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**" and together with its subsidiaries, the "**Group**") 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 like to provide the Company's responses to queries raised by the Singapore Exchange Regulation ("**SGX RegCo**") on 29 August 2019. These responses are prepared based on the information and documents available to the Company at this point in time and the Company will make further announcements if and when required by SGX RegCo and/or its Sponsor, including further responses to queries arising from this announcement:

Query 1:

Please advise on the whether the announcement of 20 Aug 2019, stating that ACPAM's Company Secretary had issued a notice to convene EGM of ACPAM, was factual, true and accurate, in light of the Company's 23 Aug 2019 response to SGX queries that the company secretary was uncontactable and no notice of EGM was despatched.

Company's response:

The Company's 23 August 2019 response to SGX queries was meant to clarify and/or rectify its announcement that a notice to convene EGM was issued. There was no notice of EGM despatched in respect of the EGM held by ACPAM on 12 August 2019.

Query 2

To confirm the identity of the Company Secretary of ACPAM, and the corporate secretarial firm.

Company's response:

The Company Secretary of ACPAM is Ms. Lim Horng Ling of Exes Company Secretarial Pte. Ltd. The Board of the Company further understands that Ms. Lim tendered her resignation as ACPAM's Company Secretary on 28 August 2019.

Query 3:

To provide legal opinion as to why no notice of EGM is required, and whether the EGM was properly convened.

Company's response:

The Company is advised by its legal counsel that the EGM was lawfully convened, pursuant to Section 177 of the Companies Act, on 12 August 2019.

As a preliminary, the text of sections 177(1) to (3) are reproduced below for SGX's reference:

Text of Section 177(1) to (3) of the Companies Act

177.—*(1) Two or more members holding not less than 10% of the total number of issued shares of the company (excluding treasury shares) or, if the company has not a share capital, not less than 5% in number of the members of the company or such lesser number as is provided by the constitution may call a meeting of the company.*
(2) A meeting of a company or of a class of members, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than 14 days or such longer period as is provided in the constitution.
(3) A meeting shall, notwithstanding that it is called by notice shorter than is required by subsection (2), be deemed to be duly called if it is so agreed —
in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; or
in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than 95% of the total voting rights of all the members having a right to vote at that meeting.

According to *Woon's Corporations Law* by Singapore's former Attorney General, Walter Woon SC, Section 177(1) of the Companies Act "*gives members holding the specified proportion of voting rights in the company the power to convene a meeting themselves. It differs from the previous section in that the directors are not involved*". In other words, the right to call for a meeting under Section 177(1) of the Companies Act is **specifically reserved for a company's members themselves** without the need to involve the company's relevant officers, be it the company secretary or director.

Further, Section 177(3) of the Companies Act provides that an extraordinary general meeting *"shall, notwithstanding that it is called by notice shorter (than 14 days or such longer period as is provided in the constitution),* be *deemed to be duly called (our emphasis) if it is so agreed by a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than 95% of the total voting rights of all the members having a right to vote at that meeting."*

In the case of the EGM of ACPAM held on 12 August 2019 ("**August EGM**"):

(a) Pine Capital Group Limited ("**PCGL**") and Mr Tan Choon Wee ("**TCW**"), the two shareholders with 100% of the voting rights in ACPAM, had, by virtue of Section 177(1) of the Companies Act and the Constitution of ACPAM, the power to convene an EGM **themselves**. This means ACPAM's then board of directors is not required to be involved at all in the convening of the 12 August 2019's S177 EGM; and

(b) PCGL and TCW with **100%** of the voting rights in ACPAM had **unanimously** agreed to convene the EGM. By virtue of Section 177(3) of the Companies Act, the EGM is therefore deemed to be duly called. Accordingly, all resolutions voted for by PCGL and TWC in the said EGM are valid.

Query 4:

Who were the "then-directors of ACPAM"? Why were the then-directors of ACPAM and company secretary of ACPAM uncontactable? Who tried to contact all of them , and when did he/she started to contact them? For how long were all of them uncontactable?

Company's response:

Please refer to query #3 above. The shareholders of ACPAM with 100% voting rights, PCGL and TCW, are empowered by Section 177 of the Companies Act and the Constitution of ACPAM to convene the EGM without involving or contacting ACPAM's directors, Mr. Wang Meng, Mr. Pan Ki Ro and Ms. Trina Ann Savage, and company secretary, Ms Lim Horng Lin. Further, and before the EGM, the shareholders of ACPAM had discussed and deliberated on the removal of the then existing directors of the Board of ACPAM. For the reasons as stated in the 20 August Announcement and announcement dated 23 August 2019, the Company decided that it was in the Company's best interests to vote in favour of the resolutions tabled at the EGM because the then directors of ACPAM were no longer willing or able to represent the Company's interests in ACPAM. The Company is of the view that since Mr Pan Ki Ro has ceased to be director of the Company and Ms Trina Ann Savage has ceased her employment with the Company, they are no longer able to represent the interest of the Company in ACPAM. As for Mr Wang Meng, the Company is of the view that, in light of Mr Wang Meng's letter of demand to the Company sent on 22 July 2019, it is neither in the Company's nor ACPAM's interests for him to remain as the CEO and director of ACPAM

Query 5:

Which shareholder of ACPAM initiated the EGM? When was the intention to convene the EGM to table the resolutions as listed in the announcement of 20 Aug 2019 brought up?

Company's response:

The Company and TCW who hold 100% voting rights of ACPAM had been in discussions to exercise their rights under Section 177 of the Companies Act following the annual general meeting of PCGL held on 30 July 2019.

The Company and TCW had decided to exercise their rights as shareholders of ACPAM under Section 177 of the Companies Act to convene an EGM to table such resolutions to protect their interests in ACPAM. The Company wishes to add that prior to the EGM, ACPAM has not kept PCGL informed of ACPAM's internal affairs, on the grounds that ACPAM is bound by its confidentiality obligations and the rules and directives from the Monetary Authority of Singapore ("**MAS**").

Query 6:

The EGM was held at M Social Hotel Singapore at 11am on 12 Aug 2019. It was announced that on the same day the 2 shareholders of ACPAM received notice of the EGM and agreed to a shortened notice for the EGM (shortened to being on the same morning).

(a) Please provide detailed timeline of what happened that morning or prior, up to the EGM being held; and the circumstances resulting in the EGM being proposed, notified and held all in the same morning.

Company's response:

Please refer to response #3 and #5.

(b) To provide legal opinion on whether the above is in accordance with relevant laws, regulations and rules.

Company's response:

Please refer to response #3.

(c) Was ACPAM's company secretary in attendance at the EGM?

Company's response:

No.

(d) Who else was in attendance?

Please refer to the minutes of the EGM and attendance list of the EGM attached herein. The Company wishes to add that Mr Andy Chan is nominated by PCGL to ACPAM's Board to represent PCGL's interests and the Company expects to receive regular updates of ACPAM's operations and affairs and as requested for by the Company from time to time, subject to ACPAM's confidentiality obligations. To the best of the Company's knowledge, Mr Andy Chan is independent from TCW and Mr Andy Chan has no financial or commercial dealings with TCW.

(e) To provide minutes to the EGM.

Please refer to attachment.

Query 7:

Who were the professionals advising the Company on convening of the EGM of ACPAM and all related matters?

Company's response:

PCGL and TCW in their capacity as shareholders of ACPAM had appointed ZICO Insights Law LLC as their legal adviser **solely** for the following scope of work:

(a) to prepare requisite documents to facilitate PCGL and TCW in their capacity as shareholders to call for an extraordinary general meeting of ACPAM pursuant to section 177 of the Companies Act for *inter alia* the appointment of TCW and Mr. Chan Wai Leung ("Mr. Andy Chan") as directors of ACPAM ("**Appointment of Director**"); and

(b) to furnish, for an on behalf of PCGL and TCW in their capacity as shareholders of ACPAM, notification on filings to the Accounting and Corporate Regulatory Authority ("**ACRA**") with respect to the Appointment of Director.

During the August EGM of ACPAM, a representative of ZICO Insights Law LLC was present via telephone conference call during the EGM.

Query 8:

The Company is undergoing an independent review (the scope of which involved matters in ACPAM), MAS issued a directive to ACPAM (which remains in force), the recent reprimand by MAS on Tan Choon Wee, the ongoing legal proceedings commenced by Tan Choon Wee against the Company / ACPAM, and the fact that the Company is suspended pending clarity on all these matter. In light of the unclear state of affairs in the Company and ACPAM, pls explain how Tomi, being the sole director of the Company has acted in the best interest of the Company and its shareholders in convening the EGM (on behalf of the Company, and together with the other shareholder of ACPAM, Tan Choon Wee), removing all directors of ACPAM and appointing new directors (Tan Choon Wee and Chan Wai Leung). To elaborate on what Tomi had considered and how he has discharged his fiduciary duties.

Company's response:

The Company and Mr Tjio's primary concern is to stabilise PCG's and ACPAM's operations, as well as to attempt to arrive at amicable settlements of the ongoing litigation which the Company and ACPAM is presently involved in. The Company wishes to highlight that PCGL was named as a defendant, and ACPAM is both a

plaintiff and a defendant in the ongoing litigation, and as such, the Board is of the view that it is in the Company's best interests to terminate these legal proceedings on terms that are most favourable to the Company as quickly as possible, and the Company will make the relevant announcements if and when the ongoing litigation is terminated.

The Company also understands from ACPAM that the litigation commenced by ACPAM previously was under the direction of the previous board and management of ACPAM. The current ACPAM board, after assessing the ongoing litigation, is of the view that pursuing such litigation is not in the best interest of ACPAM. In this regard, Mr Andy Chan will be instructing a new set of solicitors to represent ACPAM for the litigation that ACPAM is currently involved in. The Company understands that insofar as TCW is an adverse party to PCGL or ACPAM in the ongoing legal proceedings, ACPAM's solicitors will not be able to take instructions from TCW in relation to ACPAM's conduct of these legal proceedings. Further announcements, as relevant, will be made regarding such ongoing litigation.

Any amicable settlement of the litigation that PCGL is involved is parallel to the ongoing independent review and any necessary follow up action, which will continue to take its course. The ongoing independent review will continue regardless of the outcome of the attempts at settlement and/or a concluded settlement and the Company will ensure that the terms of any settlement of the ongoing litigation will not prejudice PCGL's rights to take the necessary steps arising from the findings of the independent review, and will make the necessary announcements if and when such settlements are arrived at..

The Board undertakes to ensure that the terms of any settlement will not prevent or prejudice PCGL to pursue any further actions as may be required arising from the findings of the independent review and the Board further undertakes to ensure that the terms of any settlement will not be prejudicial to the interests of PCGL and ACPAM and will announce and confirm as such if and when the terms of settlement has been agreed on.

In its deliberations, the Company considered TCW's working knowledge of ACPAM's affairs and arrived at its view that TCW's working knowledge of ACPAM's operations will be invaluable in stabilising ACPAM's operations in the shortest time possible. With the nomination and appointment of Mr Andy Chan to ACPAM's Board to represent PCGL's interests, and as well as the completion of the ongoing independent review, the Company hopes to obtain greater clarity on the affairs and operations of ACPAM moving forward, given that the Company was unable to obtain regular and consistent updates on ACPAM from the members of the previous ACPAM Board of Directors.

With regard to the recent MAS reprimand, the Company will be ensuring that: (a) TCW will not be holding a key executive position in ACPAM; and (b) ACPAM's responsibilities in making submissions to MAS and to comply with its regulatory requirements will be handled by personnel other than TCW. MAS was informed by the ACPAM board of the foregoing and the Company is awaiting further directions from MAS, if any.

The Company will also ensure that the ongoing independent review to take its due course without any interference and to have it completed as soon as possible. Besides the independent review, the Board of PCGL and the Board of ACPAM, has been tasked by the Company to undertake a review of the past transactions of ACPAM and to take all appropriate action to address any issues arising from this review as well as the ongoing independent review.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders are 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

2 September 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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