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 and 16 July 2019. The Company has responded to SGX's queries and is announcing its responses as follows:

Question	Response
1) It is stated that the Company had updated shareholders on 30 May 2019, on receipt of statutory demands from 3 creditors.	
a. Please name these creditors, and the alleged debts.	The three creditors and the alleged debts are set out below (i) Goh Chee Hong ("**Goh**") - S$3,000,000; (ii) ELush (T3) Pte. Ltd. ("**ELush**") - S$422,582.12; and (iii) Jonathan Lim Zheng Jie ("**Jonathan Lim**") - S$1,278,500
b. Did the Company receive the monies purportedly extended to the Company by these 3 creditors? If so, what were the monies used for?	Yes. 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**"). $1,100,000 was transferred to Epicentre Pte Ltd for payment to IRAS for Goods & Services Tax, Maclink and Appcessory as well as the repayment of a loan from Fullink Capital. The monies allegedly owed to ELush are in respect of the sale of the Company's Apple business to ELush. 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.
c. What have the independent directors ("**IDs**") done to ascertain the veracity and accuracy of these demands.	The Company instructed its counsel to write to Goh and Elush to dispute their claims on 20 June 2019. Goh and ELush's counsel

	responded. Goh filed HC/OS 930/2019 ("**OS 930**") in the High Court of Singapore to place the Company under judicial management on 22 July 2019 and served the application on the Company's solicitors on 23 July 2019 as announced by the Company on 23 July 2019.
2) In addition, on 12 July 2019, the Company's solicitors received 2 statutory demands from 2 alleged creditors for payments of $610K and $362K. It is stated that the IDs did not have knowledge of these loans / loan agreements and that the Company did not receive any monies purportedly extended to the Company under the loan agreements. The IDs also stated that there were "discrepancies" in the agreements.	
a. Please name these creditors.	They are: (i) Gemma Blasco Martinez ("**Martinez**"); and (ii) Curtichs Moncusi Javier ("**Javier**").
b. How many loan agreements were there, please provide details of each.	In respect of Martinez, there were three loan agreements in total. (i) Agreement dated 15 January 2019: The sum loaned by Martinez to the Company was S$200,000, with an interest rate of 6 % per annum maturing 6 months from the date on which the loan was disbursed. The total sum claimed under this agreement is S$202,000. (ii) Two agreements dated 15 March 2019: The sum loaned by Martinez to the Company was S$200,000 under each of these agreements, with an interest rate of 6 % per annum maturing 6 months from the date on which the loan was disbursed. The total sum claimed under each agreement is S$204,000. In respect of Javier, there were two loan agreements in total. (i) Agreement dated 15 February 2019: The sum loaned by Javier to the Company was S$200,000, with an interest rate of 6 % per annum maturing 6 months from the date on which the loan was disbursed. The

	total sum claimed under this agreement is S$204,000. (ii) Agreement dated 15 March 2019: The sum loaned by Javier to the Company was S$158,470, with an interest rate of 6.6 % per annum maturing 6 months from the date on which the loan was disbursed. The total sum claimed under this agreement is S$204,000
c. What was reported to the police and what did the Company request the police to investigate into?	The Company has made two police reports. In the first report, dated 15 July 2019, the Company reported the following: (i) That the Company had received 2 letters from Essex Court Chambers Duxton stating that the Company is in debt to 2 individuals (Martinez and Javier) who the Company do not know and have no business with. (ii) That there were several discrepancies in the letters, such as the company seal which appeared to read "Broadwell Limited" instead of "Epicentre Holdings Limited", the wrong colour of stamp used (red instead of blue), the wrong registration number for the company and the wrong address. The Company made a further police report on 16 July 2019. The Company informed the Police that: (i) the signatures which were signed under the name "Kenneth Lim Tiong Hian" were believed to be fake compared to the signature that the Company has in its records. The Company has requested an investigation into the matter.
3) The Company announced receipt of a writ of summons filed by Edward Lee Ewe Ming. Edward Lee's claims arose from a loan agreement entered into between Epicentre's subsidiary, Epicentre Pte Ltd ("**EPL**") and MDR Ltd ("**MDR**"), with a corporate guarantee extended by the Company. The said loan agreement was assigned to Edward Lee by MDR.	

a. Was the IDs aware of the loan agreement entered into by EPL with MDR; and the corporate guarantee extended by the Company? If so, who approved the loan agreement and the corporate guarantee? What was the quantum of the loan? What was the rationale for entering into the loan agreement?	The IDs were appointed on 25 September 2018. They were not personally aware of the loan agreement entered into by EPL with MDR on 19 June 2017 or the corporate guarantee extended by the Company, also dated 19 June 2017. The loan agreement entered into by EPL was approved by the following directors of EPL: Kenneth Lim and Aw Yong Leon Heng. The corporate guarantee entered into by EHL was approved by the following directors of EHL: Kenneth Lim, Lim Jin Wei, Azman Hisham bin Jaafar and Giang Sovann. The quantum of the loan was S$3,000,000. It was received on 19 June 2017. The rationale stated on the EPL directors resolution was that it was in EPL's interests to enter into the Loan Agreements. The rationale stated on the EHL directors resolution was that it was in EPL's interests to enter into the Loan Agreements.
b. Did the Company receive the monies extended by MDR? If so, what were the monies used for?	EPL received the monies extended by MDR. The MDR Loan was used to repay a loan from LLS Capital to EPL.
c. Was the novation of the loan from MDR to Edward Lee approved by the MDR Board? How did the Company verify the validity of the novation of the purported debt from MDR to Edward Lee? Was this announced by MDR?	The Company was notified of the assignment of the corporate guarantee from MDR to Edward Lee on 19 June 2019 by way of a Notice of Assignment ("**NOA**") also dated 19 June 2019 pursuant to the assignment of the loan agreement between EPL and MDR which assignment EPL was notified of on 12 June 2019. The NOA was issued by one Ong Ghim Choon for and on behalf of MDR and forwarded by one Madan Mohan, the company secretary of MDR. The Company has verified the value of the debt against its accounts. No announcement was made by MDR.
d. The Company stated that it intends to defend the claim. Pls elaborate.	The Company intends to defend the claim through its legal counsel, Oon & Bazul LLP, to the full extent of its merits including challenging the veracity of the alleged

	assignment from MDR to Edward Lee if proceedings continue. However, with the filing of OS 930, which is Goh's application to place the Company in judicial management filed on 22 July 2019, the Company has been advised that under section 227C of the Companies Act (Cap. 50), no proceedings are to be continued against the Company except with the leave of Court and subject to such terms as the Court may impose from 22 July 2019. This means that until OS 930 is dismissed, discontinued or resolved, no further steps can be taken by Edward Lee in HC/S 696/2019 without the Court's leave. Accordingly, the Company has been advised to and will not be taking any further steps in HC/S 696/2019.
4) In light of the developments in the Company, please provide an update to shareholders, setting out, amongst others:	
a. What the IDs have done to safeguard the interests and assets of the Group?	The Company has taken several steps to address concerns which emerged after Kenneth Lim became uncontactable. These include the following. 1. The Company has been conducting internal investigations including the review of all past transactions entered into by Kenneth Lim on behalf of the Company and verifying the said debts. 2. The Company has actively engaged in verifying the various claims filed by creditors and responding to them on its own or through its legal counsel. To this end, Ms Xu Yan, the current Financial Controller of the Company, has extended her contract past the originally determined date of 30 June 2019 on a goodwill basis. 3. The Company has engaged in dialogues with several parties, including a meeting with Goh, ELush and Jonathan Lim on 27 May 2019 at 10.30am to work out a plan to facilitate the repayment to the Company major creditors.

	4. The Company has further looked into sources of external funding through, inter alia, third party investors to seek funding for the Company. 5. On 27 June 2019, the Company announced that it had appointed Oon & Bazul LLP to provide legal advice on, inter alia, the statutory demands received from its creditors and the Company's review into its business and operations to address its going concern issues. 6. On 10 July 2019, the Company replaced Kenneth Lim on the board of Japan IPL Holdings Pte Ltd, a subsidiary of the Company, with Daniel Poong, one of the Company's Independent Directors. 7. On 11 July 2019, the Company referred the matter of non-disclosures of substantial shareholders' failure to disclose a change in interest or cessation to be a substantial shareholder of the Company to the MAS. 8. On 15 and 16 July 2019, the Company filed police reports in respect of two statutory demands received from Martinez and Javier. 9. On 24 July 2019, the Company appointed Drew Ethan Madacsi as an Independent Director of the Company for his expertise in restructuring. 10. The Company has strived to keep its shareholder updated on all material development through announcements on SGXNet including the announcements dated 30 May 2019, 12 June 2019, 27 June 2019, 16 July 2019 and 23 July 2019.
b. What does the IDs intend to do / have done to look into the state of affairs in the Group, including but not limited to the numerous claims / statutory demands made on the Company?	The Company intends to take further steps as follows: (a) Put in place hard measures on spending, both by the Company and its subsidiaries; (b) Engage a professional audit firm to conduct an investigative audit of the

	past transactions involving Kenneth Lim and his associates; (c) Defend the application filed by Goh for the Company to be placed in judicial management; (d) Terminate Kenneth Lim's employment with the Company; and (e) Seek legal advice in responding to OS 930.
c. How does the IDs intend to provide clarity to shareholders on the matters and developments in the Group?	The IDs will update the Shareholders regularly through announcements when there are material developments and on a monthly basis in accordance with Rule 704(19) of the Catalist Rules.
d. What have the IDs done to safeguard the interests and assets of the Group?	Please refer to 4(a) above.
e. What are the IDs' plans?	The Company will imminently appoint a special auditor to review and conduct a thorough investigation into the Company's historical transactions and the validity of each claim or debt. The special auditor will report directly to SGX Regco.
f. Any other matters which the IDs feel should be brought to the attention of the shareholders.	MDR has obtained default judgment against EPL, the Company's subsidiary, on 23 July 2019. EPL fully intends to defend the suit and will be applying to set aside the default judgment.

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

25 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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