

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

**UPDATE ON DEFAULT ON LOAN PAYMENT OF THE COMPANY'S
SUBSIDIARY IN AUSTRALIA – SCL MURRAY PTY. LTD. (“SCL MURRAY”)**

The Board of Directors (“**Board**”) of Sincap Group Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) refers to the Company’s previous announcements dated 3 December 2015, 4 September 2017, 7 September 2017, 22 December 2017, 11 May 2018 and 5 September 2018 in relation to the default in payment of an outstanding loan amount owed to SCL Murray.

All capitalised terms in this announcement shall have the same meanings as ascribed to them in the aforementioned announcements unless otherwise defined.

Second Settlement Agreement

As announced in the Company’s announcement dated 5 September 2018, the Company and SCL Murray (the “**Sincap Parties**”) had previously agreed with Mr Damon Ferguson, Mr Chad Ferguson, Mr Anthony Hatt (the “**Individuals**”) and Richardson 1 Pty Ltd (“**R1PL**”) (the Individuals and R1PL together, the “**Defaulting Parties**”) on a conditional settlement in relation to the claims which the Sincap Parties have against the Defaulting Parties. The terms of the settlement were recorded in a settlement agreement (the “**Second Settlement Agreement**”).

Subsequent Developments

Subsequent to the announcement of the Second Settlement Agreement on 5 September 2018, the Defaulting Parties had been in advanced negotiations with a potential new financier to provide refinancing for the development of the Property. Due to unforeseen circumstances, the said refinancing did not materialise. Accordingly, the Second Settlement Agreement, which hinged on the refinancing and the eventual completion of the development of the Property, was rendered untenable.

The Defaulting Parties approached the Sincap Parties to work out alternative solutions and negotiations have led to the parties agreeing on a debt workout programme. On 30 January 2019, the Sincap Parties entered into an agreement with the Defaulting Parties and the development company run by the Individuals (the “**Guarantor**”) which records the terms and conditions of such debt workout programme (the “**Third Settlement Agreement**”).

The debt workout programme is premised on the following:

1. The Defaulting Parties will repay the outstanding amount owed to the Sincap Parties progressively under an instalment plan.
2. To secure the performance of the Defaulting Parties’ obligations under the Third Settlement Agreement, the Sincap Parties have also obtained a corporate guarantee and indemnity from the Guarantor. In the event of any breach or default by the Defaulting Parties under the Third Settlement Agreement, the Sincap Parties may demand full and immediate repayment from the Guarantor.

The Board is of the view that such an arrangement is most likely to ensure greater certainty of recovery from the Defaulting Parties.

CAUTION IN TRADING

Shareholders of the Company are advised to exercise caution in trading their shares, and to refrain from taking any action in respect of their shares which may be prejudicial to their interests. There is no certainty or assurance as at the date of this announcement that the Individuals will fulfil their obligations under the Third Settlement Agreement. 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. In the event of any doubt, shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors.

BY ORDER OF THE BOARD
SINCAP GROUP LIMITED

Chu Ming Kin

Executive Chairman and Chief Executive Officer
30 January 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr. Bernard Lui, Telephone: +65 63893000, Email: bernard.lui@morganlewis.com.*