

SINCAP GROUP LIMITED

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

NON-BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF ORION ENERGY RESOURCES PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Sincap Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has entered into a non-binding memorandum of understanding (the “**MOU**”) dated 1 April 2015 with Ms Wang Li (the “**Vendor**”, and together with the Company, the “**Parties**” and each a “**Party**”) in relation to the proposed acquisition of the Vendor’s entire equity interest in Orion Energy Resources Pte. Ltd. (“**Orion**” or the “**Target Company**”) by the Company (hereinafter referred to as the “**Proposed Acquisition**”).

The MOU is not intended to be legally binding between the Parties, except for certain provisions relating to, *inter alia*, exclusivity and confidentiality.

2. INFORMATION ON THE TARGET COMPANY AND THE VENDOR

2.1 Information on the Target Company

Orion is a Singapore-incorporated company with an issued and paid-up share capital of S\$10,000 comprising 10,000 ordinary shares. The Vendor is the legal and beneficial owner of the entire issued and paid-up share capital of Orion.

Orion is a company engaged in mineral trading and logistics management. It is currently supplying weekly shipments of coal to power plants owned by a state-owned enterprise in China. Orion also has direct access to major traders and mine owners in Indonesia and thus is able to secure a stable supply of coal to fulfill the long term needs of the power plants owned by a state-owned enterprise in China.

2.2 Information on the Vendor

The Vendor is a businesswoman with 10 years of experience in trading minerals and resources in South East Asia and China.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Company’s overall growth strategy to expand and establish growing revenues under its core business of mineral and resources trading. The Company believes that the Proposed Acquisition will provide the Company with a potential for growth, to the benefit of the Company and its Shareholders.

4. PRINCIPAL TERMS

4.1 Proposed Acquisition

The Parties are in negotiations with a view for the Company to acquire, and the Vendor to sell, the entire issued and paid-up capital of the Target Company (the “**Sale Shares**”) for a

consideration ("**Consideration**") to be agreed upon by the Parties.

4.2 Consideration

The Consideration shall be satisfied by (a) the issuance and allotment of such number of new ordinary shares ("**Consideration Shares**") in the capital of the Company at an issue price to be agreed upon; or (b) payment of cash; or (c) by part-cash part-shares basis, to be discussed and agreed upon.

4.3 Due Diligence

The completion of the Proposed Acquisition shall be subject to the completion of satisfactory financial, operational and legal due diligence to be conducted by the Company on Orion. The Parties have agreed that the Company shall complete the due diligence process within 45 days commencing from the date of the MOU (the "**Due Diligence Period**"). The Parties may exercise the option to extend the Due Diligence Period by fifteen (15) days.

4.4 Exclusivity

In consideration of the time, costs and expenses incurred or to be incurred by each Party for due diligence and negotiations, the Parties shall deal exclusively with each other from the date of the MOU up to the end of the Due Diligence Period and a definitive sale and purchase agreement in respect of the Proposed Acquisition (the "**Definitive Agreement**") is signed and completed.

5. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the MOU, save through their respective shareholdings in the Company (if any).

6. **FURTHER ANNOUNCEMENT**

The Company will make further announcements upon the execution of the Definitive Agreement and/or when there are material developments in respect of the Proposed Acquisition.

7. **TRADING CAUTION**

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Definitive Agreement will be entered into on the terms and conditions set out in the MOU or the Proposed Acquisition will be undertaken at all.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

LUN CHEE LEONG
Company Secretary

1 April 2015

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

The contact person for the Sponsor is Ms. Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.