

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

RECEIPT OF LETTER OF DEMAND

The Board of Directors (the “**Board**”) of Sincap Group Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) wishes to inform shareholders that the Company has received a letter of demand dated 16 March 2017 claiming the payment of approximately RMB 6.8 million from the Company to Fu Hao. The letter of demand was issued by lawyers acting for Fu Hao.

Fu Hao is the Head of China Operations of the Company and legal representative of Shandong Luneng Taishan Mining Co., Ltd.

Pursuant to the Supplemental Repayment Agreement dated 20 August 2015 entered into between Fu Hao, Beijing Raffles Investment Advisory Co., Ltd. (“**Beijing Raffles**”) and the Company, there are three conditions to be met before payment may be made to Fu Hao:

- (i) Beijing Raffles shall have distributable profits in the year where such instalment repayment is contemplated;
- (ii) The amount of dividends announced and distributed by Beijing Raffles to the Company in any given year shall not be lower than the aggregate instalment repayments made from Beijing Raffles to Fu Hao; and
- (iii) Beijing Raffles needs to obtain the prior approval of the Company’s Audit Committee for all instalment repayment, which shall only be granted if the existing Audit & Risk Committee of the Company is of the view that the Group has the financial ability and cash flow to satisfy the instalment repayment amount.

Based on the above and understanding from the management, such conditions have not been met and hence, the outstanding amount is not currently payable to Fu Hao.

Furthermore, the balance amount owing to Fu Hao based on the audited account is RMB5,490,477.

The Board is of the opinion that no supplemental or replacement document is required under section 241 of the Securities and Futures Act in relation to the rights issue.

The Company is assessing the merits of the claims and will take appropriate action accordingly. The Company will make further announcements on the matter as necessary.

Shareholders and potential investors are advised to carefully read this announcement and any further announcements made by the Company. Shareholders are also 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
SINCAP GROUP LIMITED

Chu Ming Kin
Executive Chairman and Chief Executive Officer
20 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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