

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

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**PROPOSED PLACEMENT OF UP TO 450,250,000 NEW ORDINARY  
SHARES IN THE CAPITAL OF SINCAP GROUP LIMITED**

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**1. INTRODUCTION**

- 1.1 The Board of Directors (the “**Board**”) of Sincap Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 30 August 2017, entered into a conditional placement agreement (the “**Placement Agreement**”) with KGI Securities (Singapore) Pte Ltd as placement agent (the “**Placement Agent**”).
- 1.2 Pursuant to the Placement Agreement, the Company has agreed to offer, by way of placement, and the Placement Agent has agreed to procure subscriptions on a best efforts basis for, an aggregate of up to 450,250,000 new ordinary shares in the capital of the Company (the “**Placement Shares**”), at an issue price to be agreed between the Company and the Placement Agent but which shall not be less than S\$0.018 per Placement Share (the “**Issue Price**”), amounting to an aggregate consideration of not less than S\$8,104,500 (the “**Proposed Placement**”).
- 1.3 Assuming that the Placement Shares are fully subscribed, the Placement Shares represent approximately 49.99% of the existing issued and paid-up share capital of the Company of 900,500,410 ordinary shares as at the date of this announcement (excluding treasury shares). Immediately after completion of the Proposed Placement and assuming that no further shares are issued prior thereto, the Proposed Placement will increase the issued and paid-up share capital of the Company to 1,350,750,410 ordinary shares and the Placement Shares represent approximately 33.33% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares).

**2. GENERAL MANDATE**

- 2.1 The Placement Shares will be allotted and issued pursuant to the general mandate granted by the shareholders of the Company (the “**Shareholders**”) at the annual general meeting of the Company held on 26 April 2017 (the “**General Mandate**”). As such, no circular will be issued by the Company in connection with the Proposed Placement.
- 2.2 Under the General Mandate, the Board is authorised to issue new ordinary shares in the capital of the Company, on the basis that the total number of issued shares and instruments to be issued other than on a pro rata basis to existing Shareholders must be not more than 50% of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company as at the time of the passing of the resolution approving the General Mandate (the “**Relevant Time**”), after adjusting for, amongst other, new shares arising from the conversion or exercise of any instruments.
- 2.3 The total number of ordinary shares (excluding treasury shares) in the capital of the Company as at the Relevant Time was 900,500,410. As at the date of this announcement, the Company has not issued any Shares under the General Mandate, and no event has occurred which would result in any adjustment in the number of Shares on which the General Mandate is based. As such, the maximum number of shares that may be issued pursuant to the General Mandate other than on a pro rata basis to existing shareholders is 450,250,205 new ordinary shares. The proposed allotment and issuance of up to 450,250,000 Placement Shares will fall within the limits of the General Mandate.

### 3. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

#### 3.1 Issue Price

Based on the Issue Price of S\$0.018 per Placement Share, this represents a discount of approximately 10% to the weighted average price of the Shares of S\$0.020 per Share for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 30 August 2017 (being the full market day on which the Placement Agreement was signed).

#### 3.2 Ranking

The Placement Shares, when allotted and issued, shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing ordinary shares, 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 issue of the Placement Shares.

#### 3.3 Conditions Precedent

Completion under the Placement Agreement is conditional upon:

- (a) completion of the sale of the Company’s equity interest in its subsidiary, Beijing Raffles Investment Advisory Co. Ltd.;
- (b) the Company having received the approval-in-principle for the listing and quotation of the Placement Shares on the SGX-ST and such approval not having been revoked or amended, and, where such approval is subject to conditions, such conditions being acceptable to the Placement Agent and the Company, and, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled, they are so fulfilled;
- (c) the transactions contemplated in the Placement Agreement not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority (including without limitation, the Monetary Authority of Singapore and the SGX-ST)) in Singapore or other jurisdictions which is applicable to the Company, the Placement Agent, or the placees;
- (d) the determination of the final Issue Price by the Placement Agent, in consultation with the Company,

(collectively, the “**Conditions Precedent**”).

If the Conditions Precedent are not fulfilled on or before the date falling 6 month(s) after the date of the Placement Agreement, the Placement Agreement shall *ipso facto* cease and all rights and liabilities of the Company and the Placement Agent shall cease and neither shall have any claim against the other save in respect of any antecedent breach of the Placement Agreement.

#### 3.4 Completion

Completion under the Placement Agreement (“**Completion**”) shall take place on a date to be agreed between the Company and the Placement Agent after all the Conditions Precedent have been fulfilled.

#### 3.5 Additional Listing Application

The Sponsor of the Company, Stamford Corporate Services Pte. Ltd., will be making an application on behalf of the Company to the SGX-ST for the listing and quotation of the Placement Shares on the Catalist of the SGX-ST. The Company will make the necessary

announcement in due course upon obtaining the listing and quotation notice from the SGX-ST.

### **3.6 Commission**

In consideration of the Placement Agent procuring subscribers for the Placement Shares, the Company shall pay a commission of 1% of the gross proceeds raised pursuant to the Proposed Placement.

The Proposed Placement is non-underwritten.

### **3.7 General**

The Placement Shares will not be offered to nor shall subscriptions be procured from persons who fall within the categories set out in Rule 812(1) of Section B: Rules of Catalist of the Listing Manual of the SGX-ST ("**Rules of Catalist**") unless Rule 812(3) of the Rules of Catalist applies.

In addition, the issuance of the Placement Shares will not be made without the prior approval of the Company's shareholders in a general meeting if such issuance would bring about a transfer of controlling interest.

There is no moratorium imposed on the Placement Shares.

## **4. RATIONALE AND USE OF PROCEEDS**

4.1 Based on the Issue Price of S\$0.018 per Placement Share and assuming that the Placement Shares will be taken up in full, the Proposed Placement will allow the Company to raise net cash proceeds (after deducting estimated expenses of approximately S\$100,000) of approximately S\$8,004,500 (the "**Net Proceeds**"), which will be utilised as follows:

(a) 90% of the Net Proceeds will be used (i) to support current businesses as carried out by the Company's subsidiaries (Orion Energy Resources Pte. Ltd. and Sincap Properties Pte. Ltd), and (ii) for business development and to provide liquidity for business expansion through acquisitions, joint ventures and collaborations; and

(b) 10% of the Net Proceeds will be used as general working capital purposes.

4.2 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such Net Proceeds are materially disbursed, and whether the use of Net Proceeds is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company's interim and full-year financial statements and annual report(s). 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 proceeds, the Company will announce the reasons for such deviation.

4.3 Pending deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or debt instruments or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit from time to time.

4.4 The Company has decided to undertake the Proposed Placement to strengthen the Group's financial position and flexibility to capitalise on growth opportunities. The Proposed Placement will result in an injection of funds into the Company to fund the growth of the Group's business and for general working capital purposes.

4.5 It is noted that the Company had recently raised S\$3,798,304.10 ("**Rights Issue Amount**") through the completion of the rights issue exercise as announced on 7 April 2017. Due to

issues raised through a letter from the management and employees' union of Shandong Luneng Taishan Mining Co., Ltd. as announced by the Company on 9 March 2017, the Rights Issue Amount raised is substantially lesser than the initial amount of S\$25,880,000 intended to be raised through the rights issue as set out in the announcement of 9 December 2016, therefore the Company is embarking on this Proposed Placement to raise further funds for the purposes as set out in Paragraph 4.1 above.

## 5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

For illustrative purposes only, based on the latest audited consolidated financial statements of the Company and the Group for the financial year ended 31 December 2016, the financial effects of the Proposed Placement on the Group are calculated based on the following assumptions:

- (a) the computations are purely for illustrative purposes only and do not reflect the actual financial results and financial position of the Group after completion of the Proposed Placement;
- (b) for the purpose of computing the effect of the Proposed Placement on the net tangible assets ("NTA") per Share, it is assumed that the Proposed Placement was completed on 31 December 2016;
- (c) for the purpose of computing the effect of the Proposed Placement on the Loss per Share ("LPS"), it is assumed that the Proposed Placement was completed on 1 January 2016; and
- (d) the Net Proceeds are converted based on the exchange rate of RMB4.8780 to S\$1.

### Share Capital

|   | Number of Shares | Share Capital (RMB'000) |
|---|------------------|-------------------------|
| Issued and paid-up share capital before allotment of Placement Shares | 520,670,000      | 133,252                 |
| Issued and paid-up share capital after allotment of Placement Shares  | 970,920,000      | 172,390                 |

### NTA

|   | Before the allotment of Placement Shares | After the allotment of Placement Shares |
|---|--|---|
| Consolidated NTA attributable to Shareholders (RMB'000) | 121,045                                  | 160,183                                 |
| Number of issued Shares                                 | 520,670,000                              | 970,920,000                             |
| NTA per Share (RMB cents)                               | 23.25                                    | 16.50                                   |

## LPS

|   | <b>Before the allotment of<br/>Placement Shares</b> | <b>After the allotment of<br/>Placement Shares</b> |
|---|---|--|
| Consolidated loss after<br>taxation (RMB'000)                               | (6,819)   | (6,819)  |
| Weighted average number of<br>shares for the year ended<br>31 December 2016 | 498,268,581   | 948,518,581  |
| LPS (RMB cents)   | (1.37)  | (0.72)   |

It should be noted that such financial effects are 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 completion of the Proposed Placement.

### 6. DIRECTORS' CONFIRMATION

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the foregoing, the purpose of the Proposed Placement is to support current businesses and for business development and to provide liquidity for business expansion through acquisitions, joint ventures and collaborations.

In the reasonable opinion of the Directors, no minimum amount must be raised from the Proposed Placement.

Notwithstanding the above, the Company has decided to undertake the Proposed Placement as explained in paragraph 4 above.

### 7. NO PROSPECTUS OR OFFER INFORMATION STATEMENT TO BE ISSUED

The Proposed Placement will be undertaken pursuant to Sections 272B and/or 275 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 Proposed Placement.

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

None of the Directors or, to the best of the Company's knowledge, the substantial shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Proposed Placement (other than through their respective shareholdings in the Company) except that the Placement Agent may elect to place the Placement Shares to substantial shareholders as permitted under and subject to Rule 812(3) of the Rules of Catalist.

### 9. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. There is no certainty or assurance as at the date of this announcement that the proposed allotment and issuance of the Placement Shares 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.

## **10. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors 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 and the Group, 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.

### **BY ORDER OF THE BOARD**

**CHU MING KIN**  
**CHAIRMAN AND CHIEF EXECUTIVE OFFICER**  
**30 August 2017**

*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 SGX-ST assumes 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](mailto:bernard.lui@morganlewis.com).*