

PINE CAPITAL GROUP LIMITED
(Company Registration No. 196800320E)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES FROM THE SINGAPORE STOCK EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") IN CONNECTION WITH THE RECEIPT OF NOTICE UNDER SECTION 216A OF THE COMPANIES ACT (CAP 50)

Capitalised terms used but not defined herein shall have the same meanings ascribed to them in the Company's announcements made on 25 March 2020 (the "Previous Announcement"), unless otherwise defined herein or the context requires otherwise.

The board of directors (the "**Board**") of Pine Capital Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to set out the responses to the queries raised by the Singapore Exchange Regulation ("**SGX RegCo**") to the Board in connection with the Company's receipt of notice under Section 216A of the Companies Act (Cap 50).

Query 1: Who are the Concerned Shareholders mentioned in the announcement who sent the Company the letter and Notice?

Company's Response:

The Concerned Shareholders who sent the Company the (i) notice under Section 216A of the Companies Act (Cap 50) ("**Section 216A Notice**"); and (ii) letter dated 18 March 2020 requesting for a meeting with the Board of the Company and sponsor of the Company, Asian Corporate Advisors Pte. Ltd. to clarify alleged inaccuracies in the announcements made by the Company ("**Letter of Clarification**") are:

- (i) Pine Partners Pte Ltd ("**Pine Partners**"), a 24.28% shareholder of the Company; and
- (ii) Mr. Sun Weiyeh ("**SWY**") who has a deemed interest in the Company's shares through his shareholding in Pine Partners.

Query 2: Who are the "past members of the Board" stated in the announcement who the Concerned Shareholders alleged to have breached their fiduciary duties and /or their duties of care and skill owed to the Company?

Firstly, the Board would like to highlight that the matters set out in the Section 216A Notice and Letter of Clarification are allegations made by the Concerned Shareholders and the Board is currently seeking legal advice and will commence investigations to investigate the allegations set out in both the (i) Section 216A Notice; and (ii) Letter of Clarification.

The past members of the Board named in the Section 216A Notice are:

- (i) Mr. Tomi-Jae Wanlun Tjio, who was appointed to the Board with effect on 1 March 2019 and subsequently resigned as Executive Chairman with effect on 22 November 2019; and
- (ii) Mr. David Sarkis, who was appointed to the Board with effect on 12 September 2019 and subsequently resigned as Executive Director with effect on 2 March 2020.

Query 3: What are the alleged inaccuracies and/or matters of grave concern mentioned in the Previous Announcements?

The Concerned Shareholders are of the view that the facts and/or clarifications set out in the announcements made by the Company on the SGXNET on 15 August 2019, 29 February 2020 and 13 March 2020 (the “**Previous Announcements**”) in regards to the transfer of shares to ACPAM are inaccurate and contains false allegations against a certain individual particularly in the announcement dated 29 February 2020.

The Board would like to further highlight that it is currently seeking legal advice and will commence investigations to investigate the allegations set out in both the (i) Section 216A Notice; and (ii) Letter of Clarification.

Query 4: Why didn't the Company make immediate announcement when it received the letter and Notice on 18 March 2020? Is this information considered material? Please provide the Company's and the Sponsor's basis.

The present Board comprises of (i) Mr. Lee Sin Ann (“**Mr. Lee**”) (ED); (ii) Mr Chin Hon Siang (“**Mr. Chin**”) (INED); and (iii) Mr Chan Wai Leung (Lead INED). Mr. Lee and Mr. Chin was recently appointed to the Board on 31 January 2020 and 13 January 2020 respectively.

Considering that both Mr. Lee and Mr. Chin have been recently appointed to the Board, they need reasonable time to familiarise themselves with the affairs of the Company particularly in relation to the allegations set out in the Section 216A Notice and Letter of Clarification received by the Company on 18 March 2020.

The Board had on 24 March 2020 convened a board meeting to discuss this matter. The Board is currently seeking legal advice and has been advised that the (i) Section 216A Notice and (ii) Letter of Clarification is considered to be material and will commence investigations to investigate the allegations set out in both the (i) Section 216A Notice and (ii) Letter of Clarification.

Sponsor's response:-

The Sponsor deemed the receipt of the Section 216A Notice and Letter of Clarification as material information which requires immediate announcements pursuant to *inter-alia* Rule 703 and Appendix 7A of the Catalist Rules. It is the responsibility of each issuer to disclose material information in its possession as required by the listing rules.

The Sponsor notes that as announced the matters referred to in the letters include the Section 216A Notice, which has alleged, among other things, that certain past members of the Board of the Company have breached their fiduciary duties and/or their duties of care and skill owed to the Company, by, among other things, procuring and/or approving the conduct of unlawful actions which resulted in the Group having suffered significant loss and damage. In addition, the Sponsor notes from the said announcement that under the Section 216A Notice, the Concerned Shareholders have given notice to the Company to commence legal proceedings against the above relevant individuals of the Company within 14 days from 18 March 2020, failing which the Concerned Shareholders shall apply to the Courts pursuant to section 216A of the Companies Act (Cap. 50) for leave to commence said legal proceedings in the name and on behalf of the Company and/or the Group.

Further, the Sponsor notes that as announced the Concerned Shareholders had also on 18 March 2020 issued a letter to the Company alleging that the announcements made by the Company on the SGXNET on 15 August 2019, 29 February 2020 and 13 March 2020, in relation to ACPAM contain a

number of inaccuracies and/or matters of grave concern. This may be material as it relates to *inter-alia* the accuracy of announcements and whether the announcements may inter-alia be inaccurate.

Immediately upon receipt of the Section 216A Notice and Letter of Clarification, the Sponsor has communicated to and reminded the Company on the need to seek legal advice, make such announcements including, where needed and applicable, clarification announcement in connection with the Previous Announcements. This includes whether an immediate announcement is needed, and the information to be disclosed in the announcement inter-alia Directors obligations for material information, accuracy of allegations and compliance with regards to inter-alia Companies Act, regulations, Rules etc.

The Sponsor notes the fact that whilst the certain members of the current Board may be relatively new and time may be needed for Board's deliberation and seeking of legal advice, there nonetheless exists obligations for compliance with the Rules and pursuant to undertakings provided under Appendix 7H.

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 or circumstances about the abovementioned responses, the Section 216A Notice and the Letter of Clarification, 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.

BY ORDER OF THE BOARD

Lee Sin Ann
Executive Director

29 March 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**Exchange**") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange 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. Liao H. K.
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