

SINCAP GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201005161G
(the “**Company**”))

RECEIPT BY THE COMPANY OF A LETTER FROM THE MANAGEMENT AND EMPLOYEES’ UNION OF SHANDONG LUNENG TAISHAN MINING CO., LTD. (“SHANDONG LUNENG”)

The Board of Directors (the “**Board**”) of Sincap Group Limited (the “**Company**”) wishes to announce that it had on 6 March 2017 received letters from the management and the employees’ union of Shandong Luneng, its 98.96% subsidiary in the People’s Republic of China, addressed to the Board. The following is a general summary of the contents of the letters from the management and employees’ union of Shandong Luneng.

1. They are dissatisfied that the fund raisings have not been utilised for the expansion of the mining operations of Shandong Luneng.
2. The employees of Shandong Luneng had participated and supported the Initial Public Offering of the Company by subscribing for shares in the capital of the Company (“**Shares**”) then at the price of S\$0.20 in 2012. Over time, the share price of the Company has fallen. If the Company proceeds with the proposed rights issue exercise (as first announced on 5 December 2016), they are concerned that this may result in a further drop in the Share price of the Company. The employees of Shandong Luneng have expressed their unhappiness in the letter and have stated that they may take legal action or come to Singapore to protest.
3. They claimed that based on the directives of National and Provincial City Safety Supervisory Department, Shandong Luneng has to complete the mine refilling project as soon as possible. They have informed the Board that it will require RMB 31 million to complete this project.
4. They claimed that they have historically been owing the employees’ social security insurance of an amount of RMB 26.69 million.
5. Additionally, they claimed that if the items mentioned in paragraph 3 and 4 above are not resolved, it may lead to a closure of the mine or cessation of its mining rights. They proposed that in order to avoid such closure/cessation, further unrest of the employees of Shandong Luneng and to maintain good relations with the government, they have requested that the funds raised from the proposed rights issue be used for the purposes of the above in relation to Shandong Luneng.

The Company is still in the process of investigating all the above claims as stated in the letter and will update shareholders of the Company (“**Shareholders**”) once it is able to verify any of these information.

The Directors would like to advise Shareholders that the information set out in the letters from the management and employees’ union of Shandong Luneng has not yet been verified. The Company is currently investigating the claims. 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.

Copies of the abovementioned letters may be viewed at the office of the Company at 15 Upper Circular Road #04-01 Singapore 058413.

BY ORDER OF THE BOARD
SINCAP GROUP LIMITED

Chu Ming Kin
Executive Chairman and Chief Executive Officer
9 March 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Stamford Corporate Services Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the*

Singapore Exchange Securities Trading Limited ("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. The Sponsor and the SGX-ST assume 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.

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