

**THE PROPOSED ACQUISITION OF ORION ENERGY RESOURCES PTE. LTD.
- SUPPLEMENTAL AGREEMENT**

1. INTRODUCTION

The board of directors (the "**Board**") of Sincap Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 1 April 2015, 18 May 2015, and 2 July 2015 (the "**Announcements**") relating to the proposed acquisition of Orion Energy Resources Pte. Ltd. ("**Orion**" or the "**Target Company**") (the "**Proposed Acquisition**"). Unless otherwise defined, capitalised terms used herein shall bear the same meaning as ascribed to them in the Announcements.

Further to the Announcements, the Board wishes to announce that the Company has on 31 July 2015 entered into a supplemental agreement (the "**Supplemental Agreement**") with the Vendors to amend certain terms in the Agreement. Save as amended by the Supplemental Agreement (as disclosed in this announcement), all other terms and conditions of the Agreement are to continue in full force and effect.

2. THE SUPPLEMENTAL AGREEMENT

- 2.1 Subsequent to the Announcements and pursuant to further discussions amongst the parties to the Agreement, the Vendors had agreed that the Company shall acquire, and the Vendors shall dispose, only 5,100 ordinary shares in the issued and paid-up share capital of Orion ("**Orion Shares**") representing 51 per cent of the issued and paid-up share capital of the Target Company (instead of 10,000 Orion Shares as set out in the Agreement).

The changes to the terms of the Proposed Acquisition, provided in the Supplemental Agreement, were primarily due to the events arising after the signing of the Agreement (including the changes to the constitution of the Board and management of the Company on 6 July 2015).

2.2 **Amendment to the Sale Shares**

Under the Agreement, the Company was to acquire 10,000 Orion Shares representing 100 per cent of the issued and paid-up share capital of the Target Company.

Pursuant to the Supplemental Agreement, the Company will acquire 5,100 Orion Shares from the Vendors ("**Revised Sale Shares**"), representing 51 per cent of the issued and paid-up share capital of the Target Company.

2.3 **Amendment to the Consideration**

Under the Agreement, the Consideration of S\$7,182,000 would be satisfied in full by the allotment and issuance by the Company of 133,000,000 Consideration Shares to the Vendors, at the Issue Price of S\$0.054.

Due to the changes in the number of Sale Shares as set out in paragraph 2.2 above, the Consideration shall be amended accordingly, and pursuant to the Supplemental Agreement, aggregate consideration for the Revised Sale Shares shall be the sum of S\$3,662,820 ("**Revised Consideration**"), of which S\$1,610,820 shall be paid in cash and the balance of

S\$2,052,000 shall be satisfied by the allotment and issuance of 38,000,000 new Shares to the Vendors (“**Revised Consideration Shares**”), at the Issue Price.

Pursuant to the Supplemental Agreement, the Revised Consideration Shares shall be issued and allotted in accordance with the Vendors’ respective shareholdings in Orion, in the following proportions:

Name of Vendor	Number of Revised Sale Shares	Number of Revised Consideration Shares	Allotted Revised Consideration Shares as a percentage of the enlarged share capital of the Company (%)	Resultant percentage shareholding in the enlarged share capital of the Company (%)
Ms. Wang Li	4,284	31,920,000	8.13	8.13
Mr. Choo Chin Lin (Zhu Jinlin)	816	6,080,000	1.55	1.55
TOTAL	5,100	38,000,000	9.68	9.68

The cash proportion of the Revised Consideration shall be paid no later than six (6) months from the Completion Date, or otherwise mutually agreed by both parties.

The Revised Consideration Shares will be issued and allotted pursuant to the 2015 Share Issue Mandate. Following the execution of the Supplemental Agreement, the Company will be making an application to the SGX-ST via the Sponsor, for the listing of and quotation for the Revised Consideration Shares on Catalist.

The Revised Consideration Shares represent approximately (i) 10.71% of the existing issued Shares in the capital of the Company (being 354,604,000 Shares) as at the date of this announcement; and (ii) 9.68% of the enlarged issued Shares in the capital of the Company upon Completion (assuming no further Shares are issued prior to Completion).

2.4 **Amendment to the Earn-out Shares**

Under the Agreement, if the Target Company achieves certain Profit Target during the Earn-out Period, the Company shall, no later than 14 business days from the date that the audit of the Target Company's financial statements for the Earn-out Period is completed, allot and issue the relevant aggregate number of Earn-out Shares to the Vendors, credited as fully paid, at the Issue Price for each Earn-out Share.

Pursuant to the Supplemental Agreement, the Company will not be issuing any Earn-out Shares and all related terms and conditions in the Agreement relating to the Earn-out Shares shall be removed in their entirety.

Currently, neither the Company has expressed an interest to acquire nor have the Vendors expressed an interest to sell the balance 49 per cent of the issued and paid-up share capital of the Target Company, as the terms of any subsequent sale and purchase of any of the balance 49 per cent of the issued share capital of the Target Company are not the subject of the current negotiation between the Company and the Vendors.

3. **CLARIFICATIONS ON THE PROPOSED ACQUISITION**

3.1 No Board Representation, Management Role

None of the Vendors (i) have the right to appoint a director to the Board; or (ii) assume a management role in the Group other than managing the Target Company, under the Agreement and/or the Supplemental Agreement.

3.2 Business of the Target Company

As previously announced, Orion is engaged in mineral trading and logistics management. The business of the Target Company is therefore in line with the core business of the Group.

4. **RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES**

The revised relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 (a) to (e) of the Catalist Rules and based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2014 (“**FY2014**”), and the management accounts of the Target Company from its date of incorporation (being 3 October 2014) to 31 December 2014 are as follows:

Rule 1006	Basis	Relative Figures
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable as this is an acquisition
Rule 1006(b)	Net profits attributable to the Proposed Acquisition compared with the Group’s net profits	13.3% ⁽¹⁾
Rule 1006(c)	Aggregate value of the consideration given for the Proposed Acquisition, compared with the market capitalisation of the Company	17.4% ⁽²⁾
Rule 1006(d)	Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	10.7%
Rule 1006(e)	Aggregate volume of proved and probable reserves to be disposed of compared with the Group’s probable and proved reserves	Not applicable as this is an acquisition

Notes:

- (1) The relative figure is derived using (i) the unaudited net profit before tax of the Target Company from 3 October 2014 (the date of incorporation of the Target Company) to 31 December 2014 (the “**Financial Period**”), attributable to the Revised Sale Shares (or 51.0% interest which the Company intends to acquire pursuant to the Proposed Acquisition) of approximately RMB431,000; divided by (ii) the audited consolidated net profit before tax of approximately RMB3,236,000 of the Group for FY2014.

For illustrative purposes only, using the same comparative period for analysis purposes, the relative figure computed using (i) the unaudited net profit before tax of the Target Company for the Financial Period attributable to the Revised Sales Shares, and (ii) the Group’s unaudited financial statements for the period from 1 October 2014 to 31 December 2014, would have been 53.1% instead.

- (2) The market capitalisation of the Company was approximately S\$21.06 million, determined by multiplying the 354,604,000 Shares and the weighted average price of

the Company's Shares of S\$0.0594 per Share based on trades done on Catalist on 29 June 2015 (being the last market day preceding the date of the Agreement).

As the relative figure in Rule 1006(b), Rule 1006(c), and Rule 1006(d) computed on the basis set out in Rule 1006 of the Catalist Rules above exceeds 5% but falls below 75%, the Proposed Acquisition is considered a "discloseable transaction" as defined in Chapter 10 of the Catalist Rules.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Pursuant to the Supplemental Agreement, the revised financial effects of the Proposed Acquisition are set out below strictly 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 the Proposed Acquisition. The table below sets out the financial effects of the Proposed Acquisition (after the amendments made pursuant to the Supplemental Agreement) based on the following bases and assumptions:

- (a) the latest audited consolidated financial statements of the Group for FY2014;
- (b) the financial effect on the consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the Proposed Acquisition was completed on 31 December 2014, taking into account the Group's share of Orion's net tangible assets as at 31 December 2014;
- (c) the financial effect on the consolidated loss per Share ("**LPS**") is computed based on the assumption that the Proposed Acquisition was completed on 1 January 2014, taking into account of the Group's 51% share of Orion's earnings for the Financial Period; and
- (d) expenses incurred in connection with the Proposed Acquisition of approximately RMB302,000, had been taken into account in the computation of the financial effects.

	Before the Proposed Acquisition	After the Proposed Acquisition
Paid-up share capital (RMB'000)	86,925	104,113
Number of Shares	354,604,000	392,604,000
NTA (RMB'000)	88,222	88,356
NTA per Share (RMB cents)	24.88	22.51
LPS (RMB cents)	0.16 ⁽¹⁾	0.10

Note:-

- (1) The figures are calculated using the volume weighted average number of shares of 266,375,342 Shares for FY2014.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors and, to the best of the Company's knowledge, none of the controlling Shareholders of the Company or their Associates has any interest, direct or indirect, in the Proposed Acquisition other than through their respective shareholdings in the Company.

7. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. DOCUMENTS FOR INSPECTION

A copy of the Supplemental Agreement and the Agreement are available for inspection at the Company's registered office at 28 Sin Ming Lane, #08-131 Midview City, Singapore 573972, for a period of three (3) months from the date of this Announcement.

9. RESPONSIBILITY STATEMENT

The Directors of the Company 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 Acquisition, 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 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.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Acquisition as appropriate or when there are further developments on the same.

11. CAUTION IN TRADING

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 Proposed Acquisition will proceed to completion, as the completion is subject to, inter alia, the fulfillment of all the conditions precedent in the Agreement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should exercise caution when dealing in the shares of the Company, and should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the actions they should take.

BY ORDER OF THE BOARD

LUN CHEE LEONG
Company Secretary
31 July 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.