

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

**PROPOSED PLACEMENT OF UP TO 351,000,000 NEW ORDINARY SHARES IN THE
CAPITAL OF SINCAP GROUP LIMITED AT A PLACEMENT PRICE OF S\$0.10 FOR
EACH PLACEMENT SHARE**

1. INTRODUCTION

- 1.1. The Board of Directors (the "**Board**" or the "**Directors**") of Sincap Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, on 26 January 2015, entered into a placement agreement (the "**Placement Agreement**") with UOB Kay Hian Private Limited (the "**Placement Agent**") to undertake a placement (the "**Proposed Placement**") of up to 351,000,000 new ordinary shares in the issued share capital of the Company (the "**Placement Shares**"). Pursuant to the Placement Agreement, the Placement Agent has agreed to, on a best endeavours basis, procure subscribers for the Placement Shares at an issue price of S\$0.10 for each Placement Share (the "**Placement Price**"), amounting to an aggregate consideration of up to S\$35,100,000, on the terms and subject to the conditions set out in the Placement Agreement.
- 1.2. The Placement Price represents a premium of approximately 0.9% to the volume weighted average price of S\$0.0991 for each ordinary share in the capital of the Company ("**Share**"), based on trades done on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 26 January 2015, being the full market day on the date of signing of the Placement Agreement.
- The Placement Price was commercially agreed between the Company and the Placement Agent, after taking into consideration, *inter alia*, the historical trading prices of the Shares, volume of the Shares traded, the size of the Proposed Placement and the intended use of the Net Proceeds (as defined herein).
- 1.3. The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued Shares at the time of issue, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Placement Shares.
- 1.4. Pursuant to Rule 805 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Rules of Catalist**") as well as Section 161 of the Companies Act (Chapter 50) of Singapore, the Company will be seeking specific approval from the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting of the Company ("**EGM**") to be convened for the Proposed Placement. A circular ("**Circular**") setting out information relating to the Proposed Placement, together with the notice of the EGM, will be despatched to the Shareholders in due course.
- 1.5. Under the Placement Agreement, the Placement Agent shall offer the Placement Shares for subscription only to an institutional investor pursuant to Section 274 of the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**") or an accredited investor or relevant person pursuant to Section 275 of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

- 1.6. Assuming that the Placement Shares are fully subscribed, the Placement Shares represent 100.0% of the Company's existing issued and paid-up share capital of 351,000,000 Shares (excluding treasury shares) as at the date of this announcement and 50.0% of the Company's enlarged issued and paid-up share capital of 702,000,000 Shares (excluding treasury shares) pursuant to the completion of the Proposed Placement.
- 1.7. Pursuant to the Placement Agreement, the Placement Agent has undertaken, *inter alia*, that (i) it will not offer the Placement Shares for sale to or procure subscriptions from persons who fall within the categories set out in Rule 812(1) of the Rules of Catalist, unless such subscriptions is otherwise agreed to by the SGX-ST; and (ii) it shall not, without the prior approval of the Shareholders in a general meeting, issue and allot any of the Placement Shares to transfer a controlling interest which is in contravention of Rule 803 of the Rules of Catalist.

2. RATIONALE FOR THE PROPOSED PLACEMENT

- 2.1. The Proposed Placement is undertaken to fund (in full or in part) the consideration for the proposed acquisition by the Company of all the issued shares in the capital of LTN Land Pte. Ltd. ("**Proposed Acquisition**"). Please refer to the announcements by the Company dated 12 August 2014, 26 August 2014, 29 August 2014, 18 November 2014 and 22 January 2015 for further details in relation to the Proposed Acquisition.
- 2.2. Pursuant thereto, the Company intends to use up to 90% of the Net Proceeds (assuming that the Placement Shares are fully subscribed for) to fund the Proposed Acquisition as well as other potential acquisitions and investments, and the balance towards general working capital of the Group.

3. CONDITIONS PRECEDENT TO COMPLETION AND OTHER SALIENT TERMS OF THE PLACEMENT AGREEMENT

- 3.1. Completion of the Proposed Placement is to take place on the date falling three (3) business days after the date on which the SGX-ST grants the listing and quotation notice ("**LQN**") for the listing and quotation of the Placement Shares on Catalist, or when the Placement Shares are credited to the subscribers and payment has been procured to the Company by the Placement Agent, or such other date as the parties may agree (the "**Completion Date**"). The obligations of the parties under the Placement Agreement and the completion of the subscription of the Placement Shares pursuant to the Placement Agreement (the "**Completion**") are conditional on, *inter alia*:
 - (i) LQN from the SGX-ST for the additional listing application for the listing and quotation of the Placement Shares on Catalist being obtained from the SGX-ST and not having been revoked or amended and, where such notice is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on Catalist are required to be fulfilled on or before the Completion Date, they are so fulfilled;
 - (ii) the exemption under Section 274 and 275 of the SFA being applicable to the Placement under this Agreement;

- (iii) approval from Shareholders by ordinary resolution for the issue and allotment of the Placement Shares being obtained at the EGM to be convened;
- (iv) the offer, allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or to the Placement Agent;
- (v) the delivery to the Placement Agent on Completion Date of a certificate in the form set out in the Placement Agreement, signed on behalf of the Company by its duly authorised officers;
- (vi) there not having occurred, in the opinion of the Placement Agent, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Proposed Placement or is reasonably likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares in the secondary market; and
- (vii) the representations, warranties and undertakings in the Placement Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations under the Placement Agreement to be performed on or before the Completion Date.

If any of the above conditions is not satisfied within four (4) weeks from 26 January 2015, being the date of the Placement Agreement, or such other date as the Company and the Placement Agent may agree in writing, the Placement Agreement shall terminate and the Company and the Placement Agent shall not have any claim against each other.

- 3.2. The Company will be submitting an application to the sponsor and the SGX-ST for the listing of and quotation for the Placement Shares on Catalist. The Company will make an announcement in due course to notify Shareholders once the LQN has been obtained.

4. USE OF NET PROCEEDS

- 4.1. Assuming that 351,000,000 Placement Shares, based on the Placement Price, are fully subscribed for, the estimated amount of proceeds from the Proposed Placement (net of the estimated expenses of approximately S\$1.1 million in connection with the Proposed Placement) is approximately S\$34.0 million ("**Net Proceeds**").

- 4.2. It is intended that the Net Proceeds of S\$34.0 million will be used to fund the Proposed Acquisition as well as other potential acquisitions and investments, and for general working capital of the Group, which includes general and administration expenses, in the following estimated proportions:-

Use of Net Proceeds	Percentage Allocation
The Proposed Acquisition and other potential acquisitions and investments	Up to 90%
General working capital of the Group	At least 10%

- 4.3. Pending the deployment of the Net Proceeds for the abovementioned purposes, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities and/or debt instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit.
- 4.4. For the avoidance of doubt, the Proposed Placement is not conditional upon the completion of the Proposed Acquisition. In the event that the Proposed Acquisition is not completed, the Net Proceeds will be redeployed for other potential acquisitions and investments. In such event, the Company will make the necessary announcements as and when appropriate.
- 4.5. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial statements issued under Rule 705 of the Rules of Catalist and the Company's annual report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.
- 4.6. The Company had, on 26 June 2014, completed a placement of 175,500,000 new ordinary shares at an issue price of S\$0.07 per share (the "**2014 Placement**"), raising net proceeds of S\$11,854,000. As announced by the Company on 18 July 2014, the net proceeds from the 2014 Placement have been fully utilised by the Company for the payment of the purchase consideration for the acquisition of the land and building located at 581 Murray Street, Perth, Australia ("**Property**") and incidental expenses incurred for the acquisition of the Property.

5. FINANCIAL EFFECTS

The financial effects of the Proposed Placement set out below are 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 Placement. The table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:-

- (a) the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2013 (“FY2013”);
- (b) the financial effect on the consolidated net tangible asset (“NTA”) per Share is computed based on the assumption that the Proposed Placement was completed on 31 December 2013;
- (c) the financial effect on the consolidated earnings per Share (“EPS”) is computed based on the assumption that the Proposed Placement was completed on 1 January 2013;
- (d) the Company had, on 26 June 2014, completed the 2014 Placement, raising net proceeds of approximately S\$11,854,000. In connection with the 2014 Placement, expenses incurred of approximately S\$51,000 was charged to the profit or loss statement of the Group;
- (e) the Proposed Placement of 351,000,000 Placement Shares at the Placement Price of S\$0.10 each; and
- (f) the Net Proceeds are converted based on the exchange rate of RMB4.7847 to S\$1.00.

	Before completion of Proposed Placement	After completion of Proposed Placement
Paid-up share capital (RMB'000)	86,925	249,686
No. of Shares	351,000,000	702,000,000
NTA (RMB'000)	94,260	257,021
NTA per Share (RMB cents)	26.85	36.61
EPS (RMB cents)	(0.08)	(0.06)

6. CONFIRMATION BY DIRECTORS

- 6.1 Having regard to the existing banking facilities (including credit facilities from the finance company) available to the Company and taking into account the cash generated from the Group's operations, the Directors are of the opinion that the working capital available to the Group as at the date of this announcement is sufficient for its present requirements. Notwithstanding the aforementioned, the rationale for the Proposed Placement is set out in paragraph 2 of this announcement.

- 6.2 Having regard to the existing banking facilities (including credit facilities from the finance company) available to the Company and taking into account the cash generated from the Group's operations and the Net Proceeds, the Directors are of the opinion that the working capital available to the Group is sufficient for its present requirements.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Mr Ng Hong Whee, the Executive Chairman and Chief Executive Officer of the Group, is interested in the Proposed Acquisition through his 18% shareholding interest in LTN Land Pte. Ltd. As the Net Proceeds from the Proposed Placement is intended to fund the Proposed Acquisition, accordingly, Mr Ng Hong Whee will be deemed interested in the Proposed Placement.

Save as disclosed above, none of the Directors nor in so far as the Directors are aware, any substantial shareholder of the Company or their respective associates (other than through their respective shareholdings in the Company, if any) has any interest, whether direct or indirect, in the Proposed Placement.

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm that 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 Placement, 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.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement is available for inspection during normal business hours 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.

10. CAUTIONARY STATEMENT

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 Proposed Placement, which is on a best efforts basis, will proceed to completion. Shareholders are advised to read this announcement as well as any further announcements and the Circular (to be prepared and despatched to Shareholders in due course) carefully. Shareholders should exercise caution when dealing in the Shares, 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

Ng Hong Whee
Executive Chairman and Chief Executive Officer
26 January 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 Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road, #21-02, Singapore 068896, telephone (65) 6854-6160.