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

RESULT OF THE APPLICATION FOR
(I) WAIVER OF THE ESCROW ACCOUNT REQUIREMENTS IN RELATION TO COMPLIANCE WITH CATALIST RULE 1017(1)(A); AND
(II) EXTENSION OF TIME TO PROVIDE A MONTHLY VALUATION OF ITS ASSETS AND UTILISATION OF CASH PURSUANT TO CATALIST RULE 1017(1)(B)

The Board of Directors (the "**Board**") of Sincap Group Limited (the "**Company**" and together with its subsidiaries, collectively the "**Group**") refers to the announcement dated 29 July 2022 (the "**Previous Announcement**") in relation to its intentions in relation to compliance with Catalist Rules 1017(1)(A) and (B).

Unless otherwise defined, all capitalised terms used in this announcement shall have the meanings ascribed to them in the Previous Announcement made by the Company.

1. WAIVER APPLICATION

The Company wishes to announce that the Company had on 5 August 2022, made an application to the Singapore Exchange Regulation Pte Ltd ("**SGX RegCo**") through its continuing sponsor, Stamford Corporate Services Pte. Ltd. for:

(a) a waiver in respect of compliance with the escrow accounts requirements under Catalist Rule 1017(1)(A); and

(b) an extension of time in relation to the requirement of the Company to provide a monthly valuation of its assets and utilization of cash, under Catalist Rule 1017(1)(B).

(the "**Waiver Application**")

Pursuant to Rule 1017(1)(A) and (B) of the Catalist Rules, upon becoming a Cash Company, the Company must:

(a) place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the issuer) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore ("**Escrow Account**"); and

(b) provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business, to the market via SGXNet.

2. OUTCOME OF THE WAIVER APPLICATION AND ESCROW WAIVER CONDITIONS

The Company wishes to announce that the SGX RegCo has, on 25 August 2022, based on the Company's submission and representations to the SGX RegCo, advised that it has no objection to the Company's application for waiver to comply with the escrow account requirement (the "**Escrow Waiver**") with regard to compliance with Catalist Rule 1017(1)(A). However, the SGX RegCo is unable to grant the Company any extension of time to comply with Catalist Rule 1017(1)(B). The Company is required to immediately start making monthly announcements on the valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business, to the market via SGXNet.

The above decision of the SGX RegCo is not an indication of the merits of the Escrow Waiver.

The Escrow Waiver is subject to the following conditions:

(a) the Company announcing the Escrow Waiver granted, the reasons for seeking the Escrow Waiver, the conditions as required under Catalist Rule 106 and if the Escrow Waiver's conditions have been satisfied. If the Escrow Waiver's conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;

(b) the Board's confirmation that the Escrow Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation);

(c) disclosure of a confirmation by the Board including the audit committee of the Company (the "**Audit Committee**") that the Escrow Waiver is in the best interests of the Company and minority shareholders; and

(d) the Company announcing that it will start to make monthly announcements on the valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business, to the market via SGXNet, with immediate effect.

(collectively, the "**Escrow Waiver Conditions**").

The Escrow Waiver will not be effective if any of the Escrow Waiver Conditions have not been fulfilled.

3. CONFIRMATION BY THE BOARD OF DIRECTORS

The Board including the Audit Committee has, as at the date of this announcement, confirmed that the Escrow Waiver:

(a) is not in contravention of any laws and regulations governing the Company and its Constitution (or the equivalent in the Company's country of incorporation); and

(b) is in the best interests of the Company and minority shareholders.

4. REASONS FOR SEEKING THE ESCROW WAIVER

4.1 The Company applied for the Escrow Waiver for the following reasons:

(a) the Company currently has estimated outstanding liabilities of approximately S$685,000 as at the date of the Waiver Application (the "**Total Estimated Outstanding Amounts**"), comprising costs incurred and accrued by its auditors, company secretary, continuing sponsor, and continuing listing fees, and additional corporate expenses to be incurred for the annual general meetings to be convened for its financial years ("**FY**") ended 31 December 2020 ("**FY2020**") and 31 December 2021 ("**FY2021**"). A breakdown of the Total Estimated Outstanding Amounts is as follows[1]:

Description	**SGD'000**
Audit and tax related fees (actual for FY2020 and estimated for FY2021)	166
Sustainability report (actual 2019 and estimated for FY2020 and FY2021)	29
Retainer fee for continuing sponsorship (from Apr 2019 to Aug 2022)	283
Company's secretarial fees (from Aug 2020 to Jul 2022)	52
Retainer fee for share registrar (from Jan 2021 to Jun 2022)	6
SGX listing fees (from 2H2020 to 2H2022)	40
The Central Depository	21
Income tax payables	8
Estimated FY2020 and FY2021 AGM related expenses (printer, polling agent, scrutineer, AGM venue etc)	48
Other outstanding corporate and operating expenses	32
Total Estimated Outstanding Amounts as at the date of the Waiver Application	**685**

The Company is of the view that it is of utmost importance to prioritise and arrange necessary payments of the Total Estimated Outstanding Amounts, and to reach out to some of the aforementioned creditors on progressive repayment schedules with the key objective that it can immediately work towards finalising its audited accounts for FY2020 and FY2021 for AGM 2020 and AGM 2021 to be held, an important first step in ensuring the Company rectifies its breaches of Catalist Rules. The Company is committed to using the Bank Balance (as defined below) to progressively pay down the Total Estimated Outstanding Amounts within 60 days of 5 August 2022, being the date of the Waiver Application.

[1] The Total Estimated Outstanding Amounts exclude (i) other corporate and operating expenses which may not have been accrued to date; and (ii) directors' fees which are to be tabled for shareholders' approval in the AGM for FY2020 and FY2021.

(b) As at the date of Waiver Application, the total cash currently held in the Company's bank accounts is approximately S$0.439 million comprising (i) S$0.429 million, as previously announced on 29 April 2022 and (ii) S$0.01 million, based on the unaudited management account as at 31 December 2020 (the "**Bank Balance**"). This amount is before the settling of Total Estimated Outstanding Amounts.

(c) Based on the Total Estimated Outstanding Amounts, the Bank Balance of approximately S$0.439 million is not sufficient to repay all of such outstanding amount in full. As such, the Company is of the view that it would not be meaningful to open an escrow account and place 90% of its existing cash balance in an escrow account. The opening of an escrow account would involve additional costs which would further deplete the Company's existing level of funds while the Company evaluates and prepares for the Potential RTO (as defined in paragraph 4.1(c) below) as a key turnaround plan for the Company.

(d) The Company disclosed in its announcement dated 22 May 2022 that it is working with a new potential investor which possesses significant professional corporate experience (the "**Professional Investor**") and it is intended that the Professional Investor assist with aligning the interests of the Company's shareholders, advise the Company in addressing the compliance of listing rules issues, conduct a major strategic review, set investment parameters, and work with the Company to evaluate acquisition and diversification plans as part of its corporate turnaround plans which is of strategic importance to the Company at this juncture. The Company also disclosed that it will assess the size of such strategic plans based on Chapter 10 of the Catalist Rules and judging from its market capitalisation as of 4 May 2021 (being the date of its trading suspension) and its "cash company" status, it is probable that any transaction to turnaround the Company, if initiated by the Company, will be considered a reverse takeover (the "**Potential RTO**") as defined under Chapter 10 of the Catalist Rules.

4.2 In addition, the Company is committed to using its existing cash and bank balance to progressively repay its outstanding liabilities. The Board (including members of the Audit Committee of the Company) is unanimous on this and in this regard, by signing the Waiver Application, undertook to the SGX RegCo and the Sponsor that:

(a) the Audit Committee will continue to monitor the utilisation of cash on a monthly basis and undertake the necessary measures to prevent any unnecessary depletion of the cash and cash equivalents of the Company;

(b) the Bank Balance will solely be used for repayments of the Total Estimated Outstanding Amounts. The Company is committed to using the Bank Balance to progressively pay down the Total Estimated Outstanding Amounts within 60 days of the Waiver Application; and

(c) the Audit Committee will also put in place internal controls to safeguard its cash and bank balances that all payments shall be approved by the Audit Committee of the Company and any withdrawals from the Company's bank accounts will require approval of at least one independent director of the Company (who is also an Audit Committee Chairman), which requires change in the existing bank signing mandate. As at the Waiver Application, the bank has approved the inclusion of the Company's Audit Committee Chairman as one of the authorized signatories to payments out of the Company's bank accounts.

4.3 As an update to paragraph 4.2(b) above, the Company wishes to update that it has begun to use the Bank Balance to pay down the Total Estimated Outstanding Amounts. In relation to paragraph 4.2(c) above, the Company confirms that it has included Company's Audit Committee Chairman as an authorized signatory for its main bank account and is in the midst of settling and closing the remainder of its bank accounts. The Company will transfer the remaining cash in each of its other bank accounts to its main bank account for streamlining purposes. The Company will provide further updates on the above in its monthly valuation of cash announcement.

5. STATUS OF SATISFACTION OF THE ESCROW WAIVER CONDITIONS

Accordingly, the Company confirms that the Escrow Waiver Conditions under paragraphs 2(a), 2(b), and 2(c) have been met as at the date of this announcement with the release of this announcement, while the continuing Escrow Waiver Conditions under paragraph 2(d) will be met via monthly and quarterly updates via SGXNet by the Company. The Company will start to make (i) monthly announcements on the valuation of its assets and utilisation of cash starting from early September 2022 for the month of August 2022, and (ii) quarterly updates of milestones in obtaining a new business from 30 September 2022, via SGXNet.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this announcement) 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.

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
26 AUGUST 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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