

Press Release

SGX Catalyst-Listed Sincap to Acquire Homegrown Skylink APAC for S\$42.3 Million; Proposed RTO Led by Corporate Veteran Mr. Teh Wing Kwan

SINGAPORE, 18 March 2025 – Singapore Exchange Catalyst-listed Sincap Group Limited (SGX:5UN) (“**Sincap**” or the “**Company**”) announced today that it intends to acquire the entire issued share capital of Skylink APAC Pte. Ltd. (“**Skylink APAC**” or the “**Target Group**”), a homegrown commercial motor vehicle leasing, hire purchase financing and related maintenance service provider, for S\$42.3 million (the “**Proposed Acquisition**”). Skylink APAC would obtain its public listing status if the Proposed Acquisition is completed.

About the Target Group

To facilitate the Proposed Acquisition, Skylink APAC was incorporated on 4 March 2025 to hold three subsidiaries, namely:

- Skylink Vehicle Rental Pte. Ltd. owns more than 1,200 commercial vehicles leased out mainly on a business-to-business basis. The commercial fleet is believed to be the third largest among Singapore motor vehicle leasing companies.
- Skylink Credit Pte. Ltd., which is ancillary to the commercial vehicle leasing business, provides hire-purchase loans and motor vehicle financing solutions to customers.
- Skylink Engineering Pte. Ltd. operates several in-house workshops to maintain, repair and maximise the lifespan of the commercial fleet, and to meet safety standards, and also offers such services for all other types of motor vehicles in Singapore.

Established by the founder group comprising Mr. Shen Wende (“**Wesley Shen**”), Ms. Xue Wanqiu (“**Grace Xue**”), and Mr. Shen Yongzhong (“**Johnson Shen**”), Skylink APAC is part of the larger Skylink Group. The latter is also involved in automobile trading and sales activities under Skylink Auto which, as agreed by the parties, has not been included in the Proposed Acquisition as it requires differentiated fund-raising strategies.

The eco-system of Skylink APAC and Skylink Auto have won the Singapore Brand Prestige Award 2024, Sgcar mart Star Merchant 2024 and 2025 and other Singapore SME-related awards, among others. Wesley Shen, won Entrepreneur of the Year Award 2024 and Singapore Entrepreneur 100 Award 2021, amongst others, in recognition of his contributions to the automobile industry.

The Proposed Acquisition

Sincap has entered into a sales and purchase agreement (“**SPA**”) with PM Capital Pte Ltd (the “**Vendors**”), namely Wesley Shen, Grace Xue, Johnson Shen and Mr. Teh Cheng Hooi (“**Leonard Teh**”). PM Capital Pte. Ltd. has an issued and paid-up share capital of S\$2,000,000 which is held by Wesley Shen (56.5%), Grace Xue (30.0%), Johnson Shen (10.0%) and Leonard Teh (3.5%).

Wesley Shen, Johnson Shen and Leonard Teh are the CEO, COO and CFO, respectively, of Skylink APAC.

The consideration of S\$42.3 million for Sincap to acquire the Target Group comprises:

- i) **A Base Consideration** of up to S\$28.3 million comprising S\$27.5 million to be satisfied by the allotment and issue of 122,222,222 new Shares of the Company (on a post-Share Consolidation basis) to the Vendors at an issue price of S\$0.225 (on a post-Share Consolidation basis) (the “**Issue Price**”) upon completion.

The balance sum of S\$800,000 will be payable in cash on a date within 18 months from the date of Completion.

- ii) **A Deferred Consideration** of up to S\$14.0 million in the form of an earn-out that is dependent on the adjusted accumulated net profit after tax of the Target Group for the financial years ended 31 March (“**FY**”) 2025 and 2026 of not less than S\$7.3 million (the “**Profit Target**”). Up to S\$12.5 million of the Deferred Consideration will be satisfied by the allotment and issue of 55,555,555 new Shares (on a post-Share Consolidation basis) at the Issue Price (the “**Deferred Shares**”).

The balance sum of S\$1.5 million will be payable in cash within 18 months from which the date the Deferred Shares are issued.

The unaudited proforma financials for the Target Group are as such:

- (i) For **FY2024**, the Target Group recorded revenue of S\$14.6 million, an increase of 86.1% from S\$7.8 million a year ago. Net Profit more than trebled to S\$2.0 million in FY2024 from S\$0.7 million in FY2023; and
- (ii) For the nine months ended 31 December 2024 (“**9M2025**”), Skylink APAC recorded revenue of S\$18.6 million and Net Profit of S\$2.2 million. The Net Profit for 9M2025 accounts for close to 30% of the Profit Target.

Subject to regulatory and shareholder approval, the Proposed Acquisition will constitute a reverse takeover (“**RTO**”) within the meanings of the SGX Listing Rules. This will mark a major transformation of Sincap, supported by the investment by and under the leadership of corporate veteran Mr. Teh Wing Kwan (“**Mr. Teh**”).

About Mr. Teh's Proposed Investment

Sincap's shares have been suspended from trading since 4 May 2021. On 12 August 2022, Sincap entered into a binding Heads of Agreement ("**2022 HOA**") with Mr. Teh under which he would invest up to S\$2.0 million in the Company via proposed share subscriptions, working capital loans and provision of investor guarantees for Sincap. The investments were intended to initiate new corporate plans, including a potential RTO, under his strategic guidance.

Sincap announced today amendments to the 2022 HOA under which Mr. Teh has agreed to waive certain conditions and proceed with the subscription of up to 75% of the enlarged capital of Sincap (the "**Proposed Subscription**"). The waiver demonstrates his investment commitment and confidence in the Proposed Acquisition.

Despite non-fulfilment by Sincap of certain conditions, as of now, Mr. Teh has (i) provided a temporary loan of S\$550,000 in principal; (ii) extended guarantees of S\$500,000 (the "**Investor Guarantee**"); and (iii) agreed to provide additional funding support of up to S\$300,000 as and when Sincap may require, on commercial terms to be agreed upon (the "**Additional Funding**") such that Sincap could proceed to complete the Proposed Acquisition.

To proceed with the Proposed Subscription and to facilitate the Proposed Acquisition, Sincap will first have to consolidate its shares on a basis of 200-to-1 and its number of Shares outstanding will be consolidated from 1,701,000,410 currently to 8,505,000 (the "**Consolidated Shares**") (the "**Share Consolidation**").

In accordance with the 2022 HOA framework, Mr. Teh will, subsequent to the completion of the Share Consolidation, subscribe for an aggregate 25,515,000 Consolidated Shares ("**Subscription Shares**") at S\$0.0294 each (the "**Subscription Price**"), or a total of S\$750,000, to be satisfied by way of a set-off against S\$550,000 of temporary loans he extended earlier, and payment of S\$200,000 in cash. He has also agreed not to withdraw the Investor Guarantee and will provide the Additional Funding support.

The Proposed Subscription will enlarge the number of Sincap's post-Consolidation shares to 34,020,000.

Upon issuance of Shares after the Base Consideration and the Deferred Consideration are satisfied and the Proposed Acquisition completed, Mr. Teh's equity interest in the Company is expected to be diluted.

The Mandatory Offer

The Proposed Subscription will require Mr. Teh (or the “**Offeror**”) to make a Mandatory Unconditional General Cash Offer (“**Mandatory Offer**”) at an offer price that is the same as the Subscription Price for all remaining shares he does not already own prior to completion of the Proposed Acquisition.

The Mandatory Offer would present an option to Shareholders who may wish to exit their investment in Sincap, having considered that trading of its shares has been suspended since May 2021. The terms of the Mandatory Offer will be reviewed by an Independent Financial Advisor to be appointed by the Company.

Certain existing Sincap shareholders, including Mr. Chu Ming Kin (“**Mr. Chu**”), the existing Executive Director and Chief Executive Officer, who are independent to each other and to Mr Teh, and who collectively hold a total 50.91% of the existing issued Shares, have provided an irrevocable undertaking, amongst others, to vote in favour of all resolutions related to the Share Consolidation and the Proposed Subscription.

About the Offeror

Mr. Teh’s profiles are publicly available. As disclosed in the 2022 HOA announcement, Mr. Teh is a sophisticated investor with significant experience in corporate finance, corporate restructuring and mergers and acquisitions. He was the controlling shareholder and Executive Chairman of SGX Mainboard-listed Citicode Ltd. for which he initiated and completed the RTO of integrated healthcare services provider Livingstone Health Holdings Limited (now listed on SGX Catalist), of which he remains as non-executive, non-independent Chairman. Mr. Teh is also the Chairman of HKSE Mainboard-listed China Vanadium Titano-Magnetite Mining Company Limited, having led his team to complete a RMB1.3 billion restructuring.

He was the Managing Director and Group CEO of SGX Mainboard-listed Sapphire Corporation Limited which he restructured by acquiring one of China’s largest privately-owned urban rail transit engineering groups. Currently advisor to SGX Mainboard-listed Koda Ltd, he has also served on the boards of several companies listed in Singapore, Hong Kong and Australia.

The Share Consolidation and the Proposed Subscription are subject to shareholder approval for which an extraordinary general meeting (“**EGM**”) is to be convened. Sincap will then need to convene a separate EGM to seek shareholder approval for the Proposed Acquisition.

Mr. Teh said, ***“I embarked on this undertaking with great care while searching for a viable RTO target that can align the interests of various stakeholders. It is my firm belief that this strategic transformation represents a feasible option for Sincap’s shareholders as the Group charts new corporate and investment strategies.”***

“In just eight years, the Target Group has grown rapidly to own and operate the third largest commercial leasing fleet operator in Singapore. This growth rate is remarkable, and I am also very impressed by the execution capabilities of its management. I have full confidence in Wesley, Johnson and Leonard who have demonstrated their combined abilities and solid team work to accelerate the growth and value proposition of Skylink APAC”, he added.

Mr. Wesley Shen said, ***“The entire team at Skylink APAC is excited by the corporate exercise which will open a dramatic new chapter for our fast-growing company. A listed platform will propel Skylink APAC’s growth strategies in the leasing of commercial vehicles, providing hire purchase credit and financing solutions, and operationally supported by related engineering and maintenance services. Mr. Teh has displayed deep experience and business acumen in navigating the corporate exercise thus far and we look forward to his guidance as we take our Company to greater heights.”***

He added, ***“While Skylink Auto is not part of the Proposed Acquisition, the overall Skylink Group eco-system (Skylink APAC and Skylink Auto) recorded combined revenue of approximately S\$95 million for FY2024, and continues to grow rapidly.”***

Mr. Chu said, ***“The proposed corporate actions today constitute a major restructuring which will chart a new chapter which we hope will lead to a resumption of trading of the Company’s shares. On behalf of shareholders, I want to thank Mr Teh for his investments, support and strategic guidance.”***

SAC Capital Private Limited is acting as the financial adviser in relation to the Proposed Acquisition.

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This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “Sponsor”). It 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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