

PINE CAPITAL GROUP LIMITED

Company Registration No. 196800320E
(Incorporated in the Republic of Singapore)
(the “**Company**”, together with its subsidiaries, the “**Group**”)

SUBSCRIPTION OF ADDITIONAL SHARES IN 51.00% OWNED SUBSIDIARY AND USE OF PROCEEDS

The board of directors (the “**Board**”) of the Company wishes to announce that the Company has subscribed for and has on 7 February 2019 been allotted and issued 393 new ordinary shares in its 51.00%-owned subsidiary, Advance Capital Partners Asset Management Private Limited (“**ACPAM**”), for an aggregate cash consideration of S\$189,819 (the “**Subscription**”).

ACPAM, which is a principal subsidiary of the Company, is a fund management company that is registered with the Monetary Authority of Singapore (“**MAS**”). As a registered fund management company (“**RFMC**”), ACPAM is required by the MAS to maintain at all times a certain level of base capital (“**Base Capital Requirement**”). The purpose of the Subscription, and the corresponding increase in the capital of ACPAM, is to enable and assist ACPAM, as a RFMC, to comply with its Base Capital Requirement.

In order to also maintain the shareholding structure in ACPAM existing immediately prior to the completion of the Subscription, i.e. approximately 51.00% held by the Company and approximately 49.00% held by Mr Tan Choon Wee (“**Mr Tan**”), ACPAM has also allotted Mr Tan 378 new ordinary shares (“**Compensation Shares**”) in ACPAM at the issue price of S\$483 per Compensation Share representing an aggregate value of S\$182,574, credited as fully paid up. The Compensation Shares are allotted to Mr Tan as compensation for the unpaid salaries to Mr Tan as executive director and CEO of ACPAM for the period from January 2018 to May 2018 (amounting to a total of S\$182,500) (the “**Waived Salaries**”). To clarify, the salaries of Mr Tan for the months of July 2017 to September 2017 (the “**Unpaid Salaries**”), together with the Waived Salaries have not been paid to Mr Tan. However, Mr Tan had on 24 October 2018 agreed to waive his claim against ACPAM for both the Waived Salaries and the Unpaid Salaries. Notwithstanding Mr Tan’s waiver of his claims for both the Waived Salaries and the Unpaid Salaries, it has since been agreed between ACPAM and Mr Tan that ACPAM, as a gesture of goodwill and in return for Mr Tan’s waivers, will compensate Mr Tan for the Waived Salaries by issuing and allotting 378 shares in the capital of ACPAM representing an aggregate value of S\$182,574 to Mr Tan. As the Waived Salaries amount to a total of S\$182,500, Mr Tan has agreed to pay ACPAM the sum of S\$74 in cash.

Mr Tan is the interim CEO and Executive Chairman of the Company. As stated above, he is also an executive director and the CEO of ACPAM.

Following the Subscription and after the issue and allotment of the Compensation Shares to Mr Tan, ACPAM’s issued and paid-up share capital will increase from S\$806,117 to S\$1,178,510, comprising 7,277 ordinary shares (“**ACPAM’s Enlarged Share Capital**”). The Company will hold 3,711 ordinary shares in ACPAM representing approximately 51.00% of ACPAM’s Enlarged Share Capital and Mr Tan will hold the remaining approximately 49.00% of ACPAM’s Enlarged Share Capital.

The Subscription was funded from the placement proceeds from the placement of 799,000,000 new ordinary shares in the capital of the Company pursuant to the subscription agreement dated 27 November 2018, as announced by the Company on 27 November 2018, 21 December 2018, 27 December 2018 and 15 January 2019. With such utilization, the balance of the unutilised net placement proceeds amounts to S\$1,348,290.39.

The issue and allotment of the Compensation Shares are exempted from complying with Rules 905 and 906 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), as they are allotted and issued to Mr Tan as compensation for the unpaid salaries due and owing to Mr Tan as a Director of ACPAM in accordance with Rule 915(8) of the Catalist Rules.

For the avoidance of doubt, the only other Director of ACPAM, Professor Ling Chung Yee, Roy, is also currently an independent director of the Company, and he currently does not hold any equity interest in either ACPAM or the Company, whether directly or indirectly.

Save as disclosed, none of the Directors or controlling shareholders of the Company and their associates has any interests, direct or indirect, in the Subscription, other than through their respective shareholding interests in the Company.

BY ORDER OF THE BOARD

Tan Choon Wee
Interim CEO and Executive Chairman

7 February 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd. (“**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**Exchange**”). The 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.

*The contact person for the Sponsor is Mr Liao H.K.
Telephone number: 6221 0271*