

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

RESPONSE TO SGX QUERY IN RELATION TO THE ANNOUNCEMENT ON CESSATION OF MS LINDA ONG AS AN EXECUTIVE DIRECTOR OF THE COMPANY

The board of directors (the "**Board**") of Sincap Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement made by the Company on 14 August 2015 ("**Announcement**") in relation to the cessation of Ms. Linda Ong ("**Ms. Ong**") as an Executive Director of the Company. Pursuant to a query by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to the Announcement, the Board wishes to announce the said query and its response herein.

Query from SGX-ST:

1. It is noted that the reasons stated for Ms. Ong's cessation were "*a lack of disclosure and information from the Executive Officers of the Group and where information were provided, such information were not provided in a timely manner. Further, she is unable to discharge her responsibilities in respect of the results announcement for the half year ended 30 June 2015 of the Company and the Group, given the lack of information and time*". Please provide elaboration on Ms. Ong's comments and the Company's subsequent actions, if any.

The Board's response:

Subsequent to Ms. Ong's resignation on 12 August 2015, members of the Board proactively contacted Ms. Ong to understand and obtain further clarity on the reasons for her resignation. The Board understands from Ms. Ong that the reason for her resignation was the lack of and/or untimely provision of the draft announcement of the Group's financial results for the half year ended 30 June 2015 ("**HY2015 Announcement**"). The Board further notes the following:-

- (a) In late July 2015, Ms. Ong communicated with Mr. Liu Cheng ("**Mr. Liu**"), the Chief Financial Officer of the Company, to request that a draft of the HY2015 Announcement and other related information be provided to her before anyone else, by 6 August 2015. Ms. Ong had explained that her rationale for the above request was so that she could better prepare herself to answer any queries which the Board may have with regard to the HY2015 Announcement. The Board meeting to review and approve the HY2015 Announcement was scheduled on 13 August 2015 ("**Board Meeting**").
- (b) On 7 August 2015, Mr. Liu circulated the draft HY2015 Announcement to Ms. Ong and at the same time, to the rest of the Board, the sponsor of the Company ("**Sponsor**") as well as the company secretary of the Company ("**Company Secretary**").
- (c) On 11 August 2015, Ms. Ong sent an email to the Board, the auditors of the Company, the Sponsor and the Company Secretary stating that she did not wish to take any responsibilities in relation to the HY2015 Announcement.

The current Board (excluding Ms. Ong) ("**Current Board**") discussed with Mr. Liu to better understand the above sequence of events. Mr. Liu explained that the reason for his failure to provide the requested information to Ms. Ong before 6 August 2015 was due to his tight schedule as, on top of his usual responsibilities as a Chief Financial Officer of the Company, he was required to spend considerable amount of time assisting Ms. Ong (who was relatively new on Board) on other matters, *inter alia*, the proposed acquisition of Orion Energy Resources Pte. Ltd. by the Company (as announced on 1 April 2015,

18 May 2015, 2 July 2015 and 31 July 2015), the irregularities of SCL Murray Pty Ltd (as announced on 21 May 2015), and the misappropriation of funds in Shandong Luneng Taishan Mining Co., Ltd. (as announced on 28 July 2015), which were ongoing concurrently.

Mr. Liu further mentioned that despite working overtime and on public holidays, he had only managed to complete the draft HY2015 Announcement on 7 August 2015. In consideration of the Board Meeting to be held on 13 August 2015 and in the interest of time, he circulated the draft HY2015 Announcement to the entire Board, the Sponsor and the Company Secretary for concurrent review. Subsequently, Mr. Liu did not receive any request for information and/or clarification from Ms. Ong in relation to the draft HY2015 Announcement.

In connection with the review of the draft HY2015 Announcement, the members of the audit and risk committee of the Company ("**ARC**") as well as the rest of the members of the Current Board had conducted the necessary discussions and information request from the management team of the Group (including Mr. Liu) ("**Management Team**") during the period from 11 August 2015 and the Board Meeting of 13 August 2015, and are of the view that to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results of the Group for the six months ended 30 June 2015 to be false or misleading in any material aspect. The ARC and the Board confirm that the Management Team had provided satisfactory response in a timely manner before the Board Meeting. The Board Meeting was successfully concluded on 13 August 2015, where *inter alia*, the HY2015 Announcement was approved by the Current Board and announced on 14 August 2015.

The Current Board, having assessed the above, is of the view that the perceived lack of disclosure of information in a timely manner is likely to be due to miscommunication between Ms. Ong and Mr. Liu. The Current Board has not experienced any of such untimely and/or lack of disclosure of information from Mr. Liu.

BY ORDER OF THE BOARD

CHU MING KIN

Executive Chairman and Chief Executive Officer
20 August 2015

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

The contact person for the Sponsor is Ms. Alice Ng, Director and Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road, #21-02, Singapore 068896, telephone (65) 6854-6160.