

This quarterly reporting announcement is mandatory, made pursuant to the Singapore Exchange Securities Trading Limited's ("SGX-ST") requirements, as required under Rule 705(2C) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules").

Unaudited Third Quarter Financial Statement and Dividend Announcement for the period ended 31 December 2019

Part 1 INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Note	GROUP			GROUP		
		3 months ended			9 months ended		
		31 Dec 2019	31 Dec 2018	Increase/ (Decrease)	31 Dec 2019	31 Dec 2018	Increase/ (Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	8(a)	75	832	(91.0)	275	2,008	(86.3)
Cost of sales	8(a)	(52)	(555)	(90.6)	(293)	(1,230)	(76.2)
Gross (loss)/ profit	8(a)	23	277		(18)	778	
Other (charges)/ income	8(b)	(10)	-	n.m	31	16	93.8
Expenses							
- Administrative	8(c)	(1,367)	(641)	113.3	(3,630)	(2,083)	74.3
- Loss on disposal of subsidiary		(17)	-	n.m	(17)	-	n.m
Loss before taxation		(1,371)	(364)		(3,634)	(1,289)	
Taxation		-	-	n.m	-	-	n.m
Loss after taxation		(1,371)	(364)		(3,634)	(1,289)	
Other comprehensive loss, net of tax:							
- Currency translation differences arising from consolidation		-	-	n.m	-	-	n.m
- Fair value loss on financial asset, at FVOCI		(124)	-	n.m	(124)	-	n.m
Total comprehensive loss		(1,495)	(364)		(3,758)	(1,289)	
Loss after taxation attributable to:							
- Parent		(1,216)	(365)	233.2	(3,220)	(1,181)	172.7
- Non-controlling interests		(155)	1	n.m	(414)	(108)	283.3
Loss after taxation		(1,371)	(364)		(3,634)	(1,289)	
<u>Loss before tax has been arrived at after (charging)/crediting:</u>							
- Other income							
Interest income		-	-		9	2	
Other (charges)/income		(10)	-		22	14	
		(10)	-	n.m	31	16	93.8
- Foreign exchange loss, net		-	(8)	(100.0)	-	8	n.m
- Loss on disposal of subsidiary		(23)	-	n.m	(23)	-	n.m
- Impairment on investment in associated company		-	(13)	(100.0)	-	(13)	n.m
- Depreciation of property, plant and equipment		(81)	(11)	636.4	(244)	(34)	617.6
- Operating leases		-	(71)	n.m	-	(213)	n.m

For Notes (a) to (c) above, please refer to item 8 – Review of the performance of the Group.

(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediate preceding financial year.

		GROUP		COMPANY	
		31 Dec	31 March	31 Dec	31 March
	Note	2019	2019	2019	2019
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8(d)	32	49	4	-
Right-of-use assets	8(e)	98	-	-	-
Investments in subsidiaries	8(f)	-	-	2,986	2,409
Financial assets, at FVOCI	8(g)	2,033	2,143	-	-
		<u>2,163</u>	<u>2,192</u>	<u>2,990</u>	<u>2,409</u>
Current assets					
Trade, other receivables and prepayments	8(h)	230	487	154	195
Cash and cash equivalents		489	3,443	166	3,033
		<u>719</u>	<u>3,930</u>	<u>320</u>	<u>3,228</u>
Current liabilities					
Trade and other payables	8(i)	856	421	247	376
Deferred revenue	8(j)	99	92	-	-
Borrowings	8(k)	2,477	-	2,477	-
		<u>3,432</u>	<u>513</u>	<u>2,724</u>	<u>376</u>
Net current assets		<u>(2,713)</u>	<u>3,417</u>	<u>(2,404)</u>	<u>2,852</u>
Non-current liabilities					
Borrowings	8(k)	-	2,700	-	2,700
Provision for reinstatement costs	8(l)	71	71	-	-
		<u>71</u>	<u>2,771</u>	<u>-</u>	<u>2,700</u>
Net assets		<u>(621)</u>	<u>2,838</u>	<u>586</u>	<u>2,561</u>
Equity					
Share capital		25,400	25,400	25,400	25,400
Capital reserves	8(m)	223	-	223	-
Accumulated losses		(27,223)	(24,003)	(25,037)	(22,839)
Currency translation reserve		12	-	-	-
Fair value reserve	8(n)	1,192	1,316	-	-
		<u>(396)</u>	<u>2,713</u>	<u>586</u>	<u>2,561</u>
Non-controlling interests		<u>(225)</u>	<u>125</u>	<u>-</u>	<u>-</u>
		<u>(621)</u>	<u>2,838</u>	<u>586</u>	<u>2,561</u>

For Notes (d) to (n) above, please refer to item 8 – Review of the performance of the Group.

(b) (ii) Aggregate amount of group's borrowings and debt securities.

As at 31 December 2019 and 31 March 2019, the Group had unsecured borrowings of S\$2,700,000 from JMO Pte Ltd ("JMO"), a substantial shareholder of the Company.

On 15 April 2019, the Group entered into an Amendment and Restatement Agreement with JMO to modify an existing interest-free convertible loan agreement, previously entered into on 27 November 2018. The loan was restructured from a convertible loan to a loan with no conversion rights and a maturity period of 24 months with effect from 12 December 2018.

As at 31 December 2019		As at 31 March 2019	
Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)
Within 1 year			
2,477	NIL	NIL	NIL
More than 1 year			
NIL	NIL	2,700	NIL

(c) A statement of cash flows (for the group), with a comparative statement for the corresponding period of the immediate preceding financial year.

Pine Capital Group Limited
(Company Registration No. 196800320E)

	Group		Group	
	3 months ended		9 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Loss before taxation	(1,371)	(364)	(3,634)	(1,289)
Loss before tax for the year	(1,371)	(364)	(3,634)	(1,289)
Adjustments for :-				
Depreciation of property, plant and equipment	13	11	39	34
Depreciation of right-of-use asset	68	-	208	-
Interest income	-	-	(9)	-
Impairment on investment in associate	-	-	-	13
Unrealised currency translation gain	(10)	-	(5)	-
	(1,300)	(353)	(3,401)	(1,242)
Operating cash flow before working capital changes:				
Trade, other receivables and prepayments	(914)	(40)	(244)	(195)
Trade and other payables	444	(219)	629	(1,460)
Work in progress	-	-	-	-
Cash used in operations	(1,770)	(612)	(3,016)	(2,897)
Interest income	-	-	9	-
Net cash used in operating activities	(1,770)	(612)	(3,007)	(2,897)
Cash flows used in investing activity:				
Additions to property, plant and equipment	(12)	-	(12)	-
Net cash used in investing activity	(12)	-	(12)	-
Cash flows from financing activity:				
Proceeds from exercise of warrants, right issue and shares	-	2,708	-	4,676
Deposit received in advance	-	2,700	-	2,700
Capital contribution from non-controlling interests	-	-	65	-
Net cash generated from financing activity	-	5,408	65	7,376
Net increase/(decrease) in cash	(1,782)	4,796	(2,954)	4,479
Beginning of the financial period	2,271	451	3,443	768
End of financial period	489	5,247	489	5,247

(d) (i) Statement (for the issuer and the group) showing (i) all changes in equity or (ii) changes in equity other than those arising from capitalization and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

9 months ended	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Share capital	Accumulated losses	Foreign currency translation reserve	Capital reserve	Fair value reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
At 1 April 2019	25,400	(24,003)	-	-	1,316	2,713	125	2,838
Loss for the period	-	(3,220)	-	-	-	(3,220)	(414)	(3,634)
Other comprehensive income for the period	-	-	12	223	(124)	111	-	111
Total comprehensive (loss) / income for the period	-	(3,220)	12	223	(124)	(3,109)	(414)	(3,523)
Capital contribution from non-controlling interests	-	-	-	-	-	-	64	64
At 31 December 2019	25,400	(27,223)	12	223	1,192	(396)	(225)	(621)
	Share capital	Accumulated losses	Foreign currency translation reserve	Capital reserve	Fair value reserve	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
At 1 April 2018	20,027	(15,036)	(50)	-	898	5,839	138	5,977
Loss for the period	-	(1,181)	-	-	-	(1,181)	(108)	(1,289)
Other comprehensive income for the period	-	-	96	-	-	96	-	96
Total comprehensive (loss) / income for the period	-	(1,181)	96	-	-	(1,085)	(108)	(1,193)
Issuance of ordinary shares - Placement	5,373	-	-	-	-	5,373	-	5,373
At 31 December 2018	25,400	(16,217)	46	-	898	10,127	30	10,157

(d) (i) Statement (for the issuer and the group) showing (i) all changes in equity or (ii) changes in equity other than those arising from capitalization and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

3 months ended	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Share capital	Accumulated losses	Foreign currency translation reserve	Capital reserve	Fair value reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
At 1 October 2019	25,400	(26,302)	12	223	1,316	649	(70)	579
Loss for the period	-	(1,216)	-	-	-	(1,216)	(155)	(1,371)
Other comprehensive income for the period	-	-	-	-	(124)	(124)	-	(124)
Total comprehensive (loss) / income for the period	-	(1,216)	-	-	(124)	(1,340)	(155)	(1,495)
At 31 December 2019	25,400	(27,223)	12	223	1,192	(396)	(225)	(621)
	Share capital	Accumulated losses	Foreign currency translation reserve	Capital reserve	Fair value reserve	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
At 1 October 2018	21,995	(15,852)	48	-	898	7,089	29	7,118
Loss for the period	-	(365)	-	-	-	(365)	1	(364)
Other comprehensive income for the period	-	-	(2)	-	-	(2)	-	(2)
Total comprehensive (loss) / income for the period	-	(365)	(2)	-	-	(367)	1	(366)
Issuance of ordinary shares - Placement	3,405	-	-	-	-	3,405	-	3,405
At 31 December 2018	25,400	(16,217)	46	-	898	10,127	30	10,157

(d) (i) Statement (for the issuer and the group) showing (i) all changes in equity or (ii) changes in equity other than those arising from capitalization and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

9 months ended

The Company

	Share Capital	Accumulated losses	Capital reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2019	25,400	(22,839)	-	2,561
Loss for the period	-	(2,198)	223	(1,975)
Total comprehensive loss for the period	-	(2,198)	223	(1,975)
Issuance of ordinary shares	-	-	-	-
At 31 December 2019	25,400	(25,037)	223	586

The Company

	Share Capital	Accumulated losses	Capital reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2018	20,027	(14,880)	-	5,147
Loss for the period	-	(1,065)	-	(1,065)
Total comprehensive loss for the period	-	(1,065)	-	(1,065)
Issuance of ordinary shares	5,373			5,373
At 31 December 2018	25,400	(15,945)	-	9,455

(d) (i) Statement (for the issuer and the group) showing (i) all changes in equity or (ii) changes in equity other than those arising from capitalization and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

3 months ended

The Company

	Share Capital	Accumulated losses	Capital reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 October 2019	25,400	(24,542)	223	1,081
Loss for the period	-	(495)	-	(495)
Total comprehensive loss for the period	-	(495)	-	(495)
At 31 December 2019	25,400	(25,037)	223	586

The Company

	Share Capital	Accumulated losses	Capital reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 October 2018	21,995	(15,583)	-	6,412
Loss for the period	-	(362)	-	(362)
Total comprehensive loss for the period	-	(362)	-	(362)
Issuance of ordinary shares	3,405	-	-	3,405
At 31 December 2018	25,400	(15,945)	-	9,455

- (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.

There has been no change to the Company's share capital as at 31 December 2019 as compared to as at 31 December 2018.

The Group had on 7 May 2018 completed the Renounceable Non-Underwritten Rights and Warrants Issue exercise. A total of 787,210,747 Rights Shares and 251,907,400 Warrants were issued. Eight (8) Warrants were issued for every twenty-five (25) Rights Shares subscribed. The gross proceeds raised from the issuance of Rights Shares were approximately S\$1.968 million. If the Warrants, representing approximately 3.79% of the existing issued shares were exercised, the enlarged issued number of shares would be 6,894,813,458.

The Company has no treasury shares and no subsidiary holdings held in issue as at 31 December 2019 and 31 December 2018.

- (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	31-Dec-19	31-Mar-19
Total number of issued shares	6,642,906,058	6,642,906,058

- (d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares during and at the end of the current financial year reported on.

- (d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company does not have any subsidiary holdings during and at the end of the current financial year reported on.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable, the figures have not been audited or reviewed by the Company's auditors.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

We refer to the Independent Auditor's Report dated 9 July 2019, in the Company's Annual Report 2019. The Company's auditor had reported two matters, being the basis for the Disclaimer of Opinion, namely:

(a) Monetary Authority of Singapore ("MAS") Direction Letter

Advance Capital Partners Asset Management ("**ACPAM**") has received a MAS Direction Letter on 13 May 2019 (the "**Direction Letter**") to suspend all fund-raising activities and all subscription activities, and not to enter into new investments or draw down any commitments on behalf of any fund or segregated mandate that is managed by ACPAM until certain conditions are satisfied.

The Company understands from ACPAM that the MAS Direction Letter came about because ACPAM was unable to carry out its fund management functions effectively with regards to Advance Opportunities Fund I ("**AOF I**") (being one of the two funds under the management of ACPAM) due to certain restrictions placed by the directors of AOF I on ACPAM to prevent ACPAM from being involved in matters of AOF I. ACPAM believes that the concerns set out in the MAS Direction Letter have been addressed and has conveyed the same to the MAS. AOF 1 terminated its management agreement with ACPAM on 19 March 2019 as announced on 21 March 2019. The redemption issues with AOF1 remaining outstanding. ACPAM is working with its legal advisors to resolve this issue.

On 12 August 2019, pursuant to an EGM requisitioned by ACPAM's shareholders, Mr Adam Wang and Mr Pan Ki Ro were removed as Directors of ACPAM; Mr Tan Choon Wee and Mr Chan Wai Leung were appointed as Directors of ACPAM (the "**New Board**"). Following investigations by the New Board, the Board of ACPAM believes that the base capital requirements of ACPAM had not been met since April 2019 and thereafter wrote to the MAS to suspend ACPAM's Registered Fund Management Company ("RFMC")'s licence. The MAS responded that ACPAM does not hold a Capital Markets Services licence but operates under an exemption from it. ACPAM is required to meet all requirement of an RFMC, including maintaining a minimum base capital even during the suspension of activities. As of the date of this announcement, ACPAM has not met its minimum base capital and remains a RFMC, with the conditions from MAS' Direction Letter still in force.

As announced on 14 October 2019, ACPAM has commenced legal proceedings against Mr Adam Wang and Mr Pan Ki Ro in relation to the only fund managed by ACPAM, Advance Credit Fund SPC ("**ACF**"). The Company understand that the management rights of ACF rests with the holder of ACF's one management share. The legal proceedings commenced by ACPAM against Wang and Pan relate to possible mismanagement and the transfer of the one management share in ACF from ACPAM to Wang. The next hearing for this matter is presently scheduled for 17 February 2020.

At the date of this announcement, the MAS has not lifted its Direction Letter to ACPAM. The Management is currently working to resolve the existing disputes with the ex-director of ACPAM, Mr. Adam Wang. As soon as there is a resolution made, the Management will work with MAS on the next course of action. The Company will make further announcement(s) to keep shareholders duly informed, as and when there any material updates or developments in due course.

(b) Independent Review

The Company's Board, in consultation with SGX has appointed an independent reviewer, KordaMentha to investigate the numerous allegations and complaints it had received from various parties since January 2019 concerning the operations of ACPAM.

As announced on 15 July 2019, the Company had on 15 July 2019 appointment KordaMentha as the Independent Reviewer to review, *inter alia*:

- a) The various allegations received since January 2019 and the internal controls, policies and procedures of the Group surrounding the operations of Advance Capital Partners Asset

Management Private Limited ("ACPAM"), including allegations in respect of potential conflict of interest and possible lapses in internal control; and

- b) To identify and make appropriate recommendations on any internal control lapses and potential breaches or non-compliance of rules, laws and regulations (in relation to the scope of work) and the parties responsible for the respective potential breaches or non-compliance.

At the date of this announcement, KordaMentha has finished Draft Independent Review Report and parties are in discussion with the SGX. The Board noted that there are no substantial matters raised in the Draft Report with regards to the wrongdoings by the previous management of ACPAM, albeit there are areas of possible improvement. The Company will make further announcement(s) to keep shareholders duly informed, as and when there any material updates or developments in due course.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited financial statements.

Except as disclosed below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2019.

The Group adopted new and revised International Financial Reporting Standards ("IFRS") and interpretations of IFRS that are mandatory for financial year beginning on or after 1 April 2019. There is no significant impact to the Group except for IFRS 16 Leases.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group applied the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 is recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information. The Group also applied the practical expedient to grandfather the definition of lease on transition.

As lessee, the Group chooses, on a lease-by-lease basis, to measure a ROU asset at either:

- its carrying amount as if IFRS 16 had been applied since the commencement date; or
- an amount equal to the lease liability arising from the capitalisation of the present value of future lease payments.

In addition, the Group applied the following practical expedients:

- apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- rely on previous assessments regarding whether the leases are onerous applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before 1 April 2019 as an alternative to performing an impairment review;
- account for leases for which the lease term ends within 12 months from 1 April 2019 as short-term leases;
- exclude initial direct costs for the measurement of ROU assets as of 1 April 2019; and
- use hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable. Refer to Note 4 above.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediate preceding financial year, after deducting any provision for preference dividends:-**

	9MFY2020	9MFY2019
Loss for the period attributed to equity holders of the Company	(3,220)	(1,181)
Attributable to equity holders of the Company:		
LPS (cents per share) - weighted average number of share	(0.0495)	(0.0240)
LPS (cents per share) - fully diluted*	(0.0476)	(0.0230)
Weighted average number of shares for the purposes of basic loss per share ('000)	6,509,739	4,921,142
Weighted average number of shares for the purposes of diluted loss per share ('000)	6,761,647	5,145,060
Total number of shares in issue ('000)	6,642,906	6,642,906

* due to issuance of warrants

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediate preceding financial year.**

	The Group		The Company	
	31 Dec 2019	31 Mar 2019	31 Dec 2019	31 Mar 2019
Net asset value per ordinary share (in S\$ cents)	(0.0060)	0.0400	0.0088	0.0400
Issued ordinary share (in '000)	6,642,906	6,642,906	6,642,906	6,642,906

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT REVIEW

Notes:

- a) The Group's revenue for the third quarter ended 31 December 2019 ("Q3FY2020") was mainly attributed from the subsidiary, Advance Capital Partners Asset Management Private Limited ("ACPAM"), which provides financial services.

The Group's revenue declined by about 91% from S\$832,000 for the 3 months ended 31 December 2018 (Q3FY2019) to S\$75,000 in Q3FY2020 due to the termination of the management agreement with the Advance Opportunities Fund I (please refer to the announcement made by the Company on 21 March 2019) and the Direction Letter. In addition, during the 3 months ended 31 December 2019, there were no new revenue generating activities from ACPAM with the revenue of approximately S\$14,000 being derived from prepaid management fee income from ACPAM, ending on April 2020. For the 9MFY2020, the Group's revenue included S\$60,998 of revenue from Pine Capital (Shanghai) Group Limited ("PCS").

The Group's cost of sales for the 3 months ended 31 December 2019 (Q3FY2020) correspondingly decreased by about 90.6% from S\$555,000 in Q3FY2019 to S\$52,000 in Q3FY2020. For the 9 months ended 31 December 2019, the Group has recorded a decrease of 76.2% in cost of sales from S\$1,230,000 in 9MFY2019 to S\$293,000 in 9MFY2020 due to lower referral fees incurred from the past fund-raising activities before the issuance of the Direction Letter.

- b) Other income consists mainly of interest income and foreign exchange gains/losses.
- c) Administrative expenses comprised of staff costs, professional fees, client business expenses, SGX listing compliance costs, travelling expenses and general office expenses.

For Q3FY2020, administrative expenses increased by S\$726,000 or 113.3% from S\$641,000 in Q3FY2019 to S\$1,367,000, which was mainly attributed by higher professional fees and consultancy fees paid by PinAP to expand into Greater China incurred during the financial period.

Administrative expenses increased by S\$1,547,000 or 74.3 % from S\$2,083,000 in 9MFY2019 to S\$3,630,000 in 9MFY2020. This was mainly attributed to higher legal fees incurred to resolve matters relating to the past corporate actions by the Company of S\$559,000 and proceedings against the previous management of ACPAM of S\$479,000 in 9MFY2020.

As a result of the above, the Group recorded loss for the 3 months and 9 months ended 31 December 2019 of S\$781,000 and S\$3,339,000 respectively.

BALANCE SHEET REVIEW

Notes:

- d) Decreased in Group's property, plant and equipment by S\$17,000 from S\$49,000 in FY2019 to S\$32,000 in Q3FY2020 was due to depreciation charges for the financial period.
- e) The increase in right-of-use assets was due to the adoption of IFRS 16.
- f) Increase in investment in subsidiaries by S\$577,000 were mainly due to an increase in investment cost in ACPAM of approximately S\$67,000 to maintain the minimum capital requirements during the period ended 31 December 2019 and S\$510,000 in Pinnacle Asia Pacific Pte Ltd ("PinAP"), a newly incorporated subsidiary of the Company.
- g) FVOCI investment refers to the acquisition of 9.98% equity share of Pine Asia Assets Management Inc, which was held by its subsidiary, Pine Ventures Management Pte Ltd ("PVM"). The decrease in FVOCI investment by S\$110,000 or 5% from S\$2,143,000 in FY2019 to S\$2,033,000 in Q3FY2020 was due to a fair value loss of S\$124,000, which was partially offset by a foreign exchange gain arising from the strengthening of United States Dollar (USD) against Singapore Dollar (SGD).
- h) The Group's trade and other receivables comprised of prepayments and deposits, and other receivables (mainly from its subsidiary PVM). The decrease in trade and other receivables by S\$257,000 or 52.8% from S\$487,000 FY2019 to S\$230,000 in Q3FY2020 was mainly due to the refund of security deposits held by the vendors of ACPAM.
- i) Trade and other payables comprised of trade payables, accrued expenses, advances received from clients and other payables.

The Group's trade and other payables increased by S\$435,000 or 103.3% from S\$421,000 in FY2019 to S\$856,000 in Q3FY2020 as a result of the increase in lease liability of S\$182,000 with the adoption of IFRS 16 and the increase in accruals of referral fees and other payables of S\$249,000. The Company's other payables decreased by S\$129,000 or 52.2% from S\$376,000 in FY2019 to S\$247,000 in Q3FY2020 as a result of reduction of accruals.

- j) The increase in the Group's deferred revenue of S\$7,000 or 7.6% was attributable to the advance billing of Advance Credit Fund SPC ahead of services rendered.
- k) On 27 November 2018, the Company has entered into interest-free convertible loan agreement with its controlling shareholder, JMO Pte. Ltd. with a nominal value of \$2,700,000. The convertible loan shall be converted into 1,000,000,000 conversion shares at \$0.0027 conversion price 24 months after the draw down date.

Subsequently, the Company has entered into an Amendment and Restatement Agreement with JMO Pte Ltd to modify an existing interest-free convertible loan agreement, previously entered on 27 November 2018. The loan structure was revised from being a convertible loan to a loan without any conversion rights with maturity period of 24 months with effect from 12 December 2018.

- l) Provision for reinstatement cost amounting to S\$71,000 was in relation to operating lease attributed to ACPAM.

BALANCE SHEET REVIEW (Cont'd)

Notes:

- m) Capital reserves refers to the unwinding of the effective interest on the interest-free shareholder's loan as mentioned in Note 8(k).
- n) Fair value reserve refers to fair value gain on FVOCI investment as mentioned in Note 8(g).

CASH FLOW STATEMENT REVIEW

Cash flow used in operating activities increased slightly by S\$110,000 or 3.8% from S\$2,897,000 in 9MFY2019 to S\$3,007,000 in 9MFY2020.

The Group invested about S\$12,000 in office equipment. Net cash generated from financing activities was S\$194,000 in Q3FY2020 which was attributed to the capital contribution from non-controlling interests pertaining to the minimum capital requirements of ACPAM.

As at 31 December 2019, the Group's cash and cash equivalents was S\$489,000.

The net working capital deficiency of the Group is S\$2,713,000 and primarily due to the reclassification of the borrowings from JMO from non-current to current liabilities as the borrowing is due to mature on December 2020. The Company is currently in discussion with JMO for the possibility of restructuring the loan. The Company is actively looking at raising external funds as soon as the trading suspension imposed by the Exchange is lifted. The Company will make further announcement(s) to keep shareholders duly informed, as and when there any material updates or developments in due course.

Based on the information available, and taking into account:

- (i) the revenue generated from PCS and its future potential mandates;
- (ii) progress in the developments in the Company's efforts to resume trading;
- (iii) investors' interest in upcoming capital raise;
- (iv) cash resources available, cash used in operating activities for the Group, and restructuring of internal operations;

to the best of their knowledge, belief and given the assumptions above, the Board believes that the Group is able to operate on a going concern and the working capital available to the Group is sufficient for the next 12 months.

At the same time, the Group is working to generate revenues from PCS and the new subsidiary, PinAP. In addition, the Board is also looking at the possibility of conducting placement exercises to raise funds for working capital purposes once the trading suspension is lifted. Furthermore, the Board is also working closely with JMO to restructure the existing loan, which will be due in December 2020.

Use of proceeds -

The Company will be making a separate announcement on the use of proceeds from the Placement Shares.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Company is currently working with the Exchange and the MAS to resolve the outstanding matters relating to the MAS Direction Letter and the Independent Review undertaken by KordaMentha. In this regard, please refer to Para 3 of this announcement.

In the meantime, the Company has put in place a new management team to resolve previous areas of concern and grow its existing core business, in the areas of providing fund and investment management services.

Shareholders should take note and refer to the Company's announcements for various developments of the Group. The Company will make timely announcements, as appropriate, when it receives further updates in relation to such developments, including *amongst others*, the MAS Directives for ACPAM, the outcome of the Independent Review, any material litigation or claims, or the resumption of trading.

- 11 If a decision regarding dividend has been made:-**

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share cents

Not applicable.

(b) (ii) Previous corresponding period cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

- 12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial period 9 months ended 31 December 2019 as the Group is in a loss-making position.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained general mandate from shareholders for Interested Person Transaction. The Group does not have Interested Person Transaction during the period ended 31 December 2019.

14 Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

We, David Sarkis, Lee Sin Ann, Andy Chan Wai Leung, Alex Chin Hon Siang and Gan Wah Kwang being directors of Pine Capital Group Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements of the Company and its subsidiaries for the financial period nine months ended 31 December 2019 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company has procured undertakings from all its directors (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules. As at the date of this announcement, the Group has no other executive officers (excluding directors).

BY ORDER OF THE BOARD

David Sarkis
Executive Director

Lee Sin Ann
Executive Director

Andy Chan
Director

Gan Wah Kwang
Director

Alex Chin
Director

14 February 2020

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., in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("Exchange") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the 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.

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