

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

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**RESPONSES TO SGX-ST QUERIES**

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The Board of Directors (the “**Board**”) of Sincap Group Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) would like to respond to some of the queries raised by the SGX-ST in an email to Stamford Corporate Services Pte. Ltd., the Company’s Sponsor, on 8 April 2022 (as set out below).

As the Company is still in the midst of finalising its response to some of the queries raised by the SGX-ST, this announcement only contains a portion of the SGX-ST’s queries and the Company’s corresponding responses. The Company’s responses to the remaining queries of the SGX-ST will be released as soon as possible upon its finalisation.

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

**(I) SGX-ST’s Query 1**

Please provide updates on the total amount owed by Artwell Mineral Resources Pte. Ltd. (“**Artwell**”) to the Company to-date, the Company’s discussion with Artwell, including the repayment terms and the steps taken by the Company to recover the outstanding debts.

**Company’s Response to Query 1**

The total amount owed by Artwell to Orion Energy Resources Pte. Ltd. (“**Orion**”), which is a wholly-owned subsidiary of the Company, to date is USD25,925,666 (“**Outstanding Amount**”). The Outstanding Amount consists of:

- (a) The Principal Amount of USD25,768,223; and
- (b) The Interest Amount accrued, being the amount of USD157,443.

The Company has engaged Chevalier Law LLC to represent them in the legal proceedings against Artwell. The law firm issued a letter of demand on 2 August 2021 to Artwell to recover the Outstanding Amount and the Company is contemplating to take further legal action against Artwell. The Interest Amount stated above only includes interest accrued up until the letter of demand sent to Artwell on 2 August 2021. Artwell has not made any repayments since the letter of demand was issued.

Due to the Covid-19 situation in Hong Kong, the Company also faced difficulties and delay in pressing forward with such action against Artwell. There has been some discussion between the Board and Artwell, and Artwell has requested for an extension of time to repay. The Board has agreed to the extension given that any legal action against Artwell would require capital. The Company is waiting for details of a potential

new placement to be finalised before taking further action to ensure that there is sufficient capital to move forward. The Board will be speaking to the lawyers in the coming week for advice to inquire on the next steps.

**(II) SGX-ST's Query 2**

On 19 August 2021, the Company announced the proposed placement to raise gross proceeds of approximately S\$4.5 million. Under the terms of the Proposed Placement, the Subscriber (Hong Kong Puzhou New Material Co., Limited) is required to place a deposit of S\$450,000 within 90 days of the date of the Placement Agreement (i.e., by November 2021).

Please provide status of the Proposed Placement in view of the upcoming long-stop date of 19 April 2022, including whether the Subscriber has paid the deposit to the Company.

**Company's Response to Query 2**

The Subscriber (Hong Kong Puzhou New Material Co., Limited) has not paid the deposit of S\$450,000. Further, the long-stop date of 19 April 2022 as set out in the Subscription Agreement dated 19 August 2021 is fast approaching. Given the complications of the placement process, which would trigger a mandatory take-over offer requiring the Subscriber to obtain a waiver from the Securities Industry Council and the Company to arrange an EGM to pass the Whitewash resolution, the Company and the Subscriber mutually decided this week not to proceed with the proposed placement of 19 August 2021 and do not intend on extending the long-stop date under the Subscription Agreement. The Company made this decision because there is a better option for placement with a new investor that is currently in the process of negotiation.

**(III) SGX-ST's Query 3**

We also noted that the Company has breached quite a number of listing rules, including:

- (a) Rule 704(7) - appointment of an independent director to fill the vacancy on its audit and risk committee within 3 months of the resignation of independent director Lee Chong Yang on 25 March 2021;

Please provide an update to shareholders on the Company's breaches of Catalyst Rules, including any other listing rules not mentioned above.

**Company's Response to Query 3**

- (a) The Company has not been able to find a candidate who is willing to be appointed as an independent director of the Company due to uncertainties surrounding the previous placement. At present, there are one or two candidates who are currently in discussions with the management of the Company for the appointment of the independent director, but their appointment has yet to be confirmed. The potential appointment of these candidates is not contingent on

any separate deals with the Company. The identity of the candidate will be disclosed by the Company once confirmed. The management is coordinating this effort with the nominating committee of the Board to push this forward and will require time to satisfactorily confirm the new appointment by July 2022. The Company is aware that the independent director to be appointed has to have had recent and relevant accounting or related financial management expertise or experience, and will identify potential candidates accordingly.

- (b) The Company will address its other Catalist Rule breaches, including breaches of Catalist Rules 705(1), 705(2), 707(1), 707(2) and 711A, and its disclosure obligations under Part VI of Practice Note 13A regarding the provision of half-yearly updates on the Company's developments while the Company has been suspended, and its plans and commitment to address the listing rule breaches, in an announcement to follow once finalized.

#### **(IV) SGX-ST's Query 4**

Please also provide an update on the Company's current business operations and whether there is any revenue-generating business.

#### **Company's Response to Query 4**

Although the commodity trading environment is difficult due to supply chain issues and sporadic lock-downs by different countries and cities, the Company is still locking up orders and trades and looking to fulfil and complete these orders and trades whenever possible. There is a total of four orders of US\$3,850,000 each, at FOB US\$70.00/ton. The 1<sup>st</sup> shipment of delivery will commence in September 2022. The Company has not generated any revenue since the suspension of its shares on the SGX-ST on 5 May 2021.

#### **(V) SGX-ST's Query 5**

What are the Company's plans and commitment to address the listing rules breaches? Please provide a timetable.

#### **Company's Response to Query 5**

Please refer to the Company's response under Query 3, the timelines are provided therein.

## **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  
15 APRIL 2022

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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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