

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. The Company has responded to SGX’s queries and is announcing its responses as follows:

- 1) In relation to the change in shareholdings form announced by the Company at 5:21 PM, we noted that Haitong International Financial Products (Singapore) Pte Ltd (“HIFPSPL”) and its wholly-owned subsidiary of Haitong International Securities Group (Singapore) Pte Ltd (collectively “**Haitong**”) owns 25.41% of the Company’s shares, “*Pursuant to an enforcement by HIFPSPL over 40,525,800 shares in Epicentre Holdings Limited that were charged to HIFPSPL as security for a transaction.*” (“Event 1”). Subsequently, the Company announced at 5:22 PM that Haitong had disposed 1.52% of shares through a market transaction. As of 29 April 2019, we understand that the single largest shareholder of the Company, Mr. Lim Tiong Hian (“**Mr. Lim**”) holds 18.9%.

Question	Response
a. Please provide details on the background and details leading up to Event 1 and the relevant parties involved. In the responses to include how it happened, details of the enforcement and what lead to the enforcement by HIFPSPL.	The Company is not aware of any background information or details leading up to Event 1. The Company sent an email to Haitong, requesting the relevant information about Event 1 on 1 June 2019. However, the Company was informed by Haitong that they are not obliged to reply to the Company’s email.
b. What was Mr. Lim’s involvement in Event 1?	The Company is not aware whether Mr. Lim was involved in Event 1.
c. What is the current shareholding of Mr. Lim in the Company?	The Company had requested shareholding information from Boardroom Corporate & Advisory Services Pte. Ltd., the Company’s Share Registrar, on 2 June 2019. The Company had also enquired with possible nominees through whom Mr. Lim may hold shares. Despite following up with the nominees, the Company has not received the requested information.
d. The identities of the counterparties that Haitong disposed the shares in the Company to.	The Company does not have any information available to reply this query. The Company sent an email to Haitong on 1 June 2019, requesting the relevant information. However, the Company was informed by Haitong that they are not obliged to reply the Company’s email.

- 2) Regarding the announcement titled “Update following requests for trading halt and suspension” (“**Update Announcement**”):

Question	Response
(a) It was stated that “ <i>The Group has received statutory demands dated 21 May 2019 and 27 May 2019 from three creditors and is seeking legal advice and assessing the potential impact on the Group.</i> ”	

<p>i. Please provide the chronology of interactions with the creditors leading up to the demands, including Mr. Lim's involvement.</p>	<p>The Company is unaware of the interactions with the creditors, namely Goh Chee Hong ("Goh"), ELush T3 Pte Ltd ("ELush") and Jonathan Lim ("Jonathan") ("Statutory Demand Creditors") that led to the statutory demands, as Mr. Lim had been dealing with the creditors.</p> <p>The statutory demand from Goh claims a sum of S\$3 million, arising from a loan provided by Goh to the Company. The statutory demand from ELush claims a sum of approximately S\$0.42 million, arising from outstanding trade debts.</p> <p>The Company had intended to use the proceeds from the Proposed Placement to clear most, if not all, of its existing liabilities, including the monies owed to Goh and ELush. The Company believes that the Statutory Demand Creditors were aware of the impending placement. As of 21 May 2019 (the date of the statutory demands from Goh and Elush), the Company was still working towards completion of the placement as soon as possible, with the expectation that the placement could be completed in early June 2019. Therefore, the Company is not aware of any interactions that could have prompted the statutory demands dated 21 May 2019.</p> <p>The statutory demand dated 27 May 2019 was based on debts owed by the Group to Mr. Lim, which was assigned to Jonathan. The Independent Directors were only informed of the notices of assignment ("Notices of Assignment") on 24 May 2019, through an email sent from Mr. Lim's Epicentre email at 2:30 a.m., although the notices of assignment were dated 22 May 2019. The Independent Directors and Jonathan met in a meeting at 10:30am on 27 May 2019 between the Company and the Statutory Demand Creditors. The intention of meeting was for the Company to work out a plan to facilitate the repayment to its major creditors. The meeting ended at 12:00 p.m. while the Company received the statutory demand from Jonathan at about 1:00 p.m. on the same day. Therefore, the Company is not aware of any previous interactions with the Jonathan that could have prompted the statutory demand.</p>
<p>ii. When was the Board aware of the statutory demands?</p>	<p>The Independent Directors became aware of the statutory demands dated 21 May 2019 on 25 May 2019 and the statutory demand dated 27 May 2019 on 30 May 2019.</p> <p>After management received the statutory demands dated 21 May 2019, they informed Mr. Lim on 22 May 2019. Mr. Lim informed the management that he would talk to Goh to settle the 2 statutory demands, in view of the fact that the Company was at the final stage of completing the Proposed Placement, and the proceeds were intended to be used to clear most of the outstanding debts of the Group. As Mr. Lim</p>

	<p>mentioned that he would be able to resolve the statutory demands from Goh and ELush with completion of the Proposed Placement, management did not notify the Independent Directors of the statutory demands at the time. Mr. Lim met with Goh on 23 May 2019 before Mr. Lim became uncontactable on 24 May 2019. The management informed the Independent Directors of the statutory demands on 25 May 2019, as Mr. Lim remained uncontactable, and it appeared that no resolution had been reached by Mr. Lim with Goh and ELush.</p> <p>In relation to the statutory demand dated 27 May 2019, Ms. Ruth Xu, currently the Company's Financial Controller ("Ms. Xu"), had been overseas on 27 May 2019 until 30 May 2019. Thus, management only became aware of this statutory demand on 30 May 2019 and informed the Independent Directors immediately.</p>
iii. Are the statutory demands and Event 1 inter-related?	The Company is not aware of whether the statutory demands and Event 1 are related based on the facts provided in response to 2) (a).
iv. Are there other statutory demands that the Company received?	On 11 June 2019, the Company received a statutory demand from 3 of its former independent directors, namely Giang Sovann, Lim Jin Wei and Azman Hisham bin Ja'afar, for a sum of S\$50,001 for outstanding directors' fees.
v. Please provide current amount of the outstanding loans that the Company owes to Mr. Lim and vice versa.	The Company owes Mr. Lim a total of approximately S\$1.56 million. Of this amount, approximately S\$1.3 million has been assigned to Jonathan, as described in the response to 2) (a) i. Mr. Lim does not owe the Company any money.
(b) Borrowings by the Group	
i. To provide the aggregate value of the outstanding loans and borrowings of the Company.	The Company estimates that the outstanding borrowings of the Group amount to approximately S\$8.6 million. The Company estimates that the total debts (including loans and borrowings) of the Group amount to approximately S\$9.8 million.
ii. Are there are any banking covenants tied to Mr. Lim's shareholdings or position in the Group?	The Group has one loan from Julique Capital Pte. Ltd. for a sum of S\$2 million that is tied to Mr. Lim's control of the Company.

3) With reference to the Update Announcement in relation to "(l) Discontinuance of the proposed placement of up to 79,737,0300 new ordinary shares in the capital of the Company", it was stated that "*The Board wishes to update Shareholders that the Company will not be proceeding with the Proposed Placement*"

a. To provide chronology of events regarding the Proposed Placement leading to the termination of the Proposed Placement.	At a Board meeting held on 15 May 2019, Mr. Lim had commented that the Company expected to raise up to S\$7,500,000, depending on the outcome of negotiations with potential placees. On 21 May 2019, there was a bring down call at 2:00 p.m. with the placement agent, SooChow CSSD Capital
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	<p>Markets (Asia) Pte. Ltd. (“Placement Agent”), whereby the Placement Agent confirmed with the Company on several issues including the fact that there has not been any litigation or material events not disclosed that would affect the proposed placement, before the Company submitted its Additional Listing Application to Sponsor/SGX. These confirmations were given by Mr. Lim on behalf of the Company. Besides Mr. Lim, the call was attended by Ms. Xu and the Company Secretary. The Company had received signed placement letters from potential placees and was still working towards completion of the placement as soon as possible. On 22 May 2019, the Company received (through Mr. Lim) the final signed placement letter from the last confirmed potential placee, and the letter was forwarded to the Placement Agent to facilitate completion of the proposed placement. A draft announcement with the expectation that the placement could be completed in early June 2019 was then sent to the Board and Sponsor for their review and approval. However, on 24 May 2019 before the Proposed Placement had progressed further, Mr. Lim became uncontactable. As was disclosed in the Update Announcement, Mr. Lim was key and instrumental to the Proposed Placement. Without Mr. Lim, the potential placees were unwilling to proceed with the Proposed Placement and contacted the Company to cancel subscription. In addition, the deadline for completion of the Proposed Placement was approaching (on 31 May 2019, after two extensions). Therefore, the Independent Directors were of the view that the Proposed Placement had to be terminated.</p>
<p>b. It was stated in the Update Announcement that “<i>Mr. Lim Tiong Hian, Executive Chairman and Acting Chief Executive Officer of the Company (“Mr. Lim”), who has been key and instrumental to the Proposed Placement, has been uncontactable since 24 May 2019</i>”. With reference to section (II) “the corrigendum to the announcement dated 24 May 2019”, “<i>the responsibility statement was amended to read “<u>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)....</u>”</i>”</p> <p>Given the corrigendum to the Responsibility Statement included amendments to include the <u>underlined</u>, does this mean that the disclosed information on 24 May 2019 was inaccurate?</p>	<p>The Company understands that a majority of the Board is able to act on behalf of the Company. Therefore, the Company’s opinion is that the underlined remains accurate.</p>

- 4) In the Update Announcement, it was stated that “*In the absence of Mr. Lim, the Company remains under the leadership of the Independent Directors, who are considering all possible options in the best interests of the Company.*”

Question	Response
a. What are the Company’s plans going forward?	The Independent Directors are currently working with the major creditors to work out a plan to facilitate the repayment to the creditors of the Company. There was a meeting held with the major creditors on 27 May 2019 as mentioned in 2) (a) i. The Company intends to evaluate all the possible options, before coming to any conclusion on the Company’s plans going forward.

- 5) The Independent Directors of the Company, Mr. Lai and Mr. Poong are the only remaining independent directors of Epicentre with Mr. Lim being uncontactable.

Question	Response
a. Who will oversee and manage the operations of the Group?	The Board will oversee the operations of the Group along with the management of Mr. Aw Yong Leon Heng (Corporate Strategy Manager, Epicentre Singapore), Mr. Goh Ling Chuan (Executive Director, Epicentre Malaysia) and Mr. Jonathan Lim, Executive Director of Japan IPL Holdings Pte. Ltd. and its subsidiaries.

Responsibility Statement

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), 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

12 June 2019

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

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