

SINCAP GROUP LIMITED

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

UPDATE ON THE USE OF NET PROCEEDS FROM THE PLACEMENT (AS DEFINED HEREIN)

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Company's circular dated 10 June 2014 (the "Circular") and 16 July 2014 (the "Acquisition Announcement").

The board of directors (the "**Board**") of Sincap Group Limited (the "**Company**") refers to the Circular in relation to the placement of up to 175,500,000 new ordinary shares in the capital of the Company (the "**Placement**") and the Acquisition Announcement.

In accordance with paragraph 3.8 of the Circular, the original intention of the Company was to use up to ninety per cent. (90%) of the net proceeds from the Placement to fund the Proposed New Business and the balance towards general working capital for the Group. Following the identification of the Property as announced by the Company on 7 July 2014, the Company has noted that the total cash consideration that is payable for the Property exceeds ninety per cent. (90%) of the net proceeds from the Placement. Accordingly, the Company has proceeded to also use the remaining ten per cent. (10%) of the net proceeds towards funding the total cash consideration.

The net proceeds from the Placement have therefore been fully utilised for the payment of the purchase consideration and incidental expenses incurred for the acquisition of the Property in Australia in line with the Company's proposed diversification strategy into property development and property investment.

BY ORDER OF THE BOARD

LUN CHEE LEONG
Company Secretary

18 July 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**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 and 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.

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