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

MONTHLY VALUATION OF ASSETS AND UTILISATION OF CASH FOR THE MONTH OF FEBRUARY 2023 AND QUARTERLY UPDATE

The board of directors (the "**Board**" or "**Directors**") of Sincap Group Limited (the "**Company**" and together with its subsidiaries, collectively the "**Group**") wishes to announce the following pursuant to Rules 1017(1)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"):

1. MONTHLY VALUATION OF ASSETS AND UTILISATION OF CASH

As disclosed in the Company's announcement on 12 September 2022, the Board and the management of the Company have, on a best effort basis, prepared an announcement on its utilisation of cash and cash equivalents for the month of August 2022 based on the Company's bank statements or bank slips. As further details required for the Company's monthly valuation of assets (such as the net asset value) pursuant to Catalist Rule 1017(1)(b) are dependent on the audited financial statements for its financial year ended 31 December 2021, which the Company is finalizing, the Company has prepared its monthly utilization of cash and cash equivalents for the month of February 2023 on the same basis. The details of which are as follows:

	RMB ('000)
Opening balance as at 1 January 2023	82
Less	
- Tax discharged [(1)]	40
- Others, net [(2)]	(1)
	39
Closing balance as at 28 February 2023	**121**

The above details were extracted from the Company's bank statement as at 28 February 2023 and have not been reviewed or audited by the Company's auditor.

Notes:

(1) Tax discharged upon finalisation of audited financial statement for the financial year ended 31 December 2020.

(2) Mainly comprises non-cash adjustments relating to unrealised foreign exchange movements arising from foreign currency cash holdings and bank charges (computed based on the closing exchange rate of S$/RMB 5.1440 as at 28 February 2023).

2. QUARTERLY UPDATE ON MILESTONES IN OBTAINING A NEW BUSINESS

2.1. Progress in addressing legacy issues

Reference is made to the Company's announcements dated 12 August 2022, 21 September 2022, 15 December 2022, 16 December 2022 and 21 December 2022 (the "**Previous Announcements**"). Unless otherwise expressly defined herein, all capitalised terms and references used herein shall have the same meanings ascribed to them in the Previous Announcements.

Following the Company's announcement of the Proposed Investments with the Professional Investor on 12 August 2022, the Company has taken steps and made significant progress in addressing existing issues pertaining to Company's compliance with Catalist Rules under the guidance of the Professional Investor, among others:

(a) On 15 December 2022, the Company announced that it has entered into a deed with Magnigrow Capital Pte. Ltd. and Mr. Chu Ming Kin, the Executive Chairman and Chief Executive Officer of the Company, to, among others, fully and finally settle all amounts outstanding under the bond which was previously issued by the Company to Magnigrow Capital Pte. Ltd. (following which the said bond shall be terminated and cancelled) and deem the consideration payable by the Company for the Company's acquisition of additional shares in Orion Energy Resources Pte. Ltd. to be satisfied and fulfilled in its entirety (the "**Internal Debt Restructuring**"). The completion of the Internal Debt Restructuring on 15 December 2022 had a positive impact on the Group's consolidated earnings and net tangible assets for FY2022, whereby the Group's liabilities reduced by approximately S$0.65 million, which in turn facilitate the Proposed Reorganisation;

(b) On 16 December 2022, the Company announced the material variances between unaudited financial statements and audited financial statements for the FY2020, following the finalisation of the post-balance sheet events review conducted by the Company's auditor for FY2020. On 21 December 2022, the Company published the annual report for FY2020 (which includes among others, the audited financial statements for FY2020) and issued the notice of AGM for FY2020. On 12 January 2023, the Company held and concluded the FY2020 AGM; and

(c) On 24 February 2023, the Company submitted an extension of time application to the SGX-ST regarding an extension of time to (i) meet the requirements for a new listing within 12 months from the time it became a cash company; (ii) submit a proposal to resume trading in its shares; (iii) fill the vacancy of its audit and risk committee; and (iv) for the issuance of the unaudited financial statements and the conduct of the annual general meeting for its financial year ended 31 December 2021, to work towards compliance with Catalist Rules 1017(2), 1304, 704(7), 705(1), 707(1) and 707(2). The Company will provide shareholders with further details and updates on the outcome of the extension of time application in due course.

2.2. Progress in identifying of targets for the Potential RTO

The Professional Investor has provided strategic guidance to the management of the Company in relation to identifying Potential RTO targets, and has advised that the targets under the Potential RTO should preferably exhibit one of the following or combined characteristics:

(a) targets which record modest but firm profitability that risk of earnings fluctuation is low amidst market volatility;

(b) targets which show indicative signs of higher profitability growth but requires operational restructuring; and

(c) targets which generate stable operating cash flows but require additional working capital to fund expansion.

The Company is currently in discussions with several Potential RTO targets and the ongoing discussions are commercially sensitive. In addition, based on the current circumstances, the Company is of the view that the pre-clearance application to be submitted to the SGX-ST for the Proposed Reorganisation in relation to its legacy operations and its existing non-compliance of certain Catalist Rules would be more meaningfully prepared once the Company is able to obtain more certainty on the Potential RTO target. As such, the Company will make the necessary announcements in the event that it enters into a definitive agreement with any Potential RTO target and as and when there are material developments in relation to the Potential RTO and/or the pre-clearance application in compliance with the Catalist Rules.

3. 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.

4. 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 March 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.*

The contact person for the Sponsor is Mr Bernard Lui, Telephone: +65 6389 3000, Email: bernard.lui@morganlewis.com.