

PINE CAPITAL GROUP LIMITED

(Company Registration No. 196800320E)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE REGULATION ON EXTRAORDINARY GENERAL MEETING OF SUBSIDIARY, ADVANCE CAPITAL PARTNERS ASSET MANAGEMENT PRIVATE LIMITED, HELD ON 12 AUGUST 2019

The board of directors (the “**Board**”) of Pine Capital Group Limited (the “**Company**”) refers to the Company’s announcement dated 20 August 2019 titled, “*Extraordinary General Meeting of Subsidiary – Advance Capital Partners Asset Management Private Limited*” (the “**20 August Announcement**”).

Unless otherwise defined, the terms and references used herein shall bear the same meaning as stated in the 20 August Announcement. The Company would further highlight that at the time of point of making this announcement, it had sought clarification from ACPAM and its counsel. The Sponsor had posed many queries for said announcement which was first made available on 15 August 2019 to the Sponsor. The queries were not answered even as at the 20 August Announcement and this announcement is a reply to SGX queries and those of the Sponsor. The Company has only received limited responses from ACPAM. The responses provided by the Company in this announcement are to the best of its knowledge and information based on the documents that the Company has access to. The Company will provide such further updates and responses to the queries.

The Board of the Company would like to provide the Company’s responses to queries raised by the Singapore Exchange Regulation (“**SGX RegCo**”) on 21 August 2019:

Query 1:

Why is there no corresponding cessation announcement for Wang Meng?

Company’s response:

The announcement of 20 August 2019 was delayed as the EGM was held on 12 August 2019 and after the changes effected by the resolutions passed were lodged with ACRA, the Company’s Sponsor was only informed of the removal of the ACPAM’s Board on 15 August 2019 at about 6.50 pm. On the same day, the Sponsor requested for confirmation from the Company on whether Wang Meng will cease as a key executive of the Company. The Company was unable to provide its confirmation to the Sponsor since 15 August 2019 because of the then ongoing discussions between Wang Meng and the Company on Wang Meng’s future role(s) in the Company, if any.

The Sponsor had posed many queries for the 20 August Announcement which was first made available on 15 August 2019 to the Sponsor, but which were not answered. The queries were not answered even as at the 20 August Announcement and this

announcement is a reply to SGX queries and those of the Sponsor since 15 August 2019. Subsequently on 20 August 2019, the Company at about 6.49 pm, after queries from the Sponsor, confirmed to the Sponsor that Wang Meng has ceased to be the Company's Head of Greater China on 19 August 2019. On the same day (being 20 August 2019), Wang Meng was sent the Sponsor's exit interview questionnaire. Despite the Sponsor's requests for the completed exit interview questionnaire and a timeslot of the exit interview to be conducted, and numerous requests on 21 August 2019 from the Sponsor to both the Company and Wang Meng, Wang Meng only provided the exit interview questionnaire on 22 August 2019 to the Sponsor at about 1.52 pm. Notwithstanding the Sponsor has conducted the exit interview on 22 August 2019 subject to the draft cessation announcement which was not available as at the time of the interview, and where applicable further clarifications. The draft cessation announcement was not provided by the Company to Wang Meng until 5.38pm on 22 August 2019.

The Company will provide such further updates and announce its responses to Wang Meng as well as Wang Meng's cessation announcement.

Query 2

Who will be the CEO of ACPAM?

Company's response:

The Company understands that the existing board of directors of ACPAM was only constituted on 14 August 2019 (the "**ACPAM Board**") and that the ACPAM Board is currently deliberating the future direction and business strategies (including the staffing of senior positions) of ACPAM. The Company is also informed by ACPAM that ACPAM will provide key stakeholders timely updates as and when material decisions are made.

Query 3:

What did Tomi Tjio, as the sole director who represented the Company for the EGM, consider in casting his votes?

Company's response:

The fact that Ms Trina Ann Savage and Mr Pan Ki Ro have left the Company, and the fact Mr Wang Meng has issued a demand letter against the Company, were considerations that the Board took into account in voting in favour of the resolutions tabled at the EGM. The Board was of the view that Ms Savage, Mr Pan and Mr Wang were no longer willing and/or able to protect the Company's interests in their roles at ACPAM.

Query 4:

We note that the Company had only recently made changes to the directors of ACPAM following a court judgement. What has happened in the short period to warrant a total reversal of that decision, including the reinstatement of Tan Choon Wee as director and Zico Law as legal counsel as well as the removal of the recently appointed directors?

Company's response:

At the Company's Annual General Meeting held on 30 July 2019, resolutions proposing the re-election of Mr Pan Ki Ro, Mr Wee Heng Yi, Adrian and Mr Lee Tze Week, Andrew as directors of the Company were defeated by majority vote. Since then, the Company remains in the process of reconstituting its Board. At this stage, persons with a working knowledge of the Company and its subsidiaries are invaluable to steer the Company's and ACPAM's operations. The Board is cognisant of the fact that Mr Tan Choon Wee's and Zico Law's working knowledge of ACPAM's affairs are important to stabilise the Company and ACPAM's affairs.

However, the Company is also aware of the ongoing independent review in relation to ACPAM's operations and allegations of potential conflict of interest and possible lapses in internal control, and the Company remains committed to have the ongoing independent review taking its due course and completed. The Company has weighed these considerations and is of the view that it remains in ACPAM's interests to have its operations stabilised and the appointment of Mr Tan Choon Wee and Zico Law will assist in this process.

As part of its plans to stabilise the Company and ACPAM, the Company is also exploring its options to expeditiously ending the numerous sets of litigation that the Company and ACPAM are currently embroiled in.

Further, given that Mr Pan and Ms Savage have ceased their employment with the Company, along with the fact that Mr Wang has issued a demand letter to the Company, the Board is of the view that Ms Savage, Mr Pan and Mr Wang were no longer willing and/or able to protect the Company's interests in their roles at ACPAM.

Query 5:

We note that the reason given for the cessation of Ms Trina Ann Savage was due to her ceasing to be a director of the Company and therefore no longer able to represent the interest of the Company in ACPAM. Was she appointed as a director of the Company?

Company's response:

No. The Company wishes to clarify that Ms Trina Ann Savage was an employee of the Company. The Company's reasons for voting in favour of the removal of Trina Ann Savage as a director of ACPAM at the Subsidiary's EGM is that since the cessation of Ms Savage's employment with the Company, she would no longer be able to represent the Company's interests in ACPAM.

Query 6:

We note that MAS has reprimanded Tan Choon Wee recently and in light of the ongoing independent review by the Company, please explain why it is in the best interest of the Company and its shareholders to approve such changes to the board of ACPAM. Please also provide the Board's rationale.

Company's response:

Mr Tan Choon Wee is the only other shareholder of ACPAM, owning 49% of ACPAM's issued share capital. Mr Tan Choon Wee was also previously the CEO of ACPAM. Mr Tan Choon Wee's experience will enable ACPAM to stabilise its operations and to consider the future direction and business strategies of ACPAM in light of ACPAM's history. With regard to MAS's reprimand issued to Mr Tan Choon Wee, the Company understands that Mr Tan Choon Wee will not be holding a key executive position in ACPAM and ACPAM's responsibilities in making submissions to MAS and to comply with its regulatory requirements will not be handled by Mr Tan Choon Wee.

Query 7:

Please provide an update on the status of the MAS Direction Letter.

Company's response:

The Company has not received any updates on the MAS Direction Letter to date. The Company further understands that ACPAM is making its own queries in relation to this matter and the Company will make a further announcement as and when material developments occur.

Query 8:

In light of all the recent developments, did ACPAM inform MAS prior to the EGM? If not, why not?

Company's response:

The Company understands from the ACPAM Board that MAS has been apprised of the affairs of ACPAM subsequent to the extraordinary general meeting of ACPAM which was held on 12 August 2019.

Query 9:

When was the notice of the EGM sent out? Who requisitioned for the EGM? Who was on the board of the Company at the time of receipt of the notice of EGM and at the point of the EGM?

Company's response:

The Company wishes to clarify that no notice of EGM was despatched as none of the then-directors of ACPAM or company secretary of ACPAM were contactable. The Company understands that the EGM was called pursuant to Section 177 of the Companies Act by both shareholders of ACPAM, being Mr Tan Choon Wee and the Company who collectively own 100% of the issued share capital of ACPAM. As the EGM was initiated by both shareholders, the notice of EGM was not required.

Mr Tomi Tjio was the only director of the Company at the time of receipt of the Notice of EGM and at the point of the EGM.

Query 10:

Please provide a chronology of events leading to: The Company's AGM and ACPAM's EGM.

Company's response:

In relation to the Company's AGM, the AGM was called pursuant to section 175 of the Companies Act. The relevant Notice was given to all shareholders and the Notice was announced by the Company.

In relation to ACPAM's EGM, following the Company's AGM, representatives of the Company and Mr Tan Choon Wee engaged in discussions to assume control of ACPAM due to, in their opinion, mismanagement of ACPAM which is detrimental of their interest. On or about 12 August 2019, they decided to exercise their shareholder rights and call the EGM pursuant to Section 177 of the Companies Act.

Query 11:

What is the status of the letter of demand by Wang Meng?

Company's response:

There have been no further material developments following the previous announcement on 29 July 2019. To the best of its knowledge, the Company has not been served with any Writ of Summons for any claim commenced by Wang Meng.

Query 12:

There were legal proceedings commenced by Tan Choon Wee against the Company/ACPAM, and vice versa. What are the status of these legal proceedings?

Company's response:

These legal proceedings remain on-going. The Company is working closely with its legal advisors to protect the Company's interests and to work towards an expeditious closure of the ongoing legal proceedings.

Query 13:

In light of these legal proceedings, please explain why it is in the best interest of the Company and/or ACPAM to appoint Tan Choon Wee as a director of ACPAM.

Mr Tan Choon Wee is a shareholder of 49% of ACPAM's issued share capital and was also previously the CEO of ACPAM. Besides the value of his working knowledge of ACPAM's operations and businesses, the Company is of the opinion that the

ongoing legal proceedings are an impediment to the stabilisation of the Company's and ACPAM's operations and business, and that the Company and ACPAM should make efforts to resolve the ongoing legal proceedings as soon as possible. The Company is of the view that Mr Tan Choon Wee's appointment to ACPAM's Board should aid the chances of parties arriving at an amicable settlement of the ongoing legal proceedings.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

DIRECTOR RESPONSIBILITY STATEMENT

The Director accepts full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of his knowledge and belief, this announcement constitutes full and true disclosure of all material facts or circumstances about the abovementioned responses, and the Director is 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 Director 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

Tomi-Jae Wanlun Tjio
Non-Executive Chairman and Independent Director

23 August 2019

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., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("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.

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