

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

**QUALIFIED OPINION BY INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

In compliance with Rule 704(5) of the Listing Manual, the Board of Directors (the “**Board**”) of Sincap Group Limited (the “**Company**”) and together with its subsidiaries, collectively the “**Group**”) would like to announce that its independent auditor, Baker Tilly TFW LLP (the “**Auditor**”), have included an “except for” qualified opinion (the “**Except For Qualified Opinion**”) on the financial statements of the Group (the “**Financial Statements**”) for the financial year ended 31 December 2017 (“**FY2017**”).

Extracts of the Except For Qualified Opinion in the Independent Auditor’s Report, together with the extract of the relevant note to the Financial Statements are as follows:

Qualified Opinion

We have audited the accompanying financial statements of Sincap Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) as set out on pages 9 to 61, which comprise the statements of financial position of the Group and of the Company as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “**Act**”) and Financial Reporting Standards in Singapore (“**FRSs**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Qualified Opinion

Opening balances

Our independent auditor’s report dated 3 April 2017 expressed a qualified opinion on the financial statements for the financial year ended 31 December 2016 in respect of the letters received from the management and the employees’ union of Shandong Luneng Taishan Mining Co., Ltd. (“**Shandong Luneng**”), requesting from the Company, the amounts of RMB31,000,000 for the completion of mine refilling project and RMB26,690,000 for settlement of outstanding employees’ social security insurance respectively as at 31 December 2016. The Company was unable to determine the merits of the claims. Consequently, these claims had not been provided for in the financial statements for the financial year ended 31 December 2016. We were unable to obtain sufficient appropriate audit evidence and explanation nor perform any procedures to ascertain the impact of the above claims, if any, on the financial statements of the Company and of the Group. As such, we were unable to determine whether any adjustments were needed for these claims.

The holding company of Shandong Luneng is Beijing Raffles Investment Advisory Co., Ltd (“**Beijing Raffles**”). On 12 October 2017, the Company completed the disposal of Beijing Raffles and its subsidiaries (collectively “**Disposed Group**”). Since the opening balances as at 1 January 2017 enter into determination of the financial performance for the financial year ended 31 December 2017, we are unable to determine whether any adjustments might have been found

necessary in respect of the net assets of the Disposed Group as disclosed in Note 8 to the financial statements and the corresponding impact on consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity for the financial year ended 31 December 2017.

Our opinion on the current financial year's financial statements is also modified because of the possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

The Independent Auditor's Report and the FY2017 Financial Statements will form part of the Company's Annual Report for FY2017 (the "**FY2017 Annual Report**") which will be dispatched to the shareholders of the Company ("**Shareholders**") and uploaded on SGXNET in due course. Shareholders are advised to read this announcement in conjunction with the Independent Auditor's Report and the FY2017 Annual Report in their entirety.

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

5 April 2018

*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.

The contact person for the Sponsor is Mr. Bernard Lui, Telephone: +65 63893000, Email: bernard.lui@morganlewis.com.