

EPICENTRE HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200202930G)

RESPONSE TO SGX QUERIES

The Board of Directors (the “**Board**”) of Epicentre Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) has received queries from the Singapore Exchange Securities Trading Limited (“**SGX**”) following its announcements on 30 May 2019, 16 July 2019, and 25 July 2019. The Company has responded to SGX’s queries and is announcing its responses as follows:

Question	Response
1. In response to question 3(a), it was stated that in the EPL’s and EHL’s directors resolution, the rationale for the entry into the Loan Agreements were ‘that it was in EPL’s interests to enter into the Loan Agreements’.	
(a) Who initiated the reassignment of loan from MDR Limited (“ MDR ”) to Edward Lee?	The Company is not aware who initiated the reassignment of loan from MDR to Edward Lee.
(b) It was stated that the MDR Loan was used to repay a loan from LLS Capital. Who is the beneficial owner of LLS Capital? What was the quantum of the loan from LLS Capital and what was it used for?	<p>The quantum of the loan from LLS Capital was S\$5m.</p> <p>According to the Company’s records:</p> <ul style="list-style-type: none"> a. S\$2.85m was used for advance payment to Shenzhen Blueway Technologies Co. Ltd. (“Shenzhen”) through Eastco Corporation and Broadwell Limited pursuant to a supply agreement with Shenzhen, as set out in the executive summary of the report produced by Deloitte & Touche LLP attached to the Company’s announcement dated 30 May 2019; b. S\$1.85m was used to pay ECS Computer (Asia) Pte Ltd and Apple South Asia Pte Ltd; and c. S\$0.2m was paid to Kenneth Lim, as his salary for the period of June to December 2016.
2. In response to qn 1(a), please disclose the respective dates of the loans in (i) to (iii), who were the directors that approved the loans and the specific terms of these loans.	(i) The loan agreement between Goh Chee Hong (“ Goh ”) and the Company was allegedly entered into on 10 April 2018. Kenneth Lim was the director that approved the loan. The loan was for the sum of

Question	Response
	<p>S\$3,000,000 at an interest rate of 1.25% per month to be repaid within 3 months of the date of disbursement, 15 May 2018.</p> <p>(ii) The S\$422,582.12 claimed by Elush (T3) Pte. Ltd. ("Elush") allegedly arose out of the post-completion settlement between Elush and the Company. The Company has not sighted any agreements relating to this settlement and claimed sum and wholly disputes the debt.</p> <p>(iii) The S\$1,278,500 claimed by Jonathan Lim Zheng Jie ("Jonathan Lim") allegedly arose out of a Deed of Assignment executed by Kenneth Lim on 22 May 2019 in favour of Jonathan Lim. The Company has not sighted the Deed of Assignment and has responded on 30 July 2019 to dispute the claim and request for supporting documents.</p>
<p>3. In response to question 1(b) and 1(c),</p>	
<p>(a) It says that the Company has received monies from Goh to repay certain loans, and the Company has instructed its counsel to write to Goh to dispute the claims. What exactly is Company disputing? Have the Independent Directors (the "IDs") ascertained that the monies were indeed received and used for the purposes spelled out in Company's response to question 1(b)?</p>	<p>The Company has received monies from Goh to repay certain loans. The Company has instructed its counsel to dispute the claims on the basis that the alleged debts are not within the knowledge of the current Independent Directors.</p> <p>Yes, the IDs have ascertained to the best of their abilities that the monies were indeed received and used for the purposes set out in the Company's response to question 1(b).</p>
<p>(b) In the responses to question 1(b), it was stated that: "<u>The monies received from Goh were used by the Company for the repayment of loans to Chia Swee Guan, Expert Investor LLP, Lee Zhi Hao, Ng Shumu and Kenneth Lim Tiong Hian ("Kenneth Lim").</u>" In relation to the underlined, please provide clarity and details on the following:</p> <ol style="list-style-type: none"> i. Breakdown of the amounts that are owing to the respective parties in the underlined. ii. Nature of the transactions, iii. Details of the loans and the identities of underlined in relation to the Company. iv. Breakdown on the use of proceeds v. Specific terms of the respective loans 	<p>The Company has collated the information below on the records that the Company presently has and to the best of its abilities.</p> <p>A) Chia Swee Guan ("Chia")</p> <p>Chia had extended a loan of S\$1,000,000 pursuant to an agreement dated 21 December 2017 entered into by Chia and the Company and guaranteed by Kenneth Lim. The loan was to be repaid within two months from the date on which it was disbursed. The loan attracted interest at a rate of 4% per month.</p>

Question	Response
	<p>The IDs and current management do not know how Chia was introduced to the Company or whether and if so, how he is related to the Company.</p> <p>The loan was received by EPL on behalf of EHL. It was used for:</p> <ol style="list-style-type: none"> a. Repayment of \$200,000 in principle payment to MDR on 26 December 2017; b. Repayment of \$222,954 in repayment to Fullink Capital on 26 December 2017; c. Repayment of \$60,000 to Kenneth Lim for a loan on 27 December 2017; d. Payment of \$184,800 to Kenneth Lim for his salary on 27 December 2017; e. Partial payment of \$332,246 to ECS Computer (Asia) Pte Ltd on 27 December 2017 (The balance of \$139,405.56 owed to ECS was paid from the Company's working capital) <p>Chia was paid \$500,000 in partial repayment of this loan on 16 May 2018.</p> <p>B) Expert Investor LLP ("EI")</p> <p>The Company has obtained a copy of the loan agreement relating to EI and wishes to clarify that the agreement was entered into by one Rita Chou Phooi Har ("Rita"), the Company, and Kenneth Lim, and that EI served as an Escrow Agent to the loan. The loan was not extended by EI to the Company.</p> <p>Rita extended a loan of \$200,000 to the Company pursuant to an agreement dated 1 October 2017 entered into by Rita, the Company, Kenneth Lim and EI (as Escrow Agent). The Company received the said loan by way of a cheque from Rita. The loan was to be repaid within 6 months from the date on which it was disbursed. The loan attracted interest at a rate of 5% for a total of 6 months.</p> <p>The loan contributed to EHL's working capital for payment to IRAs for income tax, rental, staff payroll and CPF.</p>

Question	Response
	<p>The agreement was witnessed by Daniel Poong (“Poong”) who is a member of EI’s management team. At the time the agreement was executed, i.e. 1 October 2017, Poong was not an independent director of the Company. He only joined as an ID on 25 September 2018.</p> <p>To Poong’s knowledge, the parties had been introduced to one another by one Derrick Woo.</p> <p>The Company’s records show that \$200,000 was repaid on 17 May 2018.</p> <p>C) Lee Zhi Hao (“LZH”)</p> <p>LZH was to extend a loan of up to \$1,000,000 pursuant to an agreement dated 23 July 2016 entered into by LZH and the Company. The loan was to be made in the form of advances of sums that the Company may request from time to time but the aggregate principal amount was not to exceed \$1,000,000. The advances attracted interest at a rate of 18% per month.</p> <p>The IDs and current management do not know how LZH was introduced to the Company or whether and if so, how he is related to the Company.</p> <p>The loan was used for to pay one Jimmy Fong Teck Loon and one Brenda Yeo who were shareholders and directors of the Company. They stepped down on 4 July 2016. The description in the accounting software states that these payments were made for salary in lieu of notice.</p> <p>LZH was paid \$200,000 in repayment of his loan on 16 May 2018.</p> <p>D) Ng Shumu (“NS”)</p> <p>NS was to extend a loan of up to \$1,000,000 pursuant to an agreement dated 23 July 2016 entered into by NS and the Company.</p>

Question	Response
	<p>The loan was to be made in the form of advances of sums that the Company may request from time to time but the aggregate principal amount was not to exceed \$1,000,000. The advances attracted interest at a rate of 18% per month.</p> <p>The IDs and current management do not know how NS was introduced to the Company or whether and if so, how he is related to the Company.</p> <p>The loan was used for to pay one Jimmy Fong Teck Loon and one Brenda Yeo who were shareholders and directors of the Company. They stepped down on 4 July 2016. The description in the accounting software states that these payments were made for salary in lieu of notice.</p> <p>NS was paid \$200,000 in repayment of his loan on 16 May 2018.</p> <p>E) Kenneth Lim</p> <p>There appears to be no formal loan agreement(s) between Kenneth Lim and the Company. However, the Company's records indicate that there are numerous transactions for Kenneth Lim's loans, primary to support daily operations such as the payment of staff payroll.</p> <p>This will be a matter that needs to be fully investigated in the special audit.</p> <p>Kenneth Lim was paid \$100,000 on 16 May 2018 in repayment of his loan.</p>
<p>(c) It was stated in the responses to question 1(b) that: "The debt allegedly owed to Jonathan Lim was assigned to Jonathan Lim by Kenneth Lim who has been uncontactable since 24 May 2019. Kenneth Lim was owed monies by the Company for, inter alia, loans provided by Kenneth Lim to the Company." Please provide details on the breakdown in terms of the debts and the specific use of proceeds for the debt that is</p>	<p>The breakdown of the alleged debt assigned by Kenneth Lim to Jonathan Lim is as follows:</p> <ul style="list-style-type: none"> (a) Loan allegedly provided to the Company before 1 July 2018: S\$140,000 (b) Loan allegedly provided to the Company on 15 May 2019: S\$500,000

Question	Response
allegedly assigned to Jonathan Lim and specific terms of the loan.	<p>(c) Other payment allegedly made on behalf of the Company: S\$94,500</p> <p>(d) Alleged salaries from 1 January 2018 to 30 June 2019: S\$192,000</p> <p>(e) Alleged salaries from 1 July 2018 to 31 May 2019: S\$352,000</p>
(d) It says the Company allegedly owe monies to Elush in respect of sale of Company's Apple business to Elush. Has IDs ascertained that this sum is provide for in the contract for the sale of the Company's business? Else what exactly is Company disputing?	<p>The Sale and Purchase agreement is entered into by Elush and Epicentre Pte Ltd. The agreement is dated 26 June 2018, prior to the appointment of the IDs. Under the SPA, Elush is to pay Epicentre Pte Ltd the purchase price of S\$516,275.</p> <p>Elush's claim against the Company is in respect of alleged outstanding trade debts that arose out of a post-completion settlement between Elush and the Company.</p> <p>The Company is disputing the quantum claimed by Elush as the IDs have no knowledge of the debts claimed by Elush.</p>
(e) Have the IDs checked and ascertained that the debt allegedly owed to Jonathan Lim by way of assignment to Jonathan Lim by Kenneth Lim was properly executed by sighting to the relevant assignment documents? Why is the Company not disputing this debt?	The IDs have not sighted the documents relating to the assignment. The Company has since instructed its counsel to write to Jonathan Lim's solicitors to request copies of the relevant document(s) and dispute the debt.
4. Further to the responses to question 2(a), please provide the background information on the creditors (i) Gemma Blasco Martinez; and (ii) Curtichs Moncusi Javier, and the nature of the business they have with the Company.	The Company has no dealings with Gemma Blasco Martinez or Curtichs Moncusi Javier. The Company is therefore unable to provide any background information on either of them.
5. In the response to question 4(b), it was stated that " <i>The MDR Loan was used to repay a loan from LLS Capital to EPL.</i> " Please provide the background of LLS Capital (i.e. the end beneficiary owner) of LLS Capital, the terms of the loans from LLS Capital to EPL, and the use of proceeds from the loan from LLS Capital to EPL.	<p>Pursuant to an ACRA Bizfile search on LLS Capital Pte. Ltd. ("LLS Capital") dated 29 July 2019, the sole shareholder of LLS Capital is one Lee Ter Chian.</p> <p>According to a loan agreement entered into on 19 December 2016 by LLS Capital and the Company, LLS Capital lent the sum of S\$5,000,000 to the Company with interest payable at 2.75% per month. The Company was to pay an administrative fee of S\$87,500 to LLS Capital as an administrative fee.</p>

Question	Response
	<p>In the event the loan was not repaid within 6 months from the disbursement of the loan, default interest would be payable at 3.75% per month.</p> <p>To the best of the IDs' knowledge, the loan was utilised in the following manner:</p> <ol style="list-style-type: none"> a. S\$2.85m was used for advance payment to Shenzhen Blueway Technologies Co. Ltd. through Eastco Corporation and Broadwell Limited, as set out in the executive summary of the report produced by Deloitte & Touche LLP attached to the Company's announcement dated 30 May 2019; b. S\$1.85m was used to pay ECS Computer (Asia) Pte Ltd and Apple South Asia Pte Ltd; and c. S\$0.2m was paid to Kenneth Lim as his salary for the period of June to December 2016.
<p>6. In response to question 4(f), it says that "MDR has obtained default judgment against EPL, the Company's subsidiary, on 23 Jul 2019", please explain what is this default judgment relating to? Does this relate to the MDR loan which was novated to Edward Lee?</p>	<p>The response to question 4(f) should read "<u>Edward Lee</u> has obtained default judgment against EPL, the Company's subsidiary, on 23 July 2019".</p> <p>The default judgment relates to HC/S 696/2019 commenced by Edward Lee against EPL, the Company, and Lim in respect of the MDR loan which was novated to Edward Lee.</p>
<p>7. What is the progress of termination of Lim's employment with the Company?</p>	<p>The Company terminated Lim's employment with the Company by way of a notice of termination dated 30 July 2019.</p>
<p>8. What are the Company's plans with regards response to OS 930</p>	<p>The Company intends to resist the application to place the Company under judicial management in OS 930. The Company has instructed its solicitors to attend the hearing of application for the appointment of interim judicial managers filed in OS 930 on 2 August 2019 at 11:30 a.m.</p>

Question	Response
On the Company's announcement on 16 Jul 2019 on the 3 SDs from 3 creditors, it was stated that the loans were secured by charges or pledges over the Company's shares deposited in escrow with Elitaire Law LLP.	
9. Please list all the business dealings/transactions that the Company has with Elitaire Law and the respective partners-in-charge of the various deals/transactions.	<p>The Company engaged Elitaire Law in respect of the acquisition of 51% of the shares in Japan IPL Holdings Limited on 25 October 2016.</p> <p>The partner in charge was one Mr Low Yew Shen.</p>
10. Are the IDs aware if Lim, or Epicentre or any of the directors have taken advice from Elitaire Law or any of its partners for any matters?	<p>The IDs have no knowledge of Kenneth Lim personally having taken advice from Elitaire Law or any of its partners for any matters.</p> <p>The IDs have not taken advice from Elitaire Law or any of its partners for any matters since their appointment.</p>
On the resignation of FC, Ruth Xu:	
11. Who introduced the FC to the Company?	Ruth was introduced by one Jimmy Lim Kian Thong from Haitong International Securities (Singapore) Pte Ltd who was her university professor when she was studying in Singapore 7 years ago.
12. When is her agreed last day?	Her agreed last day is 16 August 2019.
On the resignation of Andrew Quah as company secretary:	
13. Who introduced Andrew Quah to the Company as the company secretary?	The IDs have no knowledge of this.
14. Is he related to any of the loans / creditors in question currently?	The IDs have no knowledge of this.
15. Does he have any business dealings with Lim before he became uncontactable?	The IDs have no knowledge of this.
16. Is Cresco Investments Pte Ltd still the corporate secretary of Epicentre given that it is beneficially owned by Andrew Quah?	Andrew Quah is currently still the corporate secretary of Epicentre. His agreed last day of service is 8 August 2019.

Shareholders are advised to exercise caution when dealing with the Company's securities. Shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions that they should take.

The Independent Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries (save for any consultation with Mr. Lim Tiong Hian), that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the trading, the Company and its subsidiaries, and the Independent 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 named source, the sole responsibility of the Independent 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

LAI CHOONG HON
INDEPENDENT DIRECTOR

31 July 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd.

This announcement 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.

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