

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

RESPONSES TO SGX-ST QUERIES

The Board of Directors (the “**Board**”) of Sincap Group Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) refers to its announcements dated 11 May 2022 and 12 May 2022 regarding the resignation of its previous Independent Director, Mr Wang Xiufeng (“**Mr Wang**”), and would like to respond to queries raised by the SGX-ST in its email to Stamford Corporate Services Pte. Ltd., the Company’s Sponsor, on 12 May 2022 (as set out below).

The SGX-ST’s queries were headed as follows:

“We refer to the Company’s announcement, in relation to the resignation of Independent Director, Mr Wang Xiufeng (“Mr Wang”).

Mr Wang was appointed as the ID of the Company on 1 Oct 2021.

While it was stated that Mr Wang resigned to devote more time to his principal commitments as a lawyer, it was stated that there were unresolved differences in opinion on material matters between Mr Wang and the Board.”

1. SGX-ST’s Queries and the Company’s Response:

(I) SGX-ST’s Query 1

Please provide details on the unresolved differences in opinion on material matters between Mr Wang and the Board.

Company’s Response to Query 1

The Company would like to clarify that there were no unresolved differences in opinion on material matters of the Company between Mr Wang and the Board including matters which would have a material impact on the Group or its financial reporting during the time of Mr Wang’s resignation. The statement that there were unresolved differences in opinion on material matters between Mr Wang and the Board was due to an inadvertent error in the disclosure in the cessation announcement dated 11 May 2022. The information regarding compliance with the Code of Corporate Governance and sourcing for a new director to fill the existing vacancies was to be included under the section titled “Is there any matter in relation to the cessation that needs to be brought to the attention of the shareholders of the listed issuer?” instead. A replacement announcement has been released on 12 May 2022.

(II) SGX-ST's Query 2

Mr Wang only joined the Board in October 2021. During the Sponsor's exit interview with Mr Wang, are there any other reasons shared by Mr Wang that should be brought to the attention of the shareholders?

Company's Response to Query 2

Mr Wang's exit from the Company was mainly due to the fact that he would like to devote more time to his principal commitments as a lawyer.

The reasons disclosed during the Sponsor's exit interview were solely that he accepted the role as an independent director of the Company without anticipating that there would be changes to the volume of work as a legal professional and the quick and sudden growth in his legal business volume. Mr Wang decided and chose to focus on his duties and responsibilities as a lawyer as the business volume is directly proportional and closely related to a lawyer's income.

There are no further material reasons that were shared by Mr Wang (whether to the Company or during the exit interview) that should be brought to the attention of the shareholders.

(III) SGX-ST's Query 3

The Company recently responded to SGX Queries on 15 and 29 April 2022, in relation to the Company's breaches of various listing rules. The Company had stated in its responses that with the receipt of the net proceeds from the settlement with Cresco Investments, the Company is now in a position to repay its key creditors and work towards addressing its listing rule breaches. Why is Mr Wang resigning from the Company at this juncture instead of working with the Company to rectify all the listing rule breaches?

Company's Response to Query 3

As stated above in Query 2, Mr Wang's resignation is entirely his own decision based on his own reasons that were provided satisfactorily to the Company.

The Company had been working on rectifying the listing rule breaches, but at the same time, it is not its place to restrict Mr Wang from making his decision to resign from the Company at any juncture, especially when Mr Wang had stated that it was not anticipated that there would be such changes in his circumstance that may affect his duties and responsibilities as a legal professional.

The Company respects Mr Wang's decision to resign and accepts the same. The Company would also like to clarify that more accurately, it stated in its announcement dated 29 April 2022 that it was in a position to fulfil its payment obligations to its external auditors and internal auditors.

(IV) SGX-ST's Query 4

Are there any material governance concerns or internal control concerns in the Company that should be brought to the attention of the shareholders?

Company's Response to Query 4

Save as disclosed in the Company's previous announcements and as far as the Directors are aware of, to-date, there are no material governance concerns or internal controls concerns as the Directors are working in full cooperation to rectify the ongoing issues faced by the Company such as rectifying the listing rule breaches.

2. Director's 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 situation relating to trade payables of the Company, the Company's ability to continue as a going concern, and 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. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a name source, the sole responsibility of the Directors has been to ensure that such information has been accurately and properly extracted from those sources and/or reproduced in this announcement in its proper form and context.

The Board wishes to advise shareholders and potential investors to exercise caution when dealing in the shares of the Company, In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
SINCAP GROUP LIMITED

CHU MING KIN
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
14 MAY 2022

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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