Press Release

SGX Catalist-Listed Sincap Group Enters into Binding Heads of Agreement with Corporate Veteran Teh Wing Kwan on Proposed Investments of up to S$2.0 Million

- New investments comprise proposed shares subscription, loans and investor's guarantees

- Sincap will leverage on the professional expertise and business networks of Teh Wing Kwan to evaluate and execute new investment strategies

SINGAPORE, 12 August 2022 – Singapore Exchange Catalist-listed Sincap Group Limited (SGX:5UN) ("**Sincap**" or the "**Company**") announced today that corporate veteran Teh Wing Kwan ("**Teh**" or the "**Investor**") will invest up to S$2.0 million in the Company, subject to certain conditions precedent.

Sincap has entered into a binding heads of agreement ("**HOA**") for Teh to subscribe for no less than 75% in the Company's enlarged share capital (the "**Proposed Subscription**") for S$750,000, extend loans of up to S$750,000 (the "**Proposed Loans**") and provide certain guarantees of up to S$500,000 (the "**Proposed Investor Guarantees**") to the Company (collectively, the "**Proposed Investments**"). These will allow Sincap to initiate new corporate plans under Teh's strategic guidance.

Teh was the controlling shareholder and Executive Chairman of SGX Mainboard-listed Citicode Ltd for which he initiated and completed the reverse takeover ("**RTO**") of integrated healthcare services provider Livingstone Health Holdings Limited (now listed on SGX Catalist) ("**Livingstone Health**"). He remains a substantial shareholder and the Chairman of Livingstone Health after the RTO. 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.

Teh was the Managing Director and Group CEO of SGX Mainboard-listed Sapphire Corporation Limited which he restructured and transformed by acquiring one of China's largest privately-owned urban rail transit engineering groups. Currently an appointed advisor to SGX Mainboard-listed Koda Ltd, he has also served as Non-Executive Non-Independent Directors of several public companies listed in Singapore, Hong Kong and Australia.

Sincap's shares have been suspended from trading since 4 May 2021. It said its existing coal trading business is no longer viable due to significant headwinds such as high freight costs and major supply chain disruptions which have resulted in severe cashflow issues. Given its limited resources, Sincap has breached various listing rules as it failed to announce results and hold Annual General Meetings for the financial years ended 31 December 2020 (FY2020) and 31 December 2021 (FY2021) on time.

These issues have led to multiple resignations of directors and executives over the last 12 months for Sincap, which also lacks professional expertise in charting new investment strategies.

Teh's investment is contingent on completion of financial, legal, tax and due diligence such that he is reasonably satisfied that Sincap can implement new investment strategies without the "lingering effects of the Company's legacy operations and existing breaches of listing rules". Sincap also needs to obtain various irrevocable undertakings of stakeholders with at least 51% stake in aggregate to vote in favour of the Proposed Investments and a Potential RTO, as applicable.

Sincap said that given existing trading suspension of its shares, any acquisition transaction initiated by Sincap will be subject to the requirements of an RTO ("**Potential RTO**") under the Catalist Listing Rules, although no target has been identified as yet. Apart from potentially issuing new shares under the Proposed Subscription, Sincap also expects to issue additional securities to fund the Potential RTO, which will substantially dilute the Investor's ownership in the Proposed Subscription.

Further, Sincap said it is likely to consolidate its shares in future for the Potential RTO which will mean that the issue price for the Proposed Subscription will have to be adjusted accordingly for such effects.

The Proposed Subscription is conditional upon trading resumption of Sincap's Shares, while the Proposed Loans and Proposed Investor Guarantees, which are subject only to the completion of due diligence on Sincap, will enable Sincap to start engaging professional service providers for the Proposed Investment and the Potential RTO such that Sincap can work with the Investor towards submitting a trading resumption proposal to SGX-ST in due course.

"Investing in Sincap amid uncertainty involves significant risks for me, but I believe that the proposed transactions represent an opportunity for Sincap to potentially unveil major strategic change and feasible corporate plans for its shareholders," said Teh. "To revive Sincap, there is an urgent need to first address existing compliance lapses so that new investment strategies can be executed without legacy issues."

Sincap CEO, Chu Ming Kin said: "The proposed transactions have come after careful evaluation, particularly following the termination of a previous proposed placement exercise. Mr. Teh is an experienced investor with significant corporate experience. I believe Sincap will be able to address its existing issues, restructure its operations and execute new strategies under his guidance."

As the Proposed Investments are subject to various conditions precedent to be fulfilled Sincap has warned that there is still uncertainty in completing the transaction.

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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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