

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

**SINCAP GROUP LIMITED – WAIVER FROM COMPLIANCE WITH CATALIST RULE 1015 IN
RELATION TO THE PROPOSED ACQUISITION**

1. The board of directors (the “**Board**” or “**Directors**”) of Sincap Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements of the Company dated 12 August 2014, 26 August 2014, 29 August 2014, 18 November 2014, 30 December 2014 and 22 January 2015 on the Proposed Acquisition (collectively, the “**Previous Announcements**”).

Unless otherwise defined or as the context otherwise requires, all capitalized terms and references used herein shall bear the meaning as ascribed thereto in the Previous Announcements.

2. **Consultation with the SGX-ST**

As stated in the Previous Announcements, as a result of the relative figure computed based on Rule 1006(b) of the Catalist Rules, being a negative value of 143.82%, and pursuant to Rule 1007(1) of the Catalist Rules, the Company’s sponsor had, on behalf of the Company, written to the SGX-ST to seek clarification (“**Clarification**”) on whether the Proposed Acquisition is considered a “very substantial acquisition” under Rule 1015 of the Catalist Rules.

3. **Bases for the Clarification**

The Company’s bases for the Clarification are as follows:

- (a) the Proposed Acquisition will be subject to the approval of its independent Shareholders at an extraordinary general meeting (“**EGM**”) to be convened, where shareholders of the Company will be furnished with all pertinent information (including an opinion from an IFA) in a circular, and will be given the due opportunity to vote on the Proposed Acquisition at such EGM;
- (b) as set out in paragraph 11 of Practice Note 10A Part IV in the Catalist Rules, the profits test set out in Rule 1006(b) of the Catalist Rules may not give a meaningful indication of the significance of the transaction to the issuer. In the case of the Proposed Acquisition, the negative relative figure in Rule 1006(b) of the Catalist Rules was mainly attributable to the fact that, in HY2014, the Group reported a marginal unaudited net profit before tax of approximately RMB2.9 million whereas the Target Group reported net loss before tax (being approximately RMB4.16 million) which in absolute terms, was much larger as compared to the Group’s profit figure; and
- (c) the Board is of the view that the Proposed Acquisition does not cause any material changes to the Group’s risk profile, and the reasons for such view is stated in paragraph 6 of the Previous Announcement dated 18 November 2014.

4. **Confirmation from the SGX-ST**

The Board wishes to update that the SGX-ST had responded, in a letter to the Sponsor dated 11 February 2015, that the SGX-ST has no objection to the Company’s application for a waiver from compliance with Rule 1015 of the Catalist Rules, subject to the following:

- (a) the Company making an immediate announcement of the waiver, disclosing the reasons for seeking the waiver;
- (b) prominent disclosure in the Circular of the risks arising from the Proposed Acquisition, including but not limited to financial performance and developments (if applicable);
- (c) inclusion in the Circular on the information required under Rule 1010 of the Catalist Rules; and
- (d) the Company obtaining approval from Shareholders in relation to the Proposed Acquisition at an extraordinary general meeting to be convened.

The Proposed Acquisition is therefore deemed as a major transaction, and not a very substantial acquisition, under Rule 1014 of the Catalist Rules.

5. EGM and Circular

As stated in the Previous Announcements, the Company will be convening an EGM to seek the approval of the Shareholders for the Proposed Acquisition, and the Circular in relation thereto will be despatched to Shareholders in due course.

6. Interests of Directors and Controlling Shareholders

Save for Ng Hong Whee, the Chairman and Chief Executive Officer of the Company, who is a Vendor in relation to the Proposed Acquisition, none of the Directors or controlling Shareholders of the Company and their respective associates have any interest, direct or indirect, in the Proposed Acquisition other than through their respective shareholdings in the Company (if any).

Save for Ng Hong Whee, none of the Vendors are related to the Directors or controlling Shareholders of the Company and their respective associates.

7. 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 Acquisition will proceed to completion, as completion is subject to, *inter alia*, the fulfilment of all the conditions precedent in the Sale and Purchase Agreement. Shareholders are advised to read carefully, this announcement, together with any further announcements, and the Circular to be dispatched to Shareholders in due time. 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

12 February 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., 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.

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