SINCAP GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 201005161G)

PROPOSED CHANGE OF AUDITOR

The board of directors (the "**Board**" or "**Directors**") of Sincap Group Limited (the "**Company**" and together with its subsidiaries, collectively the "**Group**") refers to the previous announcements dated 21 September 2022, 25 November 2022 and 6 March 2023 (the "**Previous Announcements**"). The Board wishes to announce that the Company intends to change its auditor (the "**Auditor**") from Baker Tilly TFW LLP ("**Baker Tilly**") to Foo Kon Tan LLP ("**FKT**") for the financial year ("**FY**") ended 31 December 2021 and forward (the "**Proposed Change of Auditor**").

As previously announced in the Previous Announcements, the Company has been taking steps to meet various key timelines in relation to the release of its unaudited financial statements for FY2022, issue its annual reports for FY2021 and FY2022, and conduct its annual general meetings ("**AGM**") for FY2021 and FY2022.

Following the conduct of the AGM for FY2020 on 12 January 2023, the Company hopes to hold its AGM for FY2021 and FY2022 as soon as it is practicable as part of the Company's continued efforts in addressing the issues of compliance with the Catalist Rules. In an effort to do so, the Company has held various discussions with and had obtained quotations from its existing external auditor, Baker Tilly, and other audit firms, including FKT, in relation to the duration and costs required for the completion of its audits for FY2021 and FY2022 (the "**Estimated Audit Completion Timelines for FY2021 and FY2022**").

The Board and the Audit and Risk Committee of the Company ("**ARC**") has reviewed and deliberated on the proposals received (including the proposal received from FKT) and has considered, amongst others, (a) the Estimated Audit Completion Timelines for FY2021 and FY2022; (b) the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority ("**ACRA**"); and (c) the criteria for the evaluation and selection of external auditors contained in the Guidebook for Audit Committees in Singapore and the Audit Committee Guide issued by the Singapore Institute of Directors. The Board and the ARC also took into consideration factors such as (i) the adequacy of the resources and experience of the audit firm to be selected and the audit engagement partners to be assigned to the respective audits of the Company and the subsidiaries of the Group; (ii) that Mr. Chin Bo Wui Darren, the audit engagement partner, has not been subjected to ACRA's Practice Monitoring Programme review; (iii) the audit approach; (iv) the transition plan; (v) other audit engagements of the audit firm to be selected; (vi) the Group's audit requirements; (vii) the size and complexity of the Group and the number and experience of supervisory and professional staff to be assigned to the audit; and (viii) the proposed audit fees. In addition, the Proposed Change of Auditor would also enable the Company to benefit from fresh perspectives and the views of another professional audit firm since Baker Tilly was first appointed in 2016, and reduce the audit fees payable by an estimated S$10,000 without any change in the scope of audit.

Having considered the above and the requirements under Rule 712 and Rule 715 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), the Board, in consultation with the ARC, is of the opinion that FKT will be able to meet the audit requirements of the Company and recommends the same to be appointed as the Auditor for FY2021 and forward.

Baker Tilly has been the Auditor since FY2016 and was last re-appointed at the Company's FY2020 AGM held on 12 January 2023, to hold office until the conclusion of the next AGM of the Company. As such, the Proposed Change of Auditor is neither due to the dismissal of Baker Tilly nor Baker Tilly declining to stand for election.

In connection with the Proposed Change of Auditor:

(i) FKT had given their written consent to act as Auditor on 11 April 2023, subject to the approval of the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting to be convened for the Proposed Change of Auditor ("**EGM**"); and

(ii) Baker Tilly had applied to ACRA to seek its consent to resign as Auditor on 4 May 2023.

Pursuant to Section 205AB(5) of the Companies Act 1967 (the "**Companies Act**"), the resignation of Baker Tilly will take effect on the latest of these dates, (i) on the day on which ACRA notifies Baker Tilly and the Company of ACRA's consent to the resignation, (ii) on the day (if any) fixed by ACRA, or (iii) on the day (if any) specified by Baker Tilly in the notice of resignation. ACRA had, on 1 June 2023, consented to the resignation of Baker Tilly and fixed Baker Tilly's resignation date on 1 June 2023. Baker Tilly had also, on 1 June 2023, provided its notice of resignation to the Company. Accordingly, the resignation of Baker Tilly as Auditor took effect on 1 June 2023.

Pursuant to Catalist Rule 712(3) and Section 205AF of the Companies Act, Proposed Change of Auditor must be specifically approved by Shareholders in a general meeting. The appointment of FKT as Auditor will take effect upon the approval by Shareholders at the EGM. Upon such appointment, FKT will hold office until the conclusion of the next AGM of the Company.

In accordance with Catalist Rule 712(3):

(a) BT, the outgoing Auditor, has confirmed by way of a letter dated 31 March 2023 to FKT that it is not aware of any professional reasons why FKT should not accept the appointment as the Company's auditor;

(b) the Company confirms that there were no disagreements with Baker Tilly on accounting treatments within the last 12 months up to the date of this announcement;

(c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditor that should be brought to the attention of the Shareholders which has not been disclosed in this announcement;

(d) the Company confirms that the specific reasons for the Proposed Change of Auditor have been disclosed in this announcement. The Proposed Change of Auditor is neither due to any disagreement with Baker Tilly, the dismissal of Baker Tilly, nor Baker Tilly declining to stand for election at the next AGM of the Company; and

(e) the Company confirms that it is or will be in compliance with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of FKT as the Auditor.

The Board and the Group would like to take this opportunity to express their appreciation for the past services rendered by Baker Tilly.

The Company will make the necessary arrangements to convene the EGM to seek Shareholders' approval for the Proposed Change of Auditor. A circular to Shareholders containing, among others, further details on the Proposed Change of Auditor, together with the notice of the EGM, will be issued to Shareholders in due course.

CAUTIONARY STATEMENT

The shares in the Company have been suspended from trading since 4 May 2021. Shareholders and potential investors of the Company are advised to read this announcement and any past and future announcements by the Company carefully and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants and other professional advisers.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts in respect of the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

By Order of the Board
SINCAP GROUP LIMITED

CHU MING KIN
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
6 JUNE 2023

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*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**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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