

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

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**DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED FINANCIAL STATEMENTS FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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In compliance with Rule 704(4) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the board of directors (the “**Board**”) of Sincap Group Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) would like to announce that its independent external auditor, Foo Kon Tan LLP (the “**Auditor**”), has included a disclaimer of opinion (the “**FY2024 Disclaimer Opinion**”) in relation to the audited financial statements of the Group and the Company for the financial year ended 31 December 2024 (“**FY2024**”) (the “**Financial Statements**”).

An extract of the nature and contents of the FY2024 Disclaimer Opinion contained in the independent auditor’s report for FY2024 (the “**Independent Auditor’s Report**”), is annexed hereto as **Appendix A (Extract of the Independent Auditor’s Report)** to this announcement. The Financial Statements and the Independent Auditor’s Report will form part of the Company’s annual report for the financial year ended 31 December 2024 (the “**Annual Report 2024**”), which will be released separately on the SGXNet in due course in accordance with Catalist Rule 707(2). Shareholders of the Company are advised to read this announcement in conjunction with the Annual Report 2024 in its entirety.

An extract of the note 2(b)(a) to the Financial Statements pertaining to the Group’s and Company’s going concern assumption contained in the Financial Statements, including the factors taken into consideration by the Board when providing its view that the use of the going concern assumption is reasonably appropriate, is annexed hereto as **Appendix B (Extract of the note 2(b)(a) to the Financial Statements)** to this announcement.

The Board confirms that the impact of all outstanding audit issues on the Financial Statements for FY2024 have been adequately disclosed therein.

**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 subject matter contemplated thereunder, 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 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 those sources and/or reproduced in this announcement in its proper form and context.

## 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 further announcements by the Company carefully and to exercise caution when dealing in the securities of the Company.

Although the shares of the Company are under suspension, shareholders and potential investors of the Company are advised to read this announcement and any past and future announcements of the Company carefully when dealing with the shares and 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.

By Order of the Board  
**SINCAP GROUP LIMITED**

CHU MING KIN  
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
3 APRIL 2025

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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**"). 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 Ms Charmian Lim, Telephone: +65 6232 3210, at 1 Robison Road, #21-01 AIA Tower, Singapore 048542.*

# Independent auditor's report to the members of Sincap Group Limited

## Report on the Audit of the Financial Statements

### Disclaimer of Opinion

We were engaged to audit the financial statements of Sincap Group Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

#### Use of going concern assumption

We draw attention to Note 2(b)(a) to the financial statements which indicates that the current liabilities of both the Group and the Company exceeded their current assets by RMB 7,978,000, and a deficit in equity of both the Group and the Company of RMB 12,485,000 as at 31 December 2024. The Group also incurred a net loss for the year of RMB 2,180,000; and net cash used in operating activities of RMB 1,566,000 for the financial year ended 31 December 2024. These conditions together with other substantial challenges faced by the Group as disclosed in Note 2(b)(a) indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

As disclosed and defined in Note 2(b)(a) to the financial statements, the management has prepared the Group's and the Company's financial statements on the basis that the Group and the Company will be able to meet its obligations as and when they fall due, taking into consideration various measures undertaken by the Company as well as (i) obtained temporary loan facilities of up to SGD 550,000, (ii) undertaking other reorganisation exercise, principally streamlining the Group's corporate structures to reduce operating costs; and (iii) identifying the target companies for the purpose of initiating the Proposed Reorganisation as planned with the Professional Investor.

We however noted that as at the date of this report, the Company had not fulfilled certain key conditions precedent to the Proposed Investments with the Professional Investor, and the ability of the Company to (i) pay its debts as and when they fall due; and (ii) undertake and complete the Proposed Reorganisation depends heavily on the willingness of the Professional Investor to provide continuous support to the Company. We are thus unable to obtain sufficient appropriate evidence that the use of going concern assumption in preparation of the financial statements is appropriate. The financial statements do not include any adjustments or any reclassification of assets and liabilities that would result if the going concern assumption is not appropriate.

# Independent auditor's report to the members of Sincap Group Limited (Cont'd)

## Report on the Audit of the Financial Statements (Cont'd)

### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing ("SSAs") and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

### Report on Other Legal and Regulatory Requirements

In our opinion, except for the significance of the matters referred to in the *Basis for Disclaimer of Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chin Bo Wui.

Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants

Singapore, 3 April 2025

**Sincap Group Limited  
and its subsidiaries****Notes to the financial statements for the financial year ended 31 December 2024****2(b) Critical accounting judgements and key sources of estimation uncertainty***Critical judgements in applying the entity's accounting policies*

In the process of applying the Group's material accounting policies, which are described in Note 2(e), management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below):

*(a) Going concern assumption*

As at 31 December 2024, the current liabilities of both the Group and the Company exceeded their current assets by RMB 7,978,000, and a deficit in equity of both the Group and the Company of RMB 12,485,000. The Group also incurred a net loss for the year of RMB 2,180,000; and net cash used in operating activities of RMB 1,566,000 for the financial year ended 31 December 2024.

The Group does not have any revenue-generating activities since 4 May 2021, despite continuing efforts from the Board and management. The Group had, on 22 May 2022, announced that it has been deemed a cash company since May 2021. On 26 August 2022, the Group announced that the bank balances held by the Company are insufficient to repay all the estimated outstanding liabilities, comprising costs incurred and accrued for its professional service providers.

The Company has been working with an investor, who possesses significant professional corporate experience (the "Professional Investor"), to assess and evaluate corporate turnaround plans which may involve certain commercial structures. The Group has de-consolidated dormant subsidiaries and is streamlining existing corporate structure (the "Proposed Reorganisation"), for the Group to proceed with preparation for the potential reverse takeover (the "Potential RTO") so as to inject new business and cash funding to the Group.

On 12 August 2022, the Company announced that it entered into a binding heads of agreement ("HOA") with the Professional Investor for a proposed investment of up to Singapore dollar ("SGD") 2,000,000 into the Company (the "Proposed Investment") subject to certain key conditions precedent, which comprise the following:

- (a) The Professional Investor will subscribe new ordinary shares of SGD 750,000 in the share capital of the Company, which is subject to approval from SGX-ST;
- (b) The Professional Investor will provide short-term loans up to SGD 750,000 at an interest rate of 10% per annum, which is at the sole discretion of the Professional Investor; and
- (c) The Professional Investor will provide investor guarantees up to SGD 500,000, which is at the sole discretion of the Professional Investor.

Pursuant to the HOA, the Company's executive chairman and chief executive officer, Mr Chu Ming Kin (the "CEO"), has agreed to waive any and all rights to receive repayment of any amounts owing to him in excess of SGD 300,000, and he shall not receive any repayment, on any outstanding debts owing by the Company until the shares of the Company have resumed trading on the Catalist of the SGX-ST that shall be repaid through an issuance of new shares at the same issue price as the issue price for new shares pursuant to the Potential RTO if there is a completion of the Potential RTO. As at the date of this Report, the Company had not fulfilled certain key conditions precedent to the Proposed Investment with the Professional Investor.

**2(b) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)***Critical judgements in applying the entity's accounting policies (Cont'd)**(a) Going concern assumption (Cont'd)*

While the Company is still working towards fulfilling certain key conditions precedent to the Proposed Investment, it has since requested the Professional Investor to provide temporary loans for the working capital of the Group. The Company has thus entered into loan agreements with the Professional Investor for a temporary loan facility of up to SGD 500,000 (equivalent to RMB 2,683,000) (the "Loan Agreement 1"), which is secured by a personal guarantee extended by the CEO, in favor of the Professional Investor. The Company has further agreed that any loan provided by the Professional Investor to the Company prior to the completion of the Proposed Investment, shall bear interest of 18% per annum and shall be repayable within 12 months from the date of disbursement, unless otherwise extended by the Professional Investor. In addition to Loan Agreement 1, the Company had, in January 2025, further requested the Professional Investor to provide additional working capital support for which the Company had entered into a second loan agreement with the Professional Investor for an additional temporary loan facility of up to SGD 50,000 (the "Loan Agreement 2") on the same terms and conditions as set out in Loan Agreement 1. The total loan disbursed under the above loan agreements form part of the Proposed Loans as specified under the HOA. As at the date of these financial statements, the Professional Investor has fully disbursed SGD 550,000 to the Company pursuant to Loan Agreement 1 and Loan Agreement 2 while the Company is still working towards the fulfilment of the conditions precedent to the Proposed Investment.

The above matters represent a material uncertainty that may cast a significant doubt on the ability of the Group and the Company to continue as a going concern and therefore, the Group and the Company may not be able to realise their assets and discharge their liabilities in the normal course of business. However, taking into account the above measures undertaken by the Company in connection with (a) entering into a binding heads of agreement with the Professional Investor for a proposed investment of up to SGD 2,000,000; and (b) obtained temporary loan facilities of up to SGD 550,000 as well as the current progress and milestone in identifying the target companies for the purpose of completing the Proposed Reorganisation as planned with the Professional Investor, the Board reasonably believes that the Group and the Company will be able to meet its obligations as and when they fall due, and that the preparation of the financial statements on a going concern basis remains appropriate. The financial statements do not include any adjustments or any reclassification of assets and liabilities that would result if the going concern assumption is not appropriate.

*(b) Functional currency*

The Group measures foreign currency translation in the respective currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

*(c) Income taxes*

The Group has exposure to income taxes in various jurisdictions. Significant judgement and estimates are involved in determining group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made. The Group's income taxes for the year are disclosed in Note 13.