

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

PROPOSED PLACEMENT OF 91,400,000 NEW ORDINARY SHARES IN THE CAPITAL OF SINCAP GROUP LIMITED

1. INTRODUCTION

The board of directors ("**Directors**") (the "**Board**") of Sincap Group Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 19 November 2015 entered into a placement agreement ("**Placement Agreement**") with the placees listed in the table as set out in paragraph 2.3 below ("**Placees**"), pursuant to which the Placees will subscribe for, and the Company will allot and issue to the Placees, 91,400,000 new ordinary shares in the capital of the Company ("**Shares**") ("**Placement Shares**") at an issue price of S\$0.06 per Placement Share ("**Placement Price**"), amounting to an aggregate consideration of S\$5,484,000.00, subject to and upon the terms of the Placement Agreement ("**Proposed Placement**").

The Proposed Placement is non-underwritten and there is no placement agent appointed for the purposes of the Proposed Placement. The Proposed Placement is to be undertaken by way of a private placement pursuant to Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the allotment and issue of the Placement Shares.

2. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

2.1 Placement Price

The Placement Price represents a premium of approximately 7.14% to the volume average weighted price of the Company's shares ("**Shares**") of S\$0.056 based on trades done on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 17 November 2015, being the last traded market day preceding the date on which the Placement Agreement was signed.

2.2 Placement Shares

The Placement Shares are to be issued pursuant to the general share issue mandate given by shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 30 April 2015 ("**2015 AGM**") ("**General Mandate**").

The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) as at the date of the 2015 AGM, of which the aggregate number of shares to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares) as at the date of the 2015 AGM. As at 30 April 2015, the Company had 354,604,000 Shares in issue. Accordingly, the total number of shares that may be issued pursuant to the General Mandate is 354,604,000 Shares, of which the maximum number of Shares to be issued other than on a *pro rata* basis is 177,302,000 Shares.

As at the date of this announcement, 38,000,000 Shares ("**Orion Shares**") have been issued on 18 September 2015 pursuant to the General Mandate at an issue price of S\$0.054 per Share, as consideration for the acquisition by the Company of 51% of the total issued share capital of Orion Energy Resources Pte. Ltd. ("**Orion Acquisition**"). Please refer to the

Company's announcements dated 1 April 2015, 18 May 2015, 2 July 2015, 31 July 2015, 9 September 2015 and 18 September 2015 for more information on the Orion Acquisition.

As such, following the issuance of the Orion Shares, the maximum number of Shares that may be issued other than on a *pro rata* basis pursuant to the General Mandate is 139,302,000 Shares. The proposed allotment and issuance of 91,400,000 Placement Shares will fall within the limits of the General Mandate.

The Placement Shares represent approximately 23.28% of the existing issued and paid-up share capital of the Company comprising 392,604,000 Shares ("**Existing Share Capital**") and approximately 18.88% of the enlarged issued and paid-up share capital comprising 484,004,000 Shares ("**Enlarged Share Capital**") upon completion of the Proposed Placement .

The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing Share(s), except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of completion of the Proposed Placement.

2.3 Information on the Placees

The details of the Placees, including the respective number of Placement Shares to be allotted and issued to each of the Placee, are as follows:

No	Name of Placee	Number of Placement Shares	Details on how the Placee was identified	Rationale for the Placee's subscription of the Placement Shares	Background Information on Placee
1.	Zhu Canxing	14,000,000	Introduced by the Chairman and Chief Executive Officer ("CEO") of the Company	Private investor who has invested in the Proposed Placement for investment purposes	Director of 福建省美耐宝餐具有限责任公司
2.	Asri Bin Salleh	12,500,000	Introduced by an independent Director of the Company	Private investor who has invested in the Proposed Placement for investment purposes	Director of Eternal Asia (S) Pte. Ltd. ("EAS")
3.	Chua Ee Wee	12,500,000	Introduced by an independent Director of the Company	Private investor who has invested in the Proposed Placement for investment purposes	VP Corporate of EAS
4.	Chua Chiong Boon	12,500,000	Introduced by an independent Director of the Company	Private investor who has invested in the Proposed Placement for investment purposes	Business owner of Trading business
5.	Wee Guan Kiat	12,500,000	Introduced by an independent Director of the Company	Private investor who has invested in the Proposed Placement for investment purposes	VP Product Marketing of EAS
6.	Zhu Shiyuan	10,500,000	Introduced by the Chairman and CEO of the Company	Private investor who has invested in the Proposed Placement for investment purposes	Director of 福建省美耐宝餐具有限责任公司
7.	Chua Eu Liam	5,000,000	Introduced by the Chairman and CEO of the Company	Private investor who has invested in the Proposed Placement for investment purposes	Retired civil servant/professional investor
8.	Pao Kiew Tee	3,400,000	Introduced by the Chairman and CEO of the	Private investor who has invested in the Proposed Placement for investment	Senior Group Director of Auditor General's Office

			Company	purposes	
9.	Ong Boon Kin Lloyd	2,500,000	Introduced by an external broker	Private investor who has invested in the Proposed Placement for investment purposes	Executive Director of Special Situation Department with Huawei Tech Investments Co. Ltd.
10.	Kevin Balhetchet	2,500,000	Introduced by an external broker	Private investor who has invested in the Proposed Placement for investment purposes	Accredited investor
11.	Cai Song Han	2,000,000	Introduced by an external broker	Private investor who has invested in the Proposed Placement for investment purposes	Business in property development / manufacturing and hotels
12.	Lin Jianqing	1,500,000	Introduced by the Chairman and CEO of the Company	Private investor who has invested in the Proposed Placement for investment purposes	Director of 福建省美耐宝餐具有限责任公司

No commission is payable in connection with the Proposed Placement.

Mr Asri Salleh, Mr Wee Guan Kiat & Mr Chua Ee Wee are colleagues of Mr Ian Tan Tee Hiang, an Independent Director of the Company, at EAS. Mr Chua Chiong Boon is a business associate to Mr Ian Tan Tee Hiang as Mr Chua Chiong Boon is a shareholder of a subsidiary company of EAS. Mr Pao Kiew Tee and the Company's Independent Director, Mr Bay Cheow Guan David are common directors of Imperium Crown Ltd. Save as disclosed, the Placees are investors who have no connection (including business relationships) with the Company, its Directors and substantial shareholders, and are not persons to whom the Company is prohibited from issuing shares to, as provided by Rule 812 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Placees expressed interest to separately invest in the Company and the Company agreed to place the Placement Shares to them.

As at the date of this announcement, no Placees hold any Shares in the Company. Upon completion of the Proposed Placement, none of the Placees will hold more than 5.0% of the Enlarged Share Capital. The Proposed Placement would not result in any transfer of controlling interest in the Company. Under the Placement Agreement, each Placee has warranted to the Company that he does not fall within the class of restricted persons to whom placements must not be made by the Company pursuant to Rule 812(1)(a) to (d) of the Catalist Rules.

To the best of the Company's knowledge, there is no agreement, arrangement or understanding between any of the Placees or any shareholder of the Company to acquire Shares to obtain or consolidate effective control of the Company, and the Placee is not a party acting in concert with any shareholder of the Company, as defined in The Singapore Code on Takeovers and Mergers. No share borrowing arrangement has been entered into to facilitate the Proposed Placement.

2.4 Conditions Precedent

Completion of the Proposed Placement is conditional upon, *inter alia*:

- (a) the listing and quotation notice from the SGX-ST for the listing and quotation of the Placement Shares on Catalist being obtained from the SGX-ST and not having been revoked or amended, and where such notice is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on Catalist are required to be fulfilled on or before the completion date of the Placement Agreement, they are so fulfilled;
- (b) the allotment, issue and placement of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Placement Agreement

by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company; and

- (c) there having been, as at the completion date of the Placement Agreement, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in the Placement Agreement if they were repeated on and as of such completion date.

If any of the conditions is not satisfied on or before the date falling within one (1) month from the date of the Placement Agreement or such other date as the Company may elect, the Proposed Placement will not proceed.

2.5 Completion

Completion is scheduled to take place three (3) clear market days after the conditions precedent in the Placement Agreement have been satisfied or otherwise waived in writing by the relevant parties.

2.6 Additional Listing Application

The sponsor of the Company, PrimePartners Corporate Finance Pte. Ltd., will be submitting an application for and on behalf of the Company to the SGX-ST for the listing of and the quotation for the Placement Shares on Catalist. The Company will make the necessary announcement(s) once the listing and quotation notice for the Placement Shares on Catalist has been obtained from the SGX-ST.

3. PURPOSE OF ISSUE AND USE OF PROCEEDS

Based on the Placement Price, the estimated amount of proceeds from the Proposed Placement (after deducting estimated expenses of approximately S\$16,000) will be approximately S\$5,468,000 ("**Net Proceeds**").

The Company intends to use the Net Proceeds for general working capital purposes and for the expansion of the business of Orion Energy Resources Pte. Ltd., in the following estimated proportions:

Use of Proceeds	Percentage Allocation
General working capital	10%
Expansion of the business of Orion Energy Resources Pte. Ltd.	90%

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Placement as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds raised from the Proposed Placement in the Company's interim and full year financial statements and the Company's annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Net Proceeds from the Proposed Placement, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit, from time to time.

The Directors are of the opinion that, after taking into consideration the present bank facilities available, the working capital available to the Group is sufficient to meet its present requirements and that the reasons for the Proposed Placement are, *inter alia*, to [strengthen

the Group's working capital] and for the expansion of the business of Orion Energy Resources Pte. Ltd..

4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects of the Proposed Placement set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Placement. The table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:

- (a) the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**");
- (b) the financial effect on the consolidated net tangible asset ("**NTA**") per Share is computed based on the assumption that the Proposed Placement was completed on 31 December 2014;
- (c) the financial effect on the consolidated earnings per Share ("**EPS**") is computed based on the assumption that the Proposed Placement was completed on 1 January 2014;
- (d) the Orion Shares have been issued on 1 January 2014;
- (e) the Proposed Placement of 91,400,000 Placement Shares at the Placement Price of S\$0.06 each; and
- (f) the Net Proceeds are converted based on the exchange rate of RMB4.6926 to S\$1.00.

	Before completion of Proposed Placement	After completion of Proposed Placement
Paid-up share capital (RMB'000)	97,261	122,959
No. of Shares	392,604,000	484,004,000
NTA (RMB'000)	88,222	113,883
NTA per Share (RMB cents)	22.47	23.53
EPS (RMB cents)	(0.16)	(0.10)

5. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Placement. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Placement other than through their respective shareholdings in the Company.

7. RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

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

8. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in trading their Shares. The completion of the Proposed Placement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

9. DOCUMENTS FOR INSPECTION

A copy of the Placement Agreement is available for inspection at the Company's registered office at 28 Sin Ming Lane, #08-131 Midview City, Singapore 573972, for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

CHU MING KIN

Chairman and Chief Executive Officer

19 November 2015

*This announcement has been prepared by the Company and its contents have been reviewed by 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 Catalyst.*

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.