

# SINCAP GROUP LIMITED

(Incorporated in the Republic of Singapore on 10 March 2010)  
(Company Registration No. 201005161G)

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## PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 2,603,350,000 NEW ORDINARY SHARES OF THE COMPANY

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### 1. INTRODUCTION

The board ("**Board**") of Directors (the "**Directors**") of Sincap Group Limited (the "**Company**") wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the "**Rights Issue**") of up to 2,603,350,000 new ordinary shares of the Company (the "**Rights Shares**") on the basis of five (5) Rights Shares for every one (1) existing ordinary share in the capital of the Company (the "**Shares**") held by the shareholders of the Company (the "**Shareholders**") as at a books closure date to be determined by the Directors, at and on which the Register of Members (as herein defined) and the Transfer Books (as herein defined) will be closed to determine the provisional allotment of the Rights Shares of the Entitled Shareholders (as herein defined) under the Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded.

The Company will be seeking for approval from the Shareholders for, *inter alia*, the issue and allotment of the Rights Shares at an issue price of S\$0.01 per Rights Share at an extraordinary general meeting to be convened (the "**EGM**") as the issue and allotment of the Rights Shares exceeds the limits set under the current general share issue mandate of the Company approved by Shareholders in the annual general meeting held earlier on 26 April 2016.

### 2. DETAILS OF RIGHTS ISSUE

#### 2.1 Terms of Rights Issue

The Company is offering up to 2,603,350,000 Rights Shares at an issue price of S\$0.01 per Rights Share (the "**Issue Price**"), on the basis of five (5) Rights Shares for every one (1) existing Share held by Entitled Shareholders (as defined below) as at the Books Closure Date.

Entitled Shareholders (as defined below) will be at liberty to accept (in full or in part), decline, or otherwise renounce or in the case of Entitled Depositors only, trade (during the provisional allotment trading period prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) their provisional allotment of Rights Shares and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. The Rights Issue cannot be withdrawn after the commencement of ex-rights trading.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company.

It is hereby disclosed and confirmed that, in the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and substantial shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for rounding of odd lots and allotment of excess Rights Shares.

The Company will not make any allotment and issue of any Rights Shares (whether through provisional allotments, purchase of provisional allotments and/or application for excess Rights Shares) that will result in a transfer of controlling interest in the Company.

The Rights Shares are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

## **2.2 Size of Rights Issue**

As at the date of this announcement, the issued share capital of the Company comprises 520,670,000 Shares (the “**Existing Share Capital**”). As at date of the announcement, there are no outstanding convertible securities issued by the Company.

Based on the Existing Share Capital and assuming (i) no new Shares are issued on or prior to the Books Closure Date; and (ii) all the Entitled Shareholders subscribe in full and pay for their *pro-rata* entitlements of Rights Shares, the Company will issue 2,603,350,000 Rights Shares under the Rights Issue.

## **2.3 Issue price and Exercise Price**

The Issue Price of S\$0.01 per Rights Share represents (a) a discount of approximately 60.0 per cent. to the last traded price of S\$0.025 per share for Shares traded on the Catalist of the SGX-ST (“**Catalist**”) on 2 December 2016, being the last Market Day (as defined below) before this announcement on which Shares were traded on the Catalist; and (b) a discount of approximately 20.0 per cent. to the theoretical ex-rights price of S\$0.013 per share (being the theoretical market price of each Share assuming the completion of the Rights Issue, and which is calculated based on the closing price of S\$0.025 per Share on the SGX-ST on 2 December 2016, being the last Market Day being the date of this announcement, and the total number of Shares following the completion of the Rights Issue).

## **2.4 Non-Underwritten Rights Issue**

The Directors are of the opinion that there is no minimum amount which must be raised from the Rights Issue. Hence, in view of the above and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares by any of the substantial Shareholders (if such substantial Shareholder chooses to subscribe for its *pro-rata* entitlement) to avoid placing the relevant substantial Shareholder in the position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers as a result of other Shareholders not taking up their Rights Shares entitlement fully.

## **2.5 Offer Information Statement**

The terms and conditions of the Rights Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Rights Issue will be contained in the offer information statement (the “**Offer Information Statement**”), to be lodged with the SGX-ST, acting as an agent on behalf of the Monetary Authority of Singapore (the “**Authority**”), and to be despatched by the Company to Entitled Shareholders in due course, subjected to the necessary approvals obtained listed in section 5 of this announcement.

### 3. RATIONALE AND USE OF PROCEEDS

The Company is undertaking the Rights Issue to strengthen the financial position of the Company and its subsidiaries (the “**Group**”). The Rights Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company. The net proceeds arising from the allotment and issuance of the Rights Shares will be used towards expanding the business of the Group, financing business ventures through acquisitions and/or strategic investments and working capital.

There is no minimum amount to be raised from the Rights Issue. For the purposes of Rule 814(1)(e) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), (i) 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 and the Rights Issue is being undertaken for the reason stated in the previous paragraph, and (ii) consequently, they are of the opinion that, after taking into consideration the present bank facilities and the net proceeds of the Rights Issue, the working capital available to the Group is sufficient to meet its present requirements.

The net proceeds arising from the allotment and issuance of all the Rights Shares, after deducting estimated costs and expenses of S\$150,000 relating to the Rights Issue, is approximately S\$25,880,000 (“**Net Proceeds**”). The Company intends to use the Net Proceeds in the proportions as set out below:

Use of Proceeds	Percentage Allocation (%)
For business expansion (which includes but is not limited to the current and/or future businesses of the Group and towards securing any credit facilities for the Group) and financing business ventures through acquisitions, joint ventures, partnerships, cooperation and/or strategic investments	60-70
Working capital purposes	30-40
<b>Total</b>	100

Pending the deployment of the Net Proceeds raised from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities, as the Directors may deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of the proceeds from the Rights Issue as and when such proceeds are materially disbursed and will provide a status report on the use of proceeds from the Rights Issue and where such proceeds have been used for working capital, a breakdown with specific details on how the proceeds have been applied from the Rights Issue in the interim and full year financial statements issued pursuant to Rule 705 of the Catalist Rules and in the annual report(s) of the Company, until such time the proceeds have been fully utilised.

### 4. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

#### 4.1 Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (the “**Depositors**”) will be provisionally allotted Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore must provide CDP, at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being three (3) market days (a market day being a day on which the SGX-ST is open for trading in securities (“**Market Day**”)) prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares.

#### 4.2 Entitled Scripholders

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (the “**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company’s share registrar, RHT Corporate Advisory Pte Ltd. (the “**Share Registrar**”) in order to be registered to determine the transferee’s provisional allotments of the Rights Shares.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, must provide the Share Registrar at 9 Raffles Place #29-01 Republic Plaza Tower 1, Singapore 048619 with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being three (3) Markets Days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares.

The Entitled Depositors and Entitled Scripholders shall be collectively referred to as “**Entitled Shareholders**” in this announcement.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights Shares and application for Excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

#### 4.3 Supplementary Retirement Scheme (“SRS”)

Members under the SRS (“**SRS Members**”) who bought their Shares previously using their account opened with the relevant approved bank (“**SRS Account**”) and who wish to accept their provisional allotments of Rights Shares and apply for excess Rights Shares (if applicable) can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. Such SRS Members who wish to accept their provisional allotments of Rights Shares and apply for excess Rights Shares using SRS monies (if applicable), must instruct the relevant approved banks in which they hold their SRS Accounts to accept their provisional allotments of Rights Shares and apply for excess Rights Shares (if applicable) on their behalf in accordance with the Offer Information Statement. **Any application made directly to CDP or through automated teller machines of any participating bank appointed and named in the Offer Information Statement by such Entitled Shareholders will be rejected.** For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Such Entitled Shareholders should refer to the Offer Information Statement to be lodged with the SGX-ST (acting as agent of the Authority) for important details relating to the offer procedure in a connection with the Rights Issue.

#### 4.4 Foreign Shareholders

For practical reasons and to avoid any violation of securities legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). As such, no provisional allotments of the Rights Shares will be made

to, and no purported acceptance thereof and application therefore by, Foreign Shareholders will be valid.

If it is practicable to do so, arrangements may be made, at the discretion of the Company, for provisional allotments of Rights Shares which would otherwise be provisionally allotted to Foreign Shareholders to be sold "nil-paid" on Catalist as soon as practicable after dealings in the provisional allotments of the Rights Shares commence.

Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them by means of a crossed cheque at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold "nil-paid" on Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in respect of such sales or proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be used to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Shareholders should note that the special arrangement described above would apply only to Foreign Shareholders.

## 5. APPROVALS

The Rights Issue is subject to, *inter alia*,

- (i) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares on the Catalist;
- (ii) the issue and allotment of the Rights Shares at an issue price of S\$0.01 per Rights Share, having been approved by Shareholders at the EGM; and
- (iii) the lodgement of the Offer Information Statement with the SGX-ST (acting as agent of the Authority).

An application will be made to the SGX-ST through the sponsor of the Company, for the listing and quotation of the Rights Shares on the Catalist. The Company will make the relevant announcement upon receipt of the outcome of the application.

A circular to Shareholders containing, *inter alia*, the notice of the EGM in relation to the Rights Issue will be despatched to Shareholders in due course. The Offer Information Statement will be lodged with the SGX-ST (acting as agent of the Authority) and despatched to Entitled Shareholders in due course following the EGM if the Rights Issue is approved at the EGM.

## 6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial shareholders has any interests, direct or indirect, in the Rights Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the company.

## 7. 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 Rights Issue, 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 the 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 the announcement in its proper form and context.

## 8. CAUTIONARY STATEMENT

The Directors would like to advise Shareholders that the Rights Issue is subject to certain conditions being fulfilled and there is no assurance that the Rights Issue would be completed. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the Shares. Shareholders who are in any doubt about this announcement should consult their stockbroker, bank manager, solicitor or other professional adviser.

## BY ORDER OF THE BOARD

Chu Min Kin  
Chairman and Chief Executive Officer  
5 December 2016

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*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.*