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

Unaudited First Quarter Financial Statement and Dividend Announcement for the period ended 30 June 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.

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	Note	GROUP 3 months ended 30 June 2019	30 June 2018	Increase/ (Decrease)
		S$'000	S$'000	%
Revenue	8a	**214**	**723**	(70.4)
Cost of sales	8a	**-**	**(369)**	n.m
Gross profit	8a	**214**	354	(39.5)
Other income		**-**	9	(100.0)
Expenses				
- Administrative	8b	**(789)**	(817)	(3.4)
Loss before taxation		**(575)**	(454)	26.7
Taxation		**-**	-	n.m
Loss after taxation		**(575)**	**(454)**	26.7
Other comprehensive loss, net of tax:				
- Currency translation differences arising from consolidation		**(6)**	93	(106.5)
Total comprehensive loss		**(581)**	(361)	60.9
Loss after taxation attributable to:				
- Parent		**(534)**	(458)	(16.6)
- Non-controlling interests		**(41)**	4	(1125.0)
Loss after taxation		**(575)**	**(454)**	
Profit before tax has been arrived at after charging/(crediting):				
- Other income				
Other income		**-**	1	
Foreign exchange gain, net		**-**	8	
		-	9	(100.0)

For Notes (a) and (b) 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 immediately preceding financial year.

	Note	GROUP		COMPANY	
		30 June 2019	31 March 2019 Restated	**30 June 2019**	31 March 2019 Restated
		S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8(c)	**40**	49	**-**	-
Right-of-use assets	8(d)	**245**	-	**-**	-
Investments in subsidiaries	8(e)	**-**	-	**2,477**	2,409
Financial assets, at FVOCI	8(f)	**2,139**	2,143	**-**	-
		2,424	2,192	**2,477**	2,409
Current assets					
Trade and other receivables	8(g)	**983**	487	**448**	195
Cash and cash equivalents		**2,566**	3,443	**2,040**	3,033
		3,549	3,930	**2,488**	3,228
Current liabilities					
Trade and other payables	8(h)	**597**	421	**143**	376
Deferred revenue	8(i)	**284**	92	**-**	-
		881	513	143	376
Net current assets		**2,668**	3,417	**2,345**	2,852
Non-current liabilities					
Borrowings	8(j)	**2,700**	2,700	**2,700**	2,700
Provision for reinstatement costs	8(k)	**71**	71	**-**	-
		2,771	2,771	**2,700**	2,700
Net assets		**2,321**	2,838	**2,122**	2,561
Equity					
Share capital		**25,400**	25,400	**25,400**	25,400
Accumulated losses		**(24,537)**	(24,003)	**(23,278)**	(22,839)
Currency translation reserve		**(6)**	-	**-**	-
Fair value reserve	8(l)	**1,316**	1,316	**-**	-
		2,173	2,713	**2,122**	2,561
Non-controlling interests		**148**	125	**-**	-
		2,321	2,838	**2,122**	2,561

For Notes (c) to (l) 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 30 June 2019 and 31 March 2019, the Group had unsecured borrowings of S$2,700,000 from JMO Pte Ltd.

On 15 April 2019, the Group entered into an Amendment and Restatement Agreement with JMO Pte Ltd to modify an existing interest-free convertible loan agreement, previously entered into on 27 November 2018. The loan structure was revised from being a convertible loan to a loan without any conversion rights with a maturity period of 24 months with effect from 12 December 2018.

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

	Group	
	3 months ended	
	30 JUNE 2019	**30 JUNE 2018**
	S$'000	S$'000
Cash flows from operating activities:		
Loss before taxation	**(575)**	(454)
Loss before tax for the year	**(575)**	**(454)**
Adjustments for :-		
Depreciation of property, plant and equipment	**9**	12
Depreciation of right-of-use asset	**72**	-
Unrealised currency translation loss	**(1)**	-
Operating cash flow before working capital changes:	**(495)**	(442)
Trade, other receivables and prepayments	**(492)**	(151)
Trade and other payables	**45**	(1,422)
Net cash used in operating activities	**(942)**	(2,015)
Cash flows from financing activities:		
Proceeds from exercise of warrants and shares placement	**-**	1,968
Capital contribution from non-controlling interests	**65**	-
Net cash generated from financing activities	**65**	1,968
Net decrease in cash and cash equivalents	(877)	(47)
Beginning of the financial period	3,443	768
End of financial period	**2,566**	721

(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 immediately preceding financial year.

3 months ended	**Share Capital**	**Accumulated losses**	**Currency translation reserve**	**Fair value reserve**	**Total**	**Non-controlling interest**	**Total equity**
The Group	**S$'000**			**S$'000**			**S$'000**
At 1 April 2019	**25,400**	**(24,003)**	**-**	**1,316**	**2,713**	**125**	**2,838**
Loss for the period	-	(534)	-	-	(534)	(41)	(575)
Other comprehensive income for the period	-	-	(6)	-	(6)	-	(6)
Total comprehensive loss for the period	**-**	**(534)**	**(6)**	**-**	**(540)**	**(41)**	**(581)**
Capital contribution from non-controlling interests	**-**	**-**	**-**	**-**	**-**	**64**	**64**
At 30 June 2019	**25,400**	**(24,537)**	**(6)**	**1,316**	**2,173**	**148**	**2,321**

	Share Capital	**Accumulated losses**	**Currency translation reserve**	**Fair value reserve**	**Total**	**Non-controlling interest**	**Total**
The Group	**S$'000**			**S$'000**			**S$'000**
At 1 April 2018	20,027	(15,036)	(50)	898	**5,839**	138	5,977
Loss for the period	-	(458)	-	-	(458)	4	(454)
Other comprehensive income for the period	-	-	93	-	93	-	93
Total comprehensive loss for the year	-	(458)	93	-	(365)	4	(361)
Issuance of ordinary shares	1,968	-	-	-	1,968	-	1,968
At 30 June 2018	21,995	(15,494)	43	898	7,442	142	**7,584**

(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 immediately preceding financial year.

	Attributable to equity holders of the parent		
3 months ended	**Share capital**	**Accumulated losses**	**Total**
	S$'000	**S$'000**	**S$'000**
The Company			
At 1 April 2019	**25,400**	**(22,839)**	2,561
Loss for the period	**-**	**(439)**	**(439)**
Other comprehensive income for the period	**-**	**-**	**-**
Total comprehensive (loss) / income for the period	**-**	**(439)**	**(439)**
At 30 June 2019	**25,400**	**(23,278)**	**2,122**

	Share capital	**Accumulated losses**	**Total**
	S$'000	**S$'000**	**S$'000**
The Company			
At 1 April 2018	20,027	(14,880)	5,147
Loss for the period	-	(463)	(463)
Total comprehensive (loss) / income for the year	-	(463)	(463)
Issuance of ordinary shares	1,968	-	1,968
At 30 June 2018	21,995	(15,343)	6,652

(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 immediately 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 immediately preceding financial year.

There has been no change to the Company's share capital as at 30 June 2019 as compared to as at 31 March 2019.

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.

(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 immediately preceding year.

	30-Jun-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, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have 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 did 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.

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 an 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 immediately preceding financial year, after deducting any provision for preference dividends:-

	1Q FY2020	1Q FY2019
Loss for the year attributed to equity holders of the Company	**(534)**	(458)
From continuing operatings attributable to equity holders of the Company		
(LPS) (cents per share) - weighted average number of share	**(0.0090)**	(0.01092)
(LPS) (cents per share) - fully diluted	**(0.0086)**	(0.01092)
Weighted average number of shares ('000)	**5,963,462**	4,195,391
Fully diluted ('000)	**6,215,369**	4,195,391
Total number of shares in issue ('000)	**6,642,906**	4,457,795

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) immediately preceding financial year.

	The Group		The Company	
	30 June 2019	31 Mar 2019	**30 June 2019**	31 Mar 2019
Net asset value per ordinary share (in S$ cents)	**0.03**	0.04	**0.03**	0.04
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 first quarter ended 30 June 2019 ("Q1FY2020") 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 70.4% from S$723,000 for the quarter ended 30 June 2018 (Q1FY2019) to S$214,000 in Q1FY2020 due to the termination of the management agreement with the Advance Opportunities Fund I as announced on 21 March 2019 as well as the MAS direction letter dated 13 May 2019 that suspended ACPAM from all fund raising and subscription activities. There was no cost of sales for Q1FY2020 as no referral fees were incurred.

INCOME STATEMENT REVIEW (cont'd)

b) Administrative expenses comprise of staff costs, operating leases, professional fees, client business expenses, SGX listing compliance costs, travelling expenses and general office expenses. Decrease in administrative expenses by S$28,000 or 3.4% from S$817,000 in Q1FY2019 to S$789,000 in Q1FY2020 was mainly attributed to lower staff costs in ACPAM.

The Group recorded net loss after tax of S$575,000 for the period ended 30 June 2019 compared to the period ended 30 June 2018 of S$454,000.

BALANCE SHEET REVIEW

Notes:

c) Decrease in property, plant and equipment by S$9,000 from S$49,000 in FY2019 to S$40,000 in Q1FY2020 was due to depreciation charges for the financial period.

d) The increase in right-of-use assets were due to the adoption of IFRS 16.

e) The Company's investment in subsidiaries increased by about S$68,000 from S$2,409,000 in FY2019 to S$2,477,000 in Q1FY2020 was mainly due to an increase in investment cost in ACPAM to maintain minimum capital requirements during the period ended 30 June 2019 which announcement was made on 3 April 2019.

f) FVOCI investment refers to the acquisition of 9.98% equity share of Pine Asia Assets Management Inc, which was under its subsidiary, Pine Ventures Management Pte Ltd ("PVM"). Decrease in FVOCI investment by S$4,000 or 0.2% from S$2,143,000 in FY2019 to S$2,139,000 in Q1FY2020 was due to exchange rate differences arising from the weakening of United States Dollar (USD) against Singapore Dollar (SGD).

g) The Company's trade and other receivables comprise of deposits and amount due from subsidiaries, in particular PVM and ACPAM.

The Group's trade and other receivables comprise of accrued billing, prepayments and deposits, and other receivables. Increase in trade and other receivables by S$496,000 or 101.8% from S$487,000 FY2019 to S$983,000 in Q1FY2020 was mainly due to increase in accrued billing by S$329,000, prepayments and deposits by S$157,000.

h) The Group's trade and other payables comprise of trade payables, accrued expenses, advances received from clients and other payables.

The Group's other payables increased by S$176,000 or 41.8% from S$421,000 in FY2019 to S$597,000 in Q1FY2020, and the Company's other payables decreased by S$233,000 or 61.9% from S$376,000 in FY2019 to S$143,000 in Q1FY2020.

The increase in the Group's other payables was mainly attributed to an increase in lease liability of about S$260,000 as a result of adopting IFRS 16, partially offset by a decrease in accruals and other payables of approximately S$81,000. On the other hand, the decrease in the Company's other payables was due to the reduction of accruals of about S$237,000.

i) The increase in the Group's deferred revenue of S$192,000 or 208.7% is mainly attributable to the advance billing of Advance Credit Fund SPC ahead of services rendered.

BALANCE SHEET REVIEW (cont'd)

j) 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. All 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.

k) Provision for reinstatement cost amounting to S$71,000 is in relation to operating lease attributed to the consolidation of its subsidiary, ACPAM.

l) Fair value reserve refers to fair value gain on FVOCI investment as mentioned in Note 8(f).

CASH FLOW STATEMENT REVIEW

Cash flow used in operating activities decreased by S$1,073,000 or 53.3% from a S$2,015,000 in Q1FY2019 to S$942,000 in Q1FY2020. This was mainly due to the partial settlement of S$1,500,000 for the acquisition of PVM in Q1FY2019, partially offset by the increase in trade receivables of about S$507,000 in ACPAM in Q1FY2020.

Net cash generated from financing activities was S$65,000 in Q1FY2020 which was attributed to the capital contribution from non-controlling interests pertaining to the base capital requirements of ACPAM.

As at 30 June 2019, the Group's cash and cash equivalents was S$2,566,000.

Taking into account (i) the cash resources available to the Group, cash used in operating activities for the Group , (ii) rationalization of some of the overseas subsidiaries and (iii) the reduction of staff costs in the forthcoming quarters, the Board is of the view that the Group is able to continue operating as a going concern and the working capital available to the Group is sufficient to meet its present requirements and for the next 12 months.

Use of proceeds - Placement Shares

The utilization of the proceeds from the Placement Shares is listed below.

	S$'000
Proceeds from Placement of 611,111,110 Shares	**550**
Use of proceeds	
Settlement on the cost of acquisition of Pine Ventures	(327)
Professional fees	(40)
Total payments as at 31 March 2019	(367)
Professional fees	(183)
Balance as at 30 June 2019	-

The usage of the placement was consistent with the original intended usage per the announcement on 6 September 2018.

Proceeds from Placement of 799,000,000 Shares	**2,157**
Use of proceeds	
Subscription of additional shares in ACPAM	(190)
Introducer fees	(240)
Administrative and operational expenses	(379)
Total payments as at 31 March 2019	(809)
Subscription of additional shares in ACPAM	(67)
Balance as at 30 June 2019	1,281

The usage of the placement was consistent with the original intended usage per the announcement made on 27 November 2018.

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 Group will continue to focus on enhancing shareholder value with a strategy for steady and sustainable growth in its financial services business.

The Group will appoint a new management team to lead the Group to continue growing its current core business to provide fund and investment management services. At the same time, the management will also work very closely with KordaMentha, the independent reviewer appointed to investigate numerous allegations which the Group had received since January 2019. Shareholders should take note and refer to announcements on various developments, *inter alia,* litigations and claims, MAS Directives for ACPAM, outcome from the Independent Reviewer, termination of management agreement between ACPAM and AOF I, and suspension of the trading of the Shares.

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 3 months ended 30 June 2019 as the Group does not have retained earnings to do so.

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 does not have Interested Person Transaction during the period ended 30 June 2019. As such, the Group has not obtained general mandate from shareholders for Interested Person Transaction.

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

I, Mr Tomi-Jae Wanlun Tjio, being the sole director of Pine Capital Group Limited (the "Company"), do hereby confirm that, to the best of my 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 three months ended 30 June 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 director and executive officer (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Tomi-Jae Wanlun Tjio
Non-Executive Chairman and Independent Director

14 August 2019

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*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.

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