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

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(1) PROPOSED SUBSCRIPTION OF AN AGGREGATE OF 25,515,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S$0.0294 PER NEW ORDINARY SHARE (ON A POST-SHARE CONSOLIDATION BASIS) BY MR TEH WING KWAN

(2) PROPOSED SHARE CONSOLIDATION OF EVERY TWO-HUNDRED (200) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS AT A RECORD DATE TO BE DETERMINED BY THE DIRECTORS INTO ONE (1) CONSOLIDATED SHARE OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

Capitalised terms used but not defined herein shall have the same meanings ascribed to them in the Company's announcement dated 12 August 2022 in relation to the entry into a binding heads of agreement with Mr Teh Wing Kwan.

1. INTRODUCTION

1.1 Heads of Agreement. The board of directors ("**Board**" or "**Directors**") of Sincap Group Limited ("**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 12 August 2022 ("**HOA Announcement**") in relation to its entry into a binding Heads of Agreement ("**HOA**") with Mr Teh Wing Kwan ("**Professional Investor**"), pursuant to which the Professional Investor agreed to invest an aggregate of up to S$2,000,000 in the Company in accordance with the HOA ("**Proposed Investments**").

1.2 Proposed Investments. The Proposed Investments comprise: (a) the proposed investment of S$750,000 by way of subscription for new shares in the capital of the Company ("**Shares**") such that the Professional Investor will own no less than 75% of the enlarged share capital of the Company ("**Proposed Subscription**"), subject to the satisfaction of certain conditions; (b) the proposed working capital loans of up to S$750,000 in aggregate ("**Proposed Loans**"); and (c) the proposed guarantees from the Professional Investor of up to S$500,000 in aggregate to be provided, at the sole discretion of the Professional Investor, to professional service providers of the Company ("**Proposed Investor Guarantees**"). The Company further disclosed that the Proposed Investments represent an opportunity to work together with the Professional Investor in evaluating and implementing feasible corporate plans for the Company, with a view to enable the resumption of trading and continued listing of the Shares.

1.3 Temporary Loans and Guarantees from the Professional Investor. Notwithstanding that certain key conditions precedent to the HOA have not been fulfilled by the Company, the Professional Investor, at the request of the Company, had entered into temporary loan facilities for an aggregate amount of S$550,000, as previously disclosed in the Company's respective announcements in respect of its monthly valuation of assets and utilisation of cash and its condensed interim consolidated financial statements for the financial year ("**FY**") ended 31 December 2024. As at the date of this announcement, the Professional Investor has, in accordance with the temporary loan agreements, disbursed total loan amounts of S$550,000 ("**Temporary Loans**"). In addition, the Professional Investor has also provided the Proposed Investor Guarantees of S$500,000. The Temporary Loans and the Proposed Investor Guarantees have allowed the Company to (a) address and resolve the Company's previous non-compliance issues relating to the Catalist Rules; and (b) facilitate ongoing

evaluation of viable targets for the Company to meet the requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for a new listing.

1.4 Proposed Acquisition. Since the entry into the HOA and in order to acquire a business which meets the SGX-ST's requirements for a new listing pursuant to Rule 1017 of the Catalist Rules, the Company has worked closely with the Professional Investor to assess a number of potential targets for a reverse takeover, as previously disclosed in its quarterly updates. On the date hereof, the Company announced that it has entered into a sale and purchase agreement the date hereof ("**SPA**") with: (a) PM Capital Pte. Ltd. ("**Vendor**"); and (b) Shen Wende ("**Wesley Shen**"), Xue Wanqiu, Shen Yongzhong and Teh Cheng Hooi (collectively "**Warrantors**" and each, a "**Warrantor**") for the acquisition of 100% of the issued shares in the capital of Skylink APAC Pte. Ltd. ("**Proposed Acquisition**") ("**RTO Announcement**").

1.5 Amendment to HOA and Subscription Agreement. With a view to achieving deal certainty, alignment of interests and commitment of the Professional Investor towards the successful completion of the Proposed Acquisition and to eliminate any commercial risks for the parties, the Professional Investor has provided an undertaking to the Vendor and the Warrantors pursuant to which he undertook to vote in favour of the Proposed Acquisition and other resolutions to be presented at the extraordinary general meeting to be convened in connection with the Proposed Acquisition ("**RTO EGM**"). In view of the foregoing, the Company and the Professional Investor have entered into an amendment agreement on the date hereof ("**Amendment Agreement**") to amend the HOA, pursuant to which (among other things) the Professional Investor agreed to waive certain conditions under the HOA and to proceed with the Proposed Subscription. The Company and the Professional Investor concurrently entered into a subscription agreement dated the date hereof ("**Subscription Agreement**") in relation to the Proposed Subscription, as described in paragraph 2 of this announcement.

1.6 Share Consolidation. In connection with the Proposed Subscription, the Company proposes to consolidate every 200 existing Shares held by the shareholders of the Company ("**Shareholders**") as at a record date to be determined by the Directors ("**Record Date**") into one consolidated (1) Share ("**Consolidated Share**"), fractional entitlements to be disregarded ("**Share Consolidation**"). As a result of the Share Consolidation, each Shareholder will receive one (1) Consolidated Share for every 200 existing Shares held prior to the Share Consolidation as at the Record Date. Completion of the Proposed Subscription is conditional upon (among other things) the completion of the Share Consolidation.

2. PROPOSED SUBSCRIPTION

2.1 Proposed Subscription.

Under the Subscription Agreement, the Professional Investor has agreed to subscribe for an aggregate of 25,515,000 Consolidated Shares ("**Subscription Shares**") at the issue price of S$0.0294 ("**Subscription Price**") for each Subscription Share, upon and subject to the terms and conditions of the Subscription Agreement.

The Proposed Subscription is not underwritten, and there is no placement agent appointed for the Proposed Subscription. No introducer fee or commission is paid or payable by the Company in connection with the Proposed Subscription.

The Subscription Shares will be allotted and issued to the Professional Investor pursuant to the private placement exemption under section 272B(1) of the Securities and Futures Act 2001 of Singapore ("**SFA**"). As such, no prospectus or offer information statement in connection with the Proposed Subscription will be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore.

The Subscription Shares will not be issued to any person who is a Director or a substantial Shareholder, or any other entity/person falling within the categories set out in Rule 812(1) of the Catalist Rules.

There is no share borrowing arrangement to facilitate the Proposed Subscription.

2.2 Principal Terms of the Proposed Subscription.

(a) *Subscription Price:* The aggregate Subscription Price for the Subscription Shares is S$750,000, which will be satisfied: (a) by way of set-off against an aggregate of S$550,000 of Temporary Loans; and (b) by way of payment of the balance S$200,000 in cash.

The Subscription Price of S$0.0294 per Subscription Share (on a post-Share Consolidation basis) represents a discount of approximately 97.1% to the volume-weighted average price ("**VWAP**") of the Shares on a post-Share Consolidation basis of S$1.00 (equivalent to pre-Share Consolidation of S$0.005 per Share) on 28 April 2021, being the last trading day prior to the suspension of trading in the Shares on 4 May 2021 ("**Last Trading Day**").

The Subscription Price was arrived at based on the terms of the Proposed Investments as set out in the HOA Announcement such that the Professional Investor shall invest up to S$750,000 for not less than 75% in the enlarged share capital of the Company, on a willing-buyer, willing-seller basis after negotiations between the Company and the Professional Investor. The Company had disclosed the rationale for the Proposed Investments (including the Proposed Subscription) in the HOA Announcement.

In agreeing on the Subscription Price, in addition to the rationale for the Proposed Investments as previously disclosed in the HOA Announcement, the Directors, as at the date of this announcement, have further taken into consideration, among other things: (i) the challenging situation and weak financial position of the Company; (ii) the trading suspension of the Shares since April 2021; (iii) the corporate profile and experience of the Professional Investor in providing strategic guidance to the Company; and (iv) the continued financial support and strategic guidance provided by the Professional Investor (including the Temporary Loans and the Proposed Investor Guarantees which have been provided by the Professional Investor notwithstanding that certain key conditions precedent to the HOA have not been fulfilled by the Company) to address the challenging circumstances surrounding the Company, which led to the subsequent resolution of certain legacy issues referred to in paragraph 3.5 of the RTO Announcement as well as the successful negotiation and entry into the SPA for the Proposed Acquisition. The Directors have also considered that it is unlikely that the Company, without the Proposed Investments and the support of the Professional Investor, would be able to implement any corporate action which would enable the continued listing of its Shares on the Catalist. As disclosed in the Company's minutes of its annual general meetings for the financial years ended 31 December 2022 and 31 December 2023, the Company had also updated

Shareholders on details of the financial support and strategic guidance provided by the Professional Investor since the entry into the HOA in August 2022.

(b) *Subscription Shares:* The Subscription Shares shall, when issued and fully paid, be free from encumbrances, and rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, save for any dividends, rights, allotments or other distributions the record date for which is prior to the date of completion of the Proposed Subscription ("**Completion**").

(c) *Conditions Precedent:* Completion is conditional upon (among others):

(i) The SPA having been entered into and not having been terminated.

(ii) The existing Shares not being delisted from the Catalist, and no notice of delisting having been issued by the SGX-ST.

(iii) The SGX-ST having approved the Proposed Subscription and the MGO (as defined below) for the purpose of Rule 729 of the Catalist Rules (which states that where trading of securities of any issuer is suspended, there must not be any transfer of securities unless approved by the SGX-ST), and where such approval is subject to conditions, such conditions being reasonably acceptable to the parties.

(iv) The receipt by the Company of the listing and quotation notice from the SGX-ST in relation to the listing and quotation of the Consolidated Shares and the Subscription Shares on the Catalist and such notice not having been revoked or amended, and where such approval is subject to conditions, such conditions being reasonably acceptable to the parties.

(v) All other approvals from the SGX-ST and other consents from other relevant authorities required by the Company for the allotment and issue of the Subscription Shares having been obtained and not having been revoked or amended, and where such any such consent is subject to conditions, such conditions being reasonably acceptable to the Parties.

(vi) The approval of Shareholders for the Share Consolidation and the Proposed Subscription having been obtained at an extraordinary general meeting of the Company, and such approval not having been revoked or amended.

(vii) Shareholders holding an aggregate of around 50.91% of the total existing issued Shares prior to the Completion having given irrevocable undertakings to the Professional Investor not to accept the MGO.

(viii) The completion of the Share Consolidation.

(ix) The Proposed Subscription not being prohibited or restricted by any applicable law or regulation or by any restraining order, injunction or other order, decision, determination or notice (whether preliminary or permanent or otherwise) of any court or relevant authority having been made, proposed or announced.

(x) The representations and warranties of the Professional Investor in the Subscription Agreement remaining true and accurate and not misleading at

Completion as if repeated at Completion and at all times between the date of the Subscription Agreement and Completion by reference to the facts then existing.

(xi) The representations and warranties of the Company in the Subscription Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Subscription Agreement and Completion by reference to the facts then existing.

If the above conditions precedents are not satisfied or, if applicable, waived on or before ten (10) weeks from the date of the Subscription Agreement (or such other date as the Company and the Professional investor may agree in writing), the Subscription Agreement shall *ipso facto* cease and determine thereafter, and neither the Company nor the Professional Investor shall have any claim against the other under or in connection with the Subscription Agreement.

As at the date of this announcement, the conditions precedent in paragraphs 2.2(c)(i), (ii), (iii) and (vii) have been satisfied.

(d) *Completion:* Under the Subscription Agreement, Completion shall take place on the date falling 5 market days after the date on which the above conditions precedent are satisfied and/or waived (or such other date as may be agreed between the Company and the Professional Investor).

(e) *Moratorium:* Pursuant to the terms of the Subscription Agreement, the Professional Investor will provide to the Company a moratorium undertaking pursuant to which he will undertake that, upon the issue of the Subscription Shares, he will not (among other things) pledge, sell, realise, grant any security over, encumber or otherwise transfer or dispose of the Subscription Shares as well as any additional Shares or Consolidated Shares acquired by him as a result of acceptances under the MGO, or enter into a transaction that would have the same effect. In any event, the Professional Investor will not be able to trade or deal in the Subscription Shares, once issued, or the additional Shares or Consolidated Shares acquired by him as a result of acceptances under the MGO since trading in the Shares is expected to remain suspended until completion of the Proposed Acquisition.

As a further demonstration of his commitment, the Professional Investor has agreed (i) not to withdraw the Proposed Investor Guarantees amounting to S$500,000, which have been provided by the Professional Investor at the date of this Announcement (the "**Non-Withdrawal of the Proposed Investor Guarantees**"); and (ii) to provide additional working capital loans of up to S$300,000 as and when the Company may require, based on the terms and conditions to be agreed upon and at the discretion of the Professional Investor (the "**Additional Funding**").

2.3 Transfer of Controlling Interest.

As at the date of this announcement, the Professional Investor does not hold any Shares. Upon completion of the Share Consolidation, the 1,701,000,410 existing issued Shares will be consolidated into 8,505,000 Consolidated Shares. Upon Completion, the Professional Investor will hold 25,515,000 Subscription Shares, which will represent about 75.0% of the enlarged issued and paid-up share capital of the Company of 34,020,000 Shares. Accordingly, the allotment and issue of the Subscription Shares will result in the transfer of a controlling interest (as defined in the Catalist Rules) in the Company to the Professional Investor.

2.4 Application for Listing and Quotation.

An application for the listing of and quotation for the Subscription Shares on the Catalist will be made to the SGX-ST through the sponsor of the Company ("**Sponsor**"), SAC Capital Private Limited. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

2.5 Directors' Opinion on Working Capital.

In the Company's announcement dated 27 February 2025 on its condensed interim consolidated financial statements for FY2024, it was stated that the ability of the Company to (a) continue as a going concern, and (b) undertake and complete a proposed reorganisation of the Company depends heavily on the willingness of the Professional Investor to provide continuous support to the Company via his strategic guidance and financial supports. As at the date of this announcement, the Directors continue to believe that the Company's ability to continue as a going concern depends on the willingness of the Professional Investor to provide such support and guidance. In view of this and on the assumption that the Proposed Subscription will be completed, the Non-Withdrawal of the Proposed Investor Guarantees and the agreement to the Company's request for Additional Funding, the Directors opine that the Group would be able to meet its present working capital requirements.

2.6 Shareholders' Approval.

The Proposed Subscription will be subject to the specific approval of Shareholders:

(a) pursuant to section 161 of the Companies Act 1967 and pursuant to Rule 805(1) of the Catalist Rules, under which an issuer must obtain the prior approval of shareholders in a general meeting for the issue of shares;

(b) pursuant to Rule 811 of the Catalist Rules, under which an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed unless specific shareholders' approval is obtained. As noted in paragraph 2.2(a) above, the Subscription Price of S$0.0294 for each Subscription Share (on a post-Share Consolidation basis) represents a discount of approximately 97.1% to the VWAP of the Shares on a post-Share Consolidation basis of S$1.00 (equivalent to pre-Share Consolidation of S$0.005 per Share) on the Last Trading Day; and

(c) pursuant to Rule 803 of the Catalist Rules, under which an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting. As noted in paragraph 2.3 above, the allotment and issue of the Subscription Shares will result in the transfer of a controlling interest in the Company to the Professional Investor.

In this regard, a circular ("**Circular**") containing further information on the Proposed Subscription and the Share Consolidation, together with a notice of the extraordinary general meeting of the Company ("**EGM**"), will be despatched by the Company to Shareholders in due course. For the avoidance of doubt, the Subscription Shares will be issued pursuant to such specific approval to be obtained from the Shareholders.

Certain existing Shareholders, including Mr Chu Ming Kin, Executive Director and Chief Executive Officer of the Company, who are independent to each other and to the Professional Investor, and who collectively hold a total 50.91% of the existing issued Shares, have provided an irrevocable undertaking to the Company to, among other things, vote in favour of all the related resolutions in connection with the HOA, including the Proposed Subscription.

2.7 Information on the Professional Investor.

The Professional Investor is a sophisticated investor with significant experience in corporate finance, corporate restructuring and mergers and acquisitions. Please refer to the HOA Announcement which contained detailed information on the Professional Investor. Further information about the Professional Investor is also publicly available online. The Professional Investor has represented that he has entered into the Subscription Agreement for financial investment purposes.

As of the date of this announcement, the Professional Investor does not hold (directly or indirectly) any Shares or any other securities in the Company. Upon Completion, the Professional Investor will hold approximately 75% of the enlarged issued and paid-up share capital of the Company. The Professional Investor has represented that he is subscribing for the Subscription Shares as principal and will not be holding the Subscription Shares on trust or as a nominee of any person.

The Professional Investor has represented to the Company that he is not a person who is a Director or substantial shareholder of the Company or other restricted persons specified in Rule 812(1) of the Catalist Rules, and that save for the Subscription Agreement, the Professional Investor does not have any interest, direct or indirect, in the Shares and does not have any connection (including business relationship) with the Company, its Directors and/or its substantial Shareholders, except for the HOA (as amended by the Amendment Agreement), the agreements relating to the Temporary Loans and the transactions contemplated thereunder.

2.8 MGO.

Completion will trigger an obligation on the part of the Professional Investor to make a mandatory unconditional cash offer ("**MGO**") for all Shares other than those already owned, controlled or agreed to be acquired by him and his concert parties in accordance with section 139 of the SFA and Rule 14 of the Singapore Code on Take-overs and Mergers.

Taking into account that trading in the Shares has been suspended since May 2021 and that there is no certainty that the Proposed Acquisition will be completed, the MGO will ensure fair treatment of all Shareholders and provide Shareholders an option to either (i) exit their investment in the Company by accepting the MGO, or (ii) hold on to their Shares in anticipation of the potential prospect of the Proposed Acquisition being completed by not accepting the MGO.

Please refer to the announcement dated the date hereof by the Professional Investor in relation to the MGO which, as at the date hereof, will be conditional upon Shareholders' approval being obtained for the Share Consolidation and the Proposed Subscription at the EGM and the completion of the Share Consolidation and the Proposed Subscription.

2.9 Rationale for the Proposed Subscription and Use of Proceeds.

(a) *Rationale for the Proposed Subscription:* On 4 May 2021, the Company released an announcement in which it announced that there was no certainty that it would be able to obtain the required financial support from these shareholders who had previously provided confirmation letters, and thus the Company would not be able to meet its obligations as and when they fall due. The Company therefore requested for a voluntary trading suspension of the Shares. Trading in the Shares has been suspended since 4 May 2021.

On 22 May 2022, the Company announced that it did not have any recurring revenue-generating business since the trading suspension of the Shares on 4 May 2021, and that therefore it is a "cash company" for the purpose of Rule 1017 of the Catalist Rules. Due to its "cash company" status, any acquisition transaction initiated by the Company will be subject to the requirements of a reverse takeover pursuant to Rule 1015 of the Catalist Rules.

The background to the Company subsequently entering into the HOA with the Professional Investor in August 2022, the provision of Temporary Loans and Proposed Investor Guarantees by the Professional Investor, the progress made by the Company, with the guidance of the Professional Investor, in identifying suitable acquisition targets that would satisfy the requirements of a new listing, and the Company eventually entering into the SPA for the Proposed Acquisition, has been set out in paragraph 1 of this announcement.

Further elaboration on the Board's opinion in relation to the Share Consolidation and Proposed Subscription being considered to be in the best interest of the Company and its minority Shareholders can be found in paragraph 4.5 of this announcement.

(b) *Use of proceeds:* The gross proceeds from the Proposed Subscription of approximately S$750,000 ("**Gross Proceeds**") will be used by the Company in the following proportions:

(i) an amount of S$550,000 or approximately 73.3% will be set off from the Temporary Loans, pursuant to which the principal amount of the Temporary Loans will be deemed to have been repaid; and

(ii) the balance amount of S$200,000 or approximately 27.7% will be fully used for payments of corporate expenses as may be incurred in relation to the Proposed Subscription, the MGO, listing fees and other related professional fees, including the estimated expenses relating to the Proposed Subscription.

The Company will make periodic announcements on the utilisation of the Gross Proceeds as and when the proceeds are materially disbursed, including whether the use is in accordance with the stated use and in accordance with the percentage allocated as announced. The Company will also provide a status report on the utilisation of the Gross Proceeds in its interim and full year financial statements announcement(s) and annual report(s). The Company will disclose a breakdown with specific details on the use of the Gross Proceeds (including those used for working capital purposes, where applicable) in the relevant announcements and annual report(s). Where there is any material deviation

from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Gross Proceeds for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions or invested in short-term money markets or debt instruments or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time in the interest of the Company.

3. SHARE CONSOLIDATION

3.1 Introduction.

The Company proposes to undertake the Share Consolidation as described in paragraph 1.6 of this announcement to consolidate every 200 existing Shares into 1 Consolidated Share. The Company proposes to seek the approval of Shareholders for the Share Consolidation and the Proposed Subscription at the EGM. The Circular, which will contain further information on the Share Consolidation and the Proposed Subscription, together with the notice of EGM, will be despatched by the Company to Shareholders in due course.

3.2 Information on the Share Consolidation.

(a) Subject to Shareholders' approval at the EGM for the Share Consolidation and the other conditions set out in paragraph 3.4(a) below being obtained, fulfilled or waived (as the case may be), it is proposed that the number of Consolidated Shares held by Shareholders arising from the Share Consolidation will be ascertained on the Record Date. After the Record Date, every 200 existing Shares registered in the name of each Shareholder as at the Record Date will be consolidated into 1 Consolidated Share, fractional entitlements to be disregarded.

(b) Each Consolidated Share will rank *pari passu* in all respects with each other.

(c) Trading in the Consolidated Shares on the Catalist will be in board lots of 100 Consolidated Shares. Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Share Consolidation, based on their holdings of existing Shares as at the Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Share Consolidation will be aggregated and dealt with in the manner set out in paragraph 3.2(e) below.

(d) Shareholders who hold less than 200 existing Shares as at the Record Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Share Consolidation ("**Affected Shareholders**"). As trading in the Shares is currently suspended and will continue to be suspended at the time of the Share Consolidation, Shareholders are advised that they will not be able to purchase additional existing Shares so as to increase the number of existing Shares held to a multiple of 200 Shares prior to the Record Date so as to remain as Shareholders upon completion of the Share Consolidation.

(e) All fractional entitlements arising upon the implementation of the Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including but not limited to: (i) disregarding fractional entitlements; or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company or on such other basis as they may, in their absolute discretion, deem appropriate. Shareholders will not be paid for any fractional Consolidated Shares which are disregarded or any of the proceeds arising from any aggregation and sale of such fractions.

(f) While the Company is mindful of the impact to the Affected Shareholders who would cease to be Shareholders upon completion of the Share Consolidation, and the Shareholders who will receive odd lots of Consolidated Shares, the Share Consolidation and the Proposed Subscription are being undertaken by the Company as part of its corporate turnaround plan which, together with the Proposed Acquisition, is intended to eventually allow the Company to apply for the resumption of trading of the Shares. Taking into account the foregoing, the Board is of the view that the Share Consolidation ratio of 200:1 brings the value ascribed to the Company to an amount that is commercially acceptable by the parties for the successful implementation of the corporate turnaround plan which includes the Proposed Subscription and the Proposed Acquisition.

(g) Shareholders who receive odd lots of Consolidated Shares pursuant to the Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST (if trading in the Shares is resumed) can trade with a minimum size of one (1) Consolidated Share on the SGX-ST Unit Share Market. The SGX-ST Unit Share Market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying shares. As odd lots of Consolidated Shares can be traded on the SGX-ST Unit Share Market, no separate arrangement will be made for the trading of such odd lots.

(h) **Shareholders should note that the market for trading of such odd lots of Consolidated Shares may be illiquid and they may have to bear disproportionate transaction costs in trading their Shares in the unit share market.** Shareholders who wish to trade their Consolidated Shares on the SGX-ST Unit Share Market should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

(i) As at the date of this announcement, the Company has an issued and paid-up share capital of approximately S$41,783,000, comprising 1,701,000,410 Shares, and has no treasury shares and no subsidiary holdings. The Company also has no outstanding share options, share awards or convertible securities. On the assumption that there will be no new Shares issued by the Company up to and including the Record Date and no fractions of Consolidated Shares arising from the Share Consolidation, and subject to Shareholders' approval being obtained for the Share Consolidation at the EGM, the issued and paid-up share capital of the Company would be approximately S$41,783,000, comprising up to 8,505,000 Consolidated Shares, following the completion of the Share Consolidation.

(j) The Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company and has no effect on the shareholders' funds (if any) of the Company and its subsidiaries. Shareholders will not be required to make any payment to the Company in respect of the Share Consolidation. The Share Consolidation will not cause any material

changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and disregarding fractional entitlements.

(k) Trading of the Shares on the SGX-ST has been suspended since May 2021. In view of the prolonged suspension of trading of the Shares since May 2021, the Company is of the view that it is not meaningful to discuss the computations of the 6-month VWAP of the Shares, or the theoretical adjusted 6-month VWAP based on the Consolidated Shares.

3.3 Rationale for the Share Consolidation.

As elaborated on in paragraph 1 of this announcement, the Professional Investor has provided an undertaking to vote in favour of the Proposed Acquisition and other resolutions to be presented at the RTO EGM, thereby providing greater certainty of the Proposed Acquisition proceeding to fruition and proving to be a viable corporate turnaround plan of the Company.

As the Professional Investor does not at present hold Shares in the Company, the Proposed Subscription, terms of which had been earlier agreed under the HOA, would allow the Professional Investor to provide a meaningful undertaking in respect of voting on the Proposed Acquisition. In connection therewith, the Share Consolidation will be undertaken as a condition precedent to the Proposed Subscription to ensure that the Subscription Price, on a post-Share Consolidation basis being $0.0294 per new Share (on a post-Share Consolidation basis) would be above the minimum bid size of S$0.001.

In addition, the Share Consolidation will also facilitate the completion of the Proposed Acquisition (including any potential fund raising exercise to meet the minimum public float requirement) such that, for the purposes completion of the Proposed Acquisition, the share price will meet the minimum share price requirement that is prescribed by Rule 1015(3)(c) of the Catalist Rules, which provides that where the consideration for the acquisition of assets by the issuer is to be satisfied by the issue of shares, the price per share after adjusting for any share consolidation must not be lower than S$0.20. The Company will further disclose the commercial aspects of the Proposed Acquisition, including the proposed shareholding structures arising thereof in the circular relating to the Proposed Acquisition. Further elaboration on the Board's opinion in relation to the Share Consolidation and Proposed Subscription being considered in the best interest of the Company and its minority Shareholders can be found in paragraph 4.5 of this announcement.

Shareholders should note that there is no certainty or assurance that the Share Consolidation and Proposed Subscription, and thereafter the Proposed Acquisition will be completed.

3.4 Approvals and Conditions.

(a) The Share Consolidation is subject to, among others:

(i) the receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST; and

(ii) the approval of Shareholders by ordinary resolution of the Share Consolidation at the EGM.

(b) Shareholders should note that the resolutions in relation to the Share Consolidation and the Proposed Subscription which will result in a transfer of controlling interest are inter-conditional and the EGM to be held in relation to the Share Consolidation and the Proposed Subscription will be prior to the RTO EGM.

(c) The Company will, through its Sponsor, be making an application for the listing and quotation of the dealing in, listing of and quotation for the Consolidated Shares and the Subscription Shares on the Catalist.

(d) An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST. Any listing and quotation notice which may be issued by the SGX-ST for the listing and quotation of the Consolidated Shares and the Subscription Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Share Consolidation, the Consolidated Shares or the Subscription Shares.

4. CONSULTATION WITH SGX-ST IN RELATION TO RULE 729 OF THE CATALIST RULES

4.1 Rule 729. Rule 729 of the Catalist Rules states that where the trading of securities of any issuer is suspended, there must not be any transfer of securities, unless approved by the SGX-ST. The Company, through the Sponsor had submitted a consultation to seek the concurrence of the SGX-ST that it has no objection to the Proposed Subscription and the resulting MGO whilst trading in the Shares remains suspended.

4.2 Rationale. The undertaking of the Share Consolidation and the Proposed Subscription whilst trading in the Shares remains suspended is critical to the completion of the Proposed Acquisition. As mentioned in paragraph **Error! Reference source not found.**, the Professional Investor has provided an undertaking to the Vendor and the Warrantors to vote in favour of the Proposed Acquisition and other resolutions to be presented at the RTO EGM. As at the date of this announcement, the Professional Investor does not hold any Shares. The Proposed Subscription, the terms of which are in line with the HOA, would enable the Professional Investor to perform his voting undertaking and thereby providing greater deal certainty. The Share Consolidation will be completed prior to the Proposed Subscription to ensure that the Subscription Price will be above the minimum bid size of securities of S$0.001 prescribed by the SGX-ST.

4.3 MGO. Further, the Proposed Subscription will require the Professional Investor to make the MGO at an offer price that will be the same as the Subscription Price, i.e. S$0.0294 per Share. This would present Shareholders an option to exit their investment in the Company by accepting the MGO, having considered that trading in the Shares has been suspended since May 2021. The terms of the MGO will be reviewed by an independent financial adviser to be appointed by the Company. As noted in paragraph 2.2(c)(vii) of this announcement, Shareholders holding an aggregate of around 50.91% of the total existing issued Shares have given irrevocable undertakings to the Professional Investor not to accept the MGO, and it is not expected that acceptances of the MGO, when made, will result in the Professional Investor holding 90% or more of the Shares under the MGO thereby entitling the Professional Investor to exercise his right of compulsory acquisition under section 215(1) of the Companies Act 1967. In any event, the Professional Investor has stated in his announcement on the MGO referred to in paragraph 2.8 that he does not intend to exercise any right of compulsory acquisition (if any). The Professional Investor's undertaking to make the MGO demonstrates his commitment and confidence in the Company and the Proposed Acquisition.

4.4 Professional Investor's Moratorium. As noted in paragraph 2.2(e), the Professional Investor will, upon the issue of the Subscription Shares, provide a moratorium undertaking in respect of the Subscription Shares and any additional Shares or Consolidated Shares acquired by him as a result of acceptances under the MGO. Upon the completion of the Proposed Acquisition, the Subscription Shares as well as the additional Shares or Consolidated Shares acquired by him as a result of acceptances under the MGO will also be subject to moratorium in accordance with Rule 422 of the Catalist Rules.

4.5 Steep discount of the Subscription Price. The Board and the Company, while cognisant of the steep discount of the Subscription Price of the Subscription Shares, are of the opinion that the Share Consolidation and the Proposed Subscription are in the best interest of the Company and its minority Shareholders on the following basis:

(a) The Share Consolidation and the Proposed Subscription will facilitate the Company's entry into the SPA for the Proposed Acquisition.

(b) The completion of the Proposed Subscription will enable to Company to receive continual financial support and strategic guidance from the Professional Investor, including the Non-Withdrawal of the Proposed Investor Guarantees and the access to the Additional Funding, as and when required. As previously disclosed, such support and guidance from the Professional Investor are of paramount importance for completion of the Proposed Acquisition;

(c) The completion of the Proposed Acquisition is a step towards the resumption of trading in the Shares and continued listing of the Company, as the Target Group is a commercially viable business which is able to satisfy the SGX-ST's requirements for a new listing. The Company, together with the Professional Investor, have worked tirelessly to evaluate over 10 various targets since 2022 to ensure that the eventual target to be acquired as a "reverse takeover" will improve Shareholders' value and returns following a resumption of trading;

(d) The discount in the Subscription Price had been arrived at after taking into account, among other things, the matters set out in paragraph 2.2(a).

(e) The Share Consolidation and Proposed Subscription which will result in a transfer of controlling interest to the Professional Investor are inter-conditional and subject to the approval of Shareholders.

(f) The Professional Investor will make the MGO at an offer price that will be the same as the Subscription Price under the Proposed Subscription, thus allowing Shareholders who wish to exit their Shares while trading in the Shares remains suspended to accept the MGO, and the terms of the MGO will be subject to an independent financial adviser's opinion.

4.6 No Objection from SGX-ST. The SGX-ST had, based on the Company's submissions and representations, advised that it has no objections to the Proposed Subscription subject to the following ("**No Objection**"):

(a) Shareholders' approval for (i) the Share Consolidation; (ii) the Proposed Subscription; and (iii) the transfer of a controlling interest to the Professional Investor; and (iv) any other relevant matters at an extraordinary general meeting to be convened;

(b) disclosure of (i) the rationale for the Share Consolidation and Proposed Subscription ("**Proposed Corporate Actions**"), (ii) reasons why the Proposed Corporate Actions must be undertaken currently when trading in the Company's securities is suspended; and (iii)

how this is in the best interest of the Company and its shareholders. In addition, the Company must disclose how the Proposed Corporate Actions are necessary in the Company's plans towards completion of the Proposed Acquisition with a view to resuming trading;

(c) the Professional Investor placing the Subscription Shares in escrow upon issuance until completion of the Proposed Acquisition and the Company obtaining an undertaking from the Professional Investor that he will not pledge, sell, transfer, dispose, realise, deal and / or create any encumbrance over any of the Subscription Shares, or enter into a transaction that would have the same effect. The moratorium must be in place until the Company has a business which is able to satisfy the Exchange's requirements for a new listing, as required under Catalist Rule 1017;

(d) disclosure of the Professional Investor's plan to launch a mandatory general offer at the subscription price of the Proposed Subscription, to enable all Shareholders to accept the MGO on the same terms as the Professional Investor; and

(e) undertaking from the Company to make regular updates on the progress of the Proposed Acquisition.

Satisfaction of the conditions in paragraphs 4.6(a) to (d) have been disclosed in the earlier paragraphs of this announcement. Satisfaction of the conditions in paragraph 4.6(e) have been disclosed in paragraph 14 of the RTO Announcement.

The No Objection from the SGX-ST is not an indication of the merits of the Proposed Corporate Actions, the Proposed Acquisition, the Company, its subsidiaries and their securities.

5. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

(a) The *pro forma* financial effects of the Proposed Subscription on the Group presented below are based on the Company's unaudited consolidated financial statements for the financial year ended 31 December 2024, and are **strictly for illustrative purposes only and do not reflect the actual financial results or the future financial performance and condition of the Group after the Proposed Subscription**, including without limitation, the events occurring subsequent to 31 December 2024 in relation to the Group as publicly disclosed by the Company from time to time.

For the purpose of illustration, the financial effects of the Proposed Subscription are computed based on, among other things, the following key assumptions:

(i) the computation does not take into account any expenses that may be incurred in relation to the Proposed Subscription and Share Consolidation;

(ii) the financial effects of the Proposed Subscription on the earnings per Share ("**EPS**") / losses per Share ("**LPS**") of the Group are computed assuming that the Proposed Subscription had been completed on 1 January 2024;

(iii) the financial effects of the Proposed Subscription on the share capital, net tangible assets ("**NTA**")/net tangible liabilities ("**NTL**") per Share and net gearing of the Group are computed assuming that the Proposed Subscription had been completed on 31 December 2024;

(iv) the Share Consolidation involving the consolidation of every 200 existing Shares into one (1) Consolidated Share has been completed prior to the Proposed Subscription; and

(v) the Proposed Subscription has been completed and, upon Completion, an aggregate of 25,515,000 Subscription Shares will be allotted and issued to the Professional Investor, thereby raising proceeds of S$750,000, which will be partially set-off against the Temporary Loans of an aggregate principal amount of S$550,000, with the balance S$200,000 being paid to the Company in cash.

(b) Effect on Share Capital

As at 31 December 2024	Before the Share Consolidation and Proposed Subscription	After the Share Consolidation but before the Proposed Subscription	After the Share Consolidation and Proposed Subscription
Number of Shares or Consolidated Shares	1,701,000,410	8,505,000	34,020,000
Issued and paid-up share capital (S$'000)	41,783	41,783	42,533

(c) Effect on NTL

As at 31 December 2024	Before the Share Consolidation and Proposed Subscription	After the Share Consolidation but before the Proposed Subscription	After the Share Consolidation and Proposed Subscription
NTL (S$'000)	(2,323)[(1)]	(2,323)	(1,573)
Number of Shares or Consolidated Shares	1,701,000,410	8,505,000	34,020,000
NTL per Share (S$ cents)	(0.14)	(27.31)	(4.62)

Note:

(1) Based on the NTL of the Group as at 31 December 2024 of RMB12.46 million and the exchange rate as at 31 December 2024 of S$1 : RMB5.36.

(d) Effect on Earnings

FY2024	Before the Share Consolidation and Proposed Subscription	After the Share Consolidation but before the Proposed Subscription	After the Share Consolidation and Proposed Subscription
Loss attributable to owners of the Company (S$'000)	(405)[(1)]	(405)	(405)

Weighted average number of Shares	1,701,000,410	8,505,000	34,020,000
LPS (S$ cents)	(0.02)	(4.76)	(1.19)

Note:

(1) Based on the loss attributable to owners of the Company for FY2024 of RMB2.18 million and the average exchange rate for FY2024 of S$1 : RMB5.38.

(e) Effect on Net Gearing

As at 31 December 2024	**Before the Share Consolidation and Proposed Subscription**	**After the Share Consolidation but before the Proposed Subscription**	**After the Share Consolidation and Proposed Subscription**
Net debt[(1)] (S$'000)	1,335[(2)]	1,335	585
Total shareholders' deficit (S$'000)	(2,323)	(2,323)	(1,573)
Net gearing ratio[(3)]	N.M.[(4)]	N.M.[(4)]	N.M. [(4)]

Notes:

(1) Net debt is calculated based on total borrowings, less cash and cash equivalents.

(2) Based on the net debt of the Group as at 31 December 2024 of RMB7.16 million and the exchange rate as at 31 December 2024 of S$1 : RMB5.36.

(3) Net gearing ratio is determined based on net debt divided by total shareholders' equity.

(4) Not meaningful as total shareholders' equity was negative.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or the substantial Shareholders of the Company or their respective associates (as defined under the Catalist Rules) have any interest, direct or indirect, in the Proposed Subscription or the Share Consolidation, other than through their respective interests arising by way of their shareholdings in the Company and/or directorships in the Group, as the case may be.

7. 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 about the Proposed Subscription and the Share Consolidation, 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 contained in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this announcement in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Company's Constitution and the Subscription Agreement will be made available for inspection at the registered office of the Company at 112 Robinson Road, #04-02, Singapore 068902 during normal business hours from the date of this announcement up to the date of the EGM.

9. CAUTION AND FURTHER ANNOUNCEMENTS

The Board would like to emphasise that there is no certainty or assurance that the Proposed Subscription or the Share Consolidation will be completed. The Company will make the necessary announcements as and when there are further material developments.

By Order of the Board

Chu Ming Kin
Executive Chairman and Chief Executive Officer
18 March 2025

IMPORTANT NOTICE

Notification under Section 309B of the SFA: In connection with section 309B of the SFA, the Subscription Shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and "Excluded Investment Products" (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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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**").*

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.

The contact person for the Sponsor is Ms Charmian Lim, Telephone: +65 6232 3210, at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.