



Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Sincap Group Limited

Stock code: XZB

Meeting details:

Date: 11 September 2025

Time: 10.00 a.m.

Venue: 10 Anson Road, #31-06 International Plaza, Singapore 079903

Q1. The company is proposing to acquire Skylink APAC Pte. Ltd. for a total consideration of \$42.3 million. This consists of a base consideration of \$28.3 million and a deferred consideration of up to \$14.9 million, to be determined by the earn-out over two years.

The proposed acquisition¹ was first announced on 18 March 2025. According to the RTO circular, the audited profit of the target group was \$2.03 million in FY2024 and \$2.74 million in FY2025.

- (i) How was the company first introduced to the vendor?**
- (ii) What was the board's negotiation strategy with the vendor and how was the total consideration of \$42.3 million determined?**
- (iii) Based on the FY2025 profit, the acquisition values the target at more than 15 times earnings. How did the board assess this valuation to be fair and reasonable?**
- (iv) How much weight did the board place on Skylink's relatively short track record and rapid fleet expansion, which grew six-fold from 215 commercial vehicles at end-FY2023 to 1,239 at the latest practicable date? What due diligence was conducted to ensure this growth was sustainable rather than fast-tracked ahead of the IPO?**
- (v) Given the global trend towards electrification of vehicles, how did the board evaluate the risks of obsolescence in Skylink's existing fleet and the potential capital requirements for transitioning to electric vehicles?**

The valuation approach and methodology used by the independent valuer (Appendix C) applied a weighted average cost of capital (WACC) of 8.99% for Skylink APAC Pte Ltd, with a narrow sensitivity of +/- 0.25%.

- (vi) Can the independent directors help shareholders better understand if they rigorously assessed this approach and strongly agreed with the assumptions, including the WACC of 8.99%? What is estimated market value if higher WACC assumptions of 10%, 11% or 12% were applied?**

Q2. The company will issue new shares to the vendor, or its nominee(s), at an issue price of \$0.225 per share. The company has just completed a 200-to-1 share consolidation on 29 April 2025, leaving only 8,504,960 shares outstanding. The maximum number of new shares to be issued as consideration will exceed 20 times the existing issued shares.

¹ <https://links.sgx.com/1.0.0/corporate-announcements/ESXR08QMLF24K3LZ/cd90b592fe996a885babb9d14df8f331989f0b2cc5532333e60eb436ef705059>

Existing minority shareholders who held 21.08% of the company will be diluted to as low as 2.82% as shown in Appendix F – Changes in shareholding structure. The vendor will hold 67.59% while Mr Teh Wing Kwan will retain 10.49% stake after his subscription of 25,515,000 shares at a price of \$0.0294 for each subscription share on a post-share consolidation basis.

- (i) Can the board explain how the issue price of \$0.225 per share and the subscription price of \$0.0294 per share were determined and whether it led to significant dilution to existing minority shareholders?**
- (ii) What steps did the independent directors take during negotiations to protect minority shareholders from excessive dilution and ensure the transaction terms were fair?**
- (iii) If the aggregate adjusted NPAT of the target group for FY2025 and FY2026 is negative, will the company have contractual rights to claw back part of the base consideration from the vendor?**

Q3. At the extraordinary general meeting scheduled to be held on 11 September 2025, the company is seeking shareholder approval on 19 resolutions. Ordinary resolutions 1, 2, 3, 4, 5, 6, 7, 9, 11, 12 and 16 and the special resolution are deemed key resolutions and are inter-conditional upon each other.

The special resolution relates to the change of name of the company to “Skylink Holdings Limited”. Resolution 12 relates to the appointment of Mr Shen Wende as a new director while resolution 16 seeks approval for the IPT general mandate. Resolution 6 relates to the approval of settlement shares valued at just \$55,000.

In the event that one of the key resolutions is not approved, the RTO will fail.

Provision 11.2 of the 2018 Code of Corporate Governance issued by the Monetary Authority of Singapore requires issuers to provide the reasons and material implications for bundling resolutions.

- (i) Can the board explain the rationale for making these resolutions inter-conditional, particularly when some appear administrative or immaterial on their own? How did the board assess whether such bundling serves the best interest of the company?**
- (ii) What safeguards did the board implement to ensure that minority shareholders are not effectively forced into approving immaterial or less critical resolutions in order to support the reverse takeover?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.



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