)	22.90	27.81	20.36	19.46
Net asset value as at the end of the year (RMB'000)	110,855	97,623	98,544	68,307
Number of ordinary shares in issue as at the end of the respective financial year	484,004,000	351,000,000	484,004,000	351,000,000

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

8(a). REVIEW OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

The Group's revenue decreased by RMB199.8 million or 22.4%, from RMB892.2 million in FY2014 to RMB692.4 million in FY2015. This was due to a decrease in the revenue from the sale of alumina of RMB201.3 million and sale of gypsum of RMB12.6 million; which is offset by revenue from coal of RMB14.2 million.

Revenue from the sale of alumina decreased by RMB201.3 million or 23.8%, from RMB845.1 million in FY2014 to RMB643.8 million in FY2015. The decrease was attributable to (i) a decrease in sales volume of 92,220 tonnes or 23.7%, from 388,727 tonnes in FY2014 to 296,507 tonnes in FY2015; and (ii) a decrease in average selling price of RMB3 per tonne or 0.1%, from approximately RMB2,174 per tonne in FY2014 to approximately RMB2,171 per tonne in FY2015. The decrease in average selling price and sales volume of alumina was mainly attributable to the falling alumina index price over the course of 2015.

Revenue from the sale of gypsum decreased by RMB12.6 million or 26.8%, from RMB47.1 million in FY2014 to RMB34.5 million in FY2015. The decrease was attributable to (i) a decrease in average selling price of RMB12 per tonne or 12.5%, from approximately RMB96 per tonne in FY2014 to approximately RMB84 per tonne in FY2015; and (ii) a decline in sales volume of gypsum of 81,189 tonnes or 16.6%, from 489,269 tonnes in FY2014 to 408,080 tonnes in FY2015. The decrease in average selling price and sales volume of gypsum was mainly attributable to reduced demand for gypsum in view of the PRC authorities' implementation of new cooling measures on the PRC's domestic property market. Gypsum is a raw material for the manufacture of wallboard, cement and construction plaster.

Revenue from coal amounting to RMB14.2 million was contributed by our newly acquired subsidiary, Orion Energy Resources Pte Ltd.

Gross profit and gross profit margin

The Group's gross profit decreased by RMB7.0 million or 23.6%, from RMB29.7 million in FY2014 to RMB22.7 million in FY2015. This was mainly attributable to a decrease in gross profit from the sale of gypsum of RMB7.1 million and property development of RMB0.7 million, which were partially offset by an increase in gross profit from the sale of alumina of RMB0.3 million and coal of RMB0.5 million.

The Group's overall gross profit margin remains rather consistent at 3.3% in FY2014 and FY2015.

Gross profit margin from the sale of alumina increased from 1.9% in FY2014 to 2.6% in FY2015. This was contributed by a decrease in the unit cost of alumina.

Gross profit margin from the sale of gypsum decreased from 28.6% in FY2014 to 18.3% in FY2015. This was contributed by the lower average selling price of gypsum in FY2015, offset by a decrease in average unit cost of gypsum in FY2015.

Gross profit margin from sale of coal is approximately 3.9%.

Interest income

The Group's interest income increased by RMB5.2 million from RMB0.1 million in FY2014 to RMB5.3 million in FY2015, mainly arising from the interest income of RMB1.1 million on a term loan of AUD4.7 million extended by the Company's wholly-owned subsidiary, SCL Murray Pty Ltd ("**SCL Murray**") to Richardson 1 Pty Ltd (a third party company) in March 2015 (as announced on 21 May 2015) ("**Loan**

to Richardson”) and an increase in interest earned from the bills receivables of RMB2.6 million pursuant to the purchase of bill receivables at a discount to be utilised for payments to suppliers.

Other gains

The Group’s other gains increased by RMB0.2 million from RMB0.1 million in FY2014 to RMB0.3 million in FY2015, mainly arising from commission income received in FY2015.

Other items of expense

Distribution costs increased by RMB0.3 million or 1.9%, from RMB4.2 million in FY2014 to RMB4.5 million in FY2015, mainly due to an increase of RMB0.6 million in relation to the alumina trading business as a result of an increase in staff cost, partially offset by a decrease of RMB0.3 million in staff cost in relation to the gypsum business, which was in line with the lower sales of gypsum.

Administrative expenses decreased by RMB0.4 million or 13.6%, from RMB21.1 million in FY2014 to RMB20.7 million in FY2015. This was mainly due to (i) a decrease of RMB2.4 million mainly due to the reclassification of the social security insurance to cost of sales for the gypsum trading business; which was offset by (ii) an increase of RMB1.7 million in relation to professional fees incurred by the Company in connection with its corporate actions, *inter alia*, the proposed acquisition of LTN Land Pte. Ltd. and Orion Energy Resources Pte. Ltd. in FY2015; and (iii) an increase of RMB0.3 million in relation to the alumina trading business mainly due to increasing labour costs.

Finance costs increased by RMB4.9 million from RMB1.1 million in FY2014 to RMB6.0 million in FY2015, mainly due to interest expenses of RMB3.6 million (A\$0.7 million) incurred in relation to a term loan of AUD5.1 million undertaken by SCL Murray Pty Ltd in March 2015 (as announced on 21 May 2015) which is secured by way of first mortgage over the Development Property (“**Mortgage**”) (“**Term Loan**”) and the unwinding of imputed interest of RMB1.8 million pursuant to FRS39 following a changes to the repayment schedule on the outstanding loan amount in relation to the loan from Fu Hao (“**Fu Hao Loan**”).

Other losses increased by RMB10.0 million from RMB0.3 million in FY2014 to RMB10.3 million in FY2015, mainly due to an increase in the provision of RMB1 million in respect of the misappropriation of cash in Shangdong Luneng Taishan Mining Co., Ltd as announced on 28 July 2015, and the provision of impairment on the Development Property amounting to RMB9.4 million (A\$2.0 million); offset by a decrease in foreign exchange losses arising from translation of functional currency.

Income tax expense

The Group incurred income tax expense of RMB5.6 million in FY2015 mainly due to the withholding tax provision for China subsidiaries’ undistributed profits.

8(b). REVIEW OF THE STATEMENTS OF FINANCIAL POSITION

The Group recorded positive working capital of RMB51.3 million as at 31 December 2015, as compared to RMB70.9 million as at 31 December 2014. The Group’s total equity increased to RMB115.0 million as at 31 December 2015. The increase was due to additional share issuance of RMB35.5 million (as a result of the grant of 3,604,000 shares under the performance share plan, 38,000,000 consideration shares for the purchase 51% stake in Orion Energy Resources Pte Ltd and 91,400,000 new shares pursuant to a private placement exercise) and additional non-controlling interest of RMB3.1 million, which was partially offset by comprehensive loss of RMB22.0 million in FY2015.

Non-current assets

Non-current assets increased by RMB26.9 million, from RMB40.0 million as at 31 December 2014 to RMB66.9 million as at 31 December 2015. This was mainly due to RMB13.4 million of goodwill arising from the acquisition of the 51% stake in Orion Energy Resources Pte Ltd; other receivables relating to the Loan to Richardson of RMB15.3 million; offset by a decrease of RMB1.6 million in property, plant and equipment (which mainly resulted from depreciation charge of RMB4.5 million, disposal of RMB 0.3 million; partially offset by purchase of RMB3.2 million in FY2015).

Current assets

Current assets increased by RMB47.6 million, from RMB110.4 million as at 31 December 2014 to RMB158.0 million as at 31 December 2015, mainly due to (i) an increase in trade and other receivables of RMB21.8 million from additional security deposit placed with supplier to procure the supply of coal amounting to RMB27.9 million; offset by the a decrease in trade receivables which is in line with the decrease in revenue; (ii) increase in other assets amounting to RMB5.2 million resulting from additional advances paid to a supplier for securing the supply of alumina; and (iii) increase in cash and cash equivalent of RMB34.1 million; offset by (iv) a decrease in inventory amounting to RMB3.2 million mainly pursuant to no inventory being held for alumina trading business as at 31 December 2015 as all of the deals are done back-to-back.; and (v) a decrease in development property due to impairment on the Development Property.

Non-current liabilities

Non-current liabilities decreased by RMB9.4 million, from RMB12.6 million as at 31 December 2014 to RMB3.2 million as at 31 December 2015. The decrease is mainly attributable to a decrease in other financial liabilities by RMB10.7 million as a result of reclassifying the Fu Hao Loan (a shareholder of the Company) to current liabilities due to a change in repayment schedule on the outstanding loan amount in relation to the Fu Hao Loan, offset by an increase in deferred tax liability due to withholding tax provision for undistributed profits of our China subsidiaries.

Current liabilities

Current liabilities increased by RMB67.2 million, from RMB39.5 million as at 31 December 2014 to RMB106.8 million as at 31 December 2015. The increase was mainly due to (i) an increase in income tax payable of RMB2.4 million due to under provision for prior year tax and the withholding tax in relation to the China subsidiaries; (ii) an increase of RMB9.4 million in trade and other payables mainly due to RMB7.3 million cash consideration outstanding for the purchase of 51% stake in Orion Energy Resources Pte Ltd; (iii) an increase of RMB21.1 million in other liabilities as a result of additional deposits placed by customers with the Group for supply of alumina; (iv) an increase of RMB34.4 million in other financial liabilities mainly as a result of the Term Loan and as a result of the reclassification of RMB13.9 million of amount owing to shareholder from non-current liability to current liability as a result of a change in repayment term (whereby the loan is now payable within 12 months from 31 December 2015).

8(c). REVIEW OF THE STATEMENT OF CASH FLOWS

In FY2015, the Group generated net cash from operating activities before changes in working capital of RMB0.4 million. Net cash used in working capital was RMB13.7 million. This was mainly due to (i) a decrease of RMB3.2 million in inventories, (ii) an increase of RMB31.6 million in trade and other receivables, (iii) an increase of RMB3.8 million in other assets, (iv) a decrease of RMB3.0 million in trade and other payables, (v) an increase of RMB21.1 million in other liabilities. The Group paid income tax of RMB2.9 million. As a result of the above, net cash used in operating activities was RMB16.6 million in FY2015.

In FY2015, net cash from investing activities of RMB3.1 million was mainly due to interest received of RMB5.3 million; net cash inflow of RMB0.5 million from the acquisition of Orion; proceeds from disposal of plant and equipment of RMB0.4 million, which is offset by purchase of plant and equipment of RMB3.2 million.

In FY2015, the Group generated net cash from financing activities of RMB47.5 million, mainly due to net proceeds of RMB25.2 million from issuance of new ordinary shares on 16 December 2015 pursuant to a placement and proceeds of RMB29.7 million from term loan, partially offset by (i) payment of interest of RMB4.2 million, (ii) finance leases repayments of RMB0.5 million, (iii) repayment of term loan of RMB2.4 million; and (iv) repayment of related party loan of RMB0.2 million.

As a result of the above, the Group's cash and cash equivalents stood at RMB52.7 million as at 31 December 2015.

9. Where a forecast or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or a prospect statement had been previously disclosed to shareholder.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Group is of the view that its alumina trading, coal trading and gypsum businesses will continue to be influenced by the soft commodities trading market in the PRC arising from a slowdown in the domestic construction industry. As such, the Group has been actively searching for new business opportunities.

During the year, the Group had acquired 51% stake in Orion Resources Energy Pte Ltd, which is in line with the Company's overall growth strategy to expand and grow revenues under its business of mineral and resources trading.

The Company had on 26 February 2016 obtained a 1-year extension for the Term Loan from Reliance Finance such that the repayment deadline has been extended to 8 March 2017 ("**Extension**"). The Board, together with the Directors of SCL Murray, has been putting in efforts on the disposal ("**Disposal**") of the Development Property at the best possible price including having appointed a number of property agents to source for both local and overseas potential buyers. However, due to the slowdown in the property market in Perth, potential buyers are selective and cautious. Notwithstanding the Extension, such Disposal efforts are still ongoing so that the funds received from the Disposal can be utilised towards full settlement of the Term Loan by 8 March 2017 so as to discharge the Term Loan and Mortgage.

In relation to the Company's other outstanding financial liabilities, the Company's Executive Chairman and Chief Executive Officer, Mr Chu Ming Kin, has provided a letter of financial support ("**Letter**") dated 29 February 2016 to the Company whereby he will provide continuing financial support to the Company until at least one year from the date of the Letter.

11. Dividend

(a) Current Financial Period Reported On Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for FY2015.

13. Aggregate value of all Interested Person Transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual Section B: Rules of Catalyst

The Group has not obtained a general mandate from shareholders in respect of any interested person transactions.

	Aggregated value of all interested person transactions during the financial period under review (excluding transactions conducted under share holders' mandate pursuant to Rule 920)	Aggregated value of all interested person transactions conducted under share holders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	FY2015	FY2015
	RMB'000	RMB'000
Rental expenses incurred for lease of office premises owned by NHW Pte. Ltd. (which is owned by Ng Hong Whee, Executive Director and Chief Executive Officer of the Company) ⁽¹⁾	87	-

Note:

(1) Ng Hong Whee had ceased to be a director of the Company with effect from 7 July 2015.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Group	Gypsum ore and powder	Alumina products	Coal products	Property development	Unallocated	Total
FY2015	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue by Segment	34,459	643,785	14,185	-	-	692,429
Total revenue	34,459	643,785	14,185	-	-	692,429
Recurring EBITA	4,833	9,217	403	8,456	-	22,831
Depreciation and amortisation	(4,293)	(143)	(16)	-	(211)	(4,585)
Impairment of development property	-	-	-	(9,385)	-	(9,385)
ORBIT	540	9,074	387	(929)	(211)	8,861
Interest income	60	3,033	-	2,242	-	5,335
Finance costs	-	(34)	-	(3,644)	(2,340)	(6,018)
Unallocated corporate expenses					(21,334)	(21,334)
Profit before income tax						(13,156)
Income tax expenses						(5,583)
Net profit attributable to shareholders						(18,739)
Assets and Reconciliation						
Total assets for reportable segment	52,295	59,500	41,655	64,291	-	217,741
Unallocated:						
Property, plant and equipment	-	-	-	-	1,127	1,127
Other assets, current	-	-	-	-	7	7
Cash and cash equivalents	-	-	-	-	6,104	6,104
Total group assets	52,295	59,500	41,655	64,291	7,238	224,979
Liabilities and Reconciliation						
Total liabilities for reportable segment	9,737	40,439	1,257	27,613	-	79,046
Unallocated:						
Deferred tax liabilities	-	-	-	-	1,600	1,600
Income tax payables	-	-	-	-	57	57
Trade and other payables	-	-	-	-	11,019	11,019
Other financial liabilities	-	-	-	-	18,287	18,287
	9,737	40,439	1,257	27,613	30,963	110,009

Group	Gypsum ore and powder	Alumina products	Coal products	Property development	Unallocated	Total
FY2014	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue by Segment	47,064	845,108	-	-	-	892,172
Total revenue	47,064	845,108	-	-	-	892,172
Recurring EBITA	8,879	9,437	(115)	(227)	-	17,974
Depreciation and amortisation	(3,932)	(67)	(16)	-	(305)	(4,320)
ORBIT	4,947	9,370	(131)	(227)	(305)	13,654
Interest income	55	35	-	-	8	98
Finance costs	(41)	-	-	-	(1,063)	(1,104)
Unallocated corporate expenses					(9,412)	(9,412)
Profit before income tax						3,236
Income tax expenses						(3,620)
Net profit attributable to shareholders						(384)
Assets and Reconciliation						
Total assets for reportable segment	58,626	27,965	106	53,584	-	140,281
Unallocated:						
Property, plant and equipment					1,647	1,647
Investment property						-
Deferred tax asset					1,063	1,063
Trade and other receivables					-	-
Other assets, current					46	46
Cash and cash equivalents					7,478	7,478
Total group assets	58,626	27,965	106	53,584	10,234	150,515
Liabilities and Reconciliation						
Total liabilities for reportable segment	12,502	13,740	7	1,168	-	27,417
Unallocated:						
Deferred tax liabilities					307	307
Income tax payables					1,951	1,951
Trade and other payables					2,056	2,056
Other financial liabilities					20,375	20,375
	12,502	13,740	7	1,168	24,689	52,106

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8 for further details.

16. A breakdown of sales

	31 December 2015	Group Year ended 31 December 2014	Increase/(Decrease)
	RMB'000	RMB'000	%
(a) Sales reported for the first half year	355,603	381,542	(6.7)
(b) Operating (loss)/profit after tax before deducting minority interests reported for first half year	(2,555)	1,266	(3)
(c) Sales reported for the second half year	336,826	510,630	(34.0)
(d) Operating loss after tax before deducting minority interests reported for second half year	(16,184)	(1,610)	Not meaningful

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

- (a) Ordinary**
- (b) Preference**
- (c) Total**

Not applicable. No dividend has been declared or recommended for the financial years ended 31 December 2015 and 31 December 2014.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below.

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalist of the SGX-ST, none of the employees occupying managerial positions in the Company or any of its principal subsidiaries are relatives of the Directors or Chief Executive Officer or substantial shareholders of the Company.

19. Use of proceeds from the Placement Issue

The net proceeds from the placement completed on 16 December 2015 was approximately S\$5.469 million (after deducting related expenses of S\$7,550) has been partially utilised as follows:

	Amount allocated- initial	Amount utilised	Balance
	(S\$'000)	(S\$'000)	(S\$'000)
Use of net proceeds			
Expansion of the business of Orion Resources Pte. Ltd	4,922	4,371	551
General working capital for the Group	547	-	547
Total	5,469	4,371	1,098

BY ORDER OF THE BOARD

Chu Ming Kin

*Executive Chairman and
Chief Executive Officer*

29 February 2016

This announcement has been prepared by Sincap Group Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.