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

Unaudited Second Quarter Financial Statement and Dividend Announcement for the period ended 30 September 2018

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.

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

		GROUP			GROUP		
		3 months ended			6 months ended		
	Note	**30 Sep 2018**	30 Sep 2017 Restated	Increase/ (Decrease)	**30 Sep 2018**	30 Sep 2017 Restated	Increase/ (Decrease)
Continuing operations		**S$'000**	S$'000	%	**S$'000**	S$'000	%
Revenue	8(a)	**453**	133 [1]	240.6	**1,176**	133 [1]	784.2
Cost of sales	8(a)	**(306)**	(57)	436.8	**(675)**	(57)	1084.2
Gross profit	8(a)	**147**	76		**501**	76	
Other income	8(b)	**7**	5	40.0	**16**	37	(56.8)
Expenses							
- Administrative	8(c)	**(625)**	(732)	(14.6)	**(1,442)**	(950)	51.8
Loss from continuing operations before taxation		**(471)**	(651)		**(925)**	(837)	
Taxation	8(d)	**-**	-	n.m	**-**	-	n.m
Loss after taxation from continuing operations	8(e)	**(471)**	(651)		**(925)**	(837)	
Loss from discontinued operations, net of tax	8(f)	**-**	(65)	n.m	**-**	(74)	n.m
Total loss for the period		**(471)**	(716)		**(925)**	(911)	
Other comprehensive loss, net of tax:							
- Currency translation differences arising from consolidation		**5**	1	400.0	**98**	9	988.9
Total comprehensive loss		**(466)**	(715)		**(827)**	(902)	
Total comprehensive loss attributable to:							
Owner of parent							
-Loss from continuing operation, net of tax		**(358)**	(586)	(38.9)	**(816)**	(772)	5.7
-Loss from discontinued operation, net of tax		**-**	(37)	n.m	**-**	(48)	n.m
Loss attributed to the parent		**(358)**	(623)		**(816)**	(820)	
Non-controlling interests							
-Loss from continuing operation, net of tax		**(113)**	(65)	73.8	**(109)**	(65)	67.7
-Loss from discontinued operation, net of tax		**-**	(28)	n.m	**-**	(26)	n.m
Loss attributed to the non-controling interests		**(113)**	(93)		**(109)**	(91)	
Loss before tax has been arrived at after (charging)/crediting:							
- Other income							
Interest income		**-**	9		**-**	9	
Other income		**7**	(4)		**16**	28	
		7	5	40.0	**16**	37	(56.8)
- Foreign exchange loss, net		**(8)**	(8)	n.m	**-**	(1)	n.m
- Impairment on investment in associated company		**(13)**	-	n.m	**(13)**	-	n.m
- Depreciation of property, plant and equipment		**(11)**	(7)	57.1	**(23)**	(7)	228.6
- Operating leases		**(71)**	(80)	(11.3)	**(142)**	(96)	47.9

(1) The entire revenue was contributed by financial service fees from a new subsidiary, Advance Capital Partners Asset Management Pte Ltd, ("ACPAM") upon completion of the acquisition on 7 August 2017

For Notes (a) to (f) 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 Sep 2018	31 March 2018	**30 Sep 2018**	31 March 2018
		S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8(g)	**71**	94	**-**	-
Investments in subsidiaries	8(h)	**-**	-	**7,624**	7,524
Investments in associated company	8(i)	**-**	13	**-**	-
Intangible assets	8(j)	**5,791**	5,791	**-**	-
Available-for-sale investments	8(k)	**2,385**	2,287	**-**	-
		8,247	8,185	**7,624**	7,524
Current assets					
Trade and other receivables	8(l)	**258**	102	**24**	23
Cash and cash equivalents		**451**	768	**42**	426
		709	870	**66**	449
Current liabilities					
Other payables	8(m)	**742**	3,007	**254**	2,826
Net current liabilities		**(33)**	(2,137)	**(188)**	(2,377)
Non-current liabilities					
Other payable	8(m)	**1,024**	-	**1,024**	-
Provision for reinstatement costs	8(n)	**71**	71	**-**	-
		1,095	71	**1,024**	-
Net assets		**7,119**	5,977	**6,412**	5,147
Equity					
Share capital	8(o)	**21,995**	20,027	**21,995**	20,027
Accumulated losses		**(15,852)**	(15,036)	**(15,583)**	(14,880)
Currency translation reserve		**48**	(50)	**-**	-
Fair value reserve	8(p)	**898**	898	**-**	-
		7,089	5,839	**6,412**	5,147
Non-controlling interests		**30**	138	**-**	-
		7,119	5,977	**6,412**	5,147

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

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

The Group did not have any borrowings or debt securities as at 30 September 2018 and 31 March 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		Group		
	3 months ended		6 months ended		
	30 Sep 2018	30 Sep 2017	**30 Sep 2018**	30 Sep 2017	
	S$'000	S$'000 Restated	**S$'000**	S$'000 Restated	
Cash flows from operating activities:					
Loss before taxation from continuing operations	**(471)**	(651)	**(925)**	(837)	
Loss before taxation from discontinued operations	**-**	(50)	**-**	(55)	(1)
Loss before tax for the year	**(471)**	(701)	**(925)**	(892)	
Adjustments for :-					
Depreciation of property, plant and equipment	**11**	17	**23**	26	(2)
Interest income	**-**	(4)	**-**	(9)	
Impairment on investment in associate	**13**	(4)	**13**	-	
Unrealised currency translation loss	**-**	7	**-**	7	
Operating cash flow before working capital changes:	**(447)**	(685)	**(889)**	(868)	
Trade, other receivables and prepayments	**(4)**	(831)	**(155)**	(478)	
Trade and other payables	**181**	2,537	**(1,241)**	2,139	
Work in progress	**-**	130	**-**	233	
Advance billings	**-**	905	**-**	694	
Cash (used in)/generated from operations	**(270)**	2,056	**(2,285)**	1,720	
Interest income	**-**	4	**-**	9	
Income tax paid	**-**	(10)	**-**	(19)	
Net cash (used in)/generated from operating activities	**(270)**	2,050	**(2,285)**	1,710	
Cash flows used in investing activity:					
Additions to property, plant and equipment	**-**	-	**-**	(6)	
Net cash outflow arising from the acquisition of subsidiaries	**-**	(6,903)	**-**	(6,903)	
Net cash used in investing activity	**-**	(6,903)	**-**	(6,909)	
Cash flows from financing activity:					
Proceeds from exercise of warrants, right issue and shares placement	**-**	3,601	**1,968**	3,601	
Repayment of finance lease liabilities	**-**	(2)	**-**	(5)	
Net cash generated from financing activity	**-**	3,599	**1,968**	3,596	
Net decrease in cash and cash equivalents	**(270)**	(1,254)	**(317)**	(1,603)	
Beginning of the financial period	**721**	3,273	**768**	3,622	
End of financial period	**451**	2,019	**451**	2,019	

(1) Loss from discontinued operations, net of tax for the financial period ended 30 September 2017 is S$74,000.

(2) Depreciation chargesfor the financial period ended 30 September 2017 amounting to $26,000 consist of $19,000 for discontinued operations and $7,000 for continuing operations.

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(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						
6 months ended	**Share capital**	**Accumulated losses**	**Foreign currency translation reserve**	**Fair value reserve**	**Total**	**Non-controlling interests**	**Total equity**
	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	**-**	**(816)**	**-**	**-**	**(816)**	**(108)**	**(924)**
Other comprehensive income for the period	**-**	**-**	**98**	**-**	**98**	**-**	**98**
Total comprehensive (loss) / income for the period	**-**	**(816)**	**98**	**-**	**(718)**	**(108)**	**(826)**
Issuance of ordinary shares	**1,968**	**-**	**-**		**1,968**	**-**	**1,968**
At 30 September 2018	**21,995**	**(15,852)**	**48**	**898**	**7,089**	**30**	**7,119**

	Share capital	**Accumulated losses**	**Foreign currency translation reserve**	**Fair value reserve**	**Total**	**Non-controlling interests**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
The Group							
At 1 April 2017	16,426	(13,276)	(77)	**-**	3,073	215	3,288
Loss for the period		(820)		**-**	(820)	(91)	(911)
Other comprehensive income for the period	-	-	9		9	-	9
Total comprehensive (loss) / income for the period	-	(820)	9	-	(811)	(91)	(902)
Issuance of ordinary shares - Placement	3,600	-	-		3,600	-	3,600
Issuance of ordinary shares - Exercised Warrants	1				1		1
At 30 September 2017	20,027	(14,096)	(68)	-	5,863	124	5,987

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(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**	**Foreign currency translation reserve**	**Fair value reserve**	**Total**	**Non-controlling interests**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
The Group							
At 1 July 2018	**21,995**	**(15,494)**	**43**	**898**	**7,442**	**142**	**7,584**
Loss for the period	**-**	**(358)**	**-**	**-**	**(358)**	**(112)**	**(470)**
Other comprehensive income for the period	**-**	**-**	**5**	**-**	**5**	**-**	**5**
Total comprehensive (loss) / income for the period	**-**	**(358)**	**5**	**-**	**(353)**	**(112)**	**(465)**
At 30 September 2018	**21,995**	**(15,852)**	**48**	**898**	**7,089**	**30**	**7,119**

	Share capital	**Accumulated losses**	**Foreign currency translation reserve**	**Fair value reserve**	**Total**	**Non-controlling interests**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
The Group							
At 1 July 2017	16,426	(13,473)	(69)	**-**	2,884	217	3,101
Loss for the period		(623)		**-**	(623)	(93)	(716)
Other comprehensive income for the period	-	-	1		1	-	1
Total comprehensive (loss) / income for the period	-	(623)	1	-	(622)	(93)	(715)
Issuance of ordinary shares - Placement	3,600	-	-		3,600	-	3,600
Issuance of ordinary shares - Exercised Warrants	1				1		1
At 30 September 2017	20,027	(14,096)	(68)	-	5,863	124	5,987

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(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.

6 months ended	**Share Capital**	**Accumulated losses**	**Total**
The Company	**S$'000**	**S$'000**	**S$'000**
At 1 April 2018	**20,027**	**(14,880)**	**5,147**
Loss for the period	**-**	**(703)**	**(703)**
Total comprehensive loss for the period	**-**	**(703)**	**(703)**
Issuance of ordinary shares	**1,968**	**-**	**1,968**
At 30 September 2018	**21,995**	**(15,583)**	**6,412**

	Share Capital	**Accumulated losses**	**Total**
The Company	**S$'000**	**S$'000**	**S$'000**
At 1 April 2017	16,426	(13,605)	2,821
Loss for the period	-	(705)	(705)
Total comprehensive loss for the period	-	(705)	(705)
Issuance of ordinary shares - Placement	3,600	-	3,600
Issuance of ordinary shares - Exercised Warrants	1		1
At 30 September 2017	20,027	(14,310)	5,717

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(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**	**Total**
The Company	**S$'000**	**S$'000**	**S$'000**
At 1 July 2018	**21,995**	**(15,343)**	**6,652**
Loss for the period	**-**	**(240)**	**(240)**
Total comprehensive loss for the period	**-**	**(240)**	**(240)**
At 30 September 2018	**21,995**	**(15,583)**	**6,412**

	Share Capital	**Accumulated losses**	**Total**
The Company	**S$'000**	**S$'000**	**S$'000**
At 1 July 2017	16,426	(13,791)	2,635
Loss for the period	-	(519)	(519)
Total comprehensive loss for the period	-	(519)	(519)
Issuance of ordinary shares - Placement	3,600	-	3,600
Issuance of ordinary shares - Exercised Warrants	1	-	1
At 30 September 2017	20,027	(14,310)	5,717

(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.

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. The gross proceeds raised from the issuance of Rights Shares were approximately S$1.968 million.

The Company has no treasury shares and 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-Sep-18	31-Mar-18
Total number of issued shares	4,457,794,948	3,670,584,201

(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.

As required by the listing requirement of the Singapore Exchange, the Group has adopted Singapore IFRS-identical Financial Reporting Standards ("SFRS(I)") on 1 January 2018. The adoption of SFRS(I) has not resulted in any substantial change to the Group's accounting policies nor has any significant impact on these financial statements.

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:-

	6MFY2019	6MFY2018
Loss for the period attributed to equity holders of the Company	**(816)**	(820)
Less:		
Loss for the period from discontinued operation	**-**	(48)
Loss for the purposes of basic loss per shares from continuing operations	**(816)**	(772)
From continuing operatings attributable to equity holders of the Company		
LPS (cents per share) - weighted average number of share	**(0.0189)**	(0.0280)
LPS (cents per share) - fully diluted*	**(0.0180)**	(0.0280)
From discontinued operatings attributable to equity holders of the Company		
LPS (cents per share) - weighted average number of share	**-**	(0.0017)
LPS (cents per share) - fully diluted*	**-**	(0.0017)
Weighted average number of shares for the purposes of basic loss per share ('000)	**4,326,593**	2,761,394
Weighted average number of shares for the purposes of diluted loss per share ('000)	**4,536,516**	2,761,394
Total number of shares in issue ('000)	**4,457,795**	3,670,584

* 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) immediately preceding financial year.

	The Group		The Company	
	30 Sep 2018	31 Mar 2018	**30 Sep 2018**	31 Mar 2018
Net asset value per ordinary share (in S$ cents)	**0.16**	0.16	**0.14**	0.14
Issued ordinary share (in '000)	**4,457,795**	3,670,584	**4,457,795**	3,670,584

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 entire revenue was contributed by financial service fees from a new subsidiary, Advance Capital Partners Asset Management Pte Ltd, ("ACPAM") upon completion of the acquisition on 7 August 2017.

For the three months ended 30 September 2018 (Q2FY2019), the Group has recorded an increase of S$320,000 or 240.6% from S$133,000 to S$453,000 for the same period ended 30 September 2017 (Q2FY2018). For the six months ended 30 September 2018 (6MFY2019), the revenue increased significantly by S$1,043,000 from S$133,000 in 6MFY2018 to S$1,176,000 in 6MFY2019.

The Group's cost of sales for the 3 months ended 30 September 2018 (Q2FY2019) increased by S$249,000 from $57,000 in Q2FY2018 to $306,000 in Q2FY2019. For the six months ended 30 September 2019, the Group has recorded an increase of S$618,000 from S$57,000 in 6MFY2018 to S$675,000 in 6MFY2019.

Overall gross profit for the three months and six months period ended 30 September 2018 recorded were S$147,000 and S$501,000 respectively.

A comparison of the revenue and cost of sales between period ended 30 September 2018 and 2017 were not meaningful due to different reporting months. For period ended 30 September 2017, revenue and cost of sales were based only on August and September 2017 as the acquisition was only completed in August 2017. For period ended 30 September 2018, revenue and cost of sales comprised of transactions from April 2018 to September 2018. Accordingly, the revenue and cost for the Group of 3-months and 6-months ended 30 September 2017 comprises only transactions of 2 months for the 3-months and 6-months period respectively.

b) Other income consists mainly of interest income and exchange gain.

c) Administrative expenses comprise of staff costs, operating leases, professional fees, client business expenses, SGX listing compliance costs, travelling expenses and general office expenses.

For the three months ended 30 September 2018 (Q2FY2019), administrative expenses decreased by S$107,000 or 14.6% from S$732,000 in Q2FY2018 to S$625,000 in Q2FY2018, which was mainly attributed to lower professional fees.

Administrative expenses increased by S$492,000 or 51.8 % from S$950,000 in 6MFY2018 to S$1,442,000 in 6MFY2019. Lower administrative expenses in 6MFY2018 was mainly due to consolidation of ACPAM's administrative expenses for only 2 months upon the completion of acquisition in August 2017. Whereas for 6MFY2019, ACPAM's 6 months of administrative expenses were consolidated for the period ended 30 September 2018.

INCOME STATEMENT REVIEW (Cont'd)

Notes:

d) For the 3 months and 6 months ended 30 September 2018 and 2017 respectively, the Group recorded "Nil" for income tax expenses as the Group has no taxable profit during the financial period ended 30 September 2018 and 2017.

e) The Group recorded loss for the 3 months and 6 months ended 30 September 2018 of S$471,000 and S$925,000 respectively.

f) Loss from discontinued operation refers to loss for the period from 1 April 2017 to September 2017 for its disposed subsidiary, Ellebeau Group.

BALANCE SHEET REVIEW

Notes:

g) Decreased in Group's property, plant and equipment by S$23,000 from S$94,000 in FY2018 to S$71,000 in Q2FY2019 was due to depreciation charges for the financial period.

h) The Company's investment in subsidiaries amounted to S$7,624,000 which was due to the acquisition of ACPAM and BSDCN Pte. Ltd. ("BSDCN") in FY2018. Increase in investment in subsidiaries by S$100,000 from S$7,524,000 in FY2018 to S$7,624,000 in Q2FY2019 was mainly due to an increase in investment cost in ACPAM to maintain minimum capital requirements during the period ended 30 June 2018.

i) Investment in associated company amounted to S$13,000 in FY2018 refers to the investment in Advance Capital Partners Asset Management (HK) Pte Limited ("ACPAM HK") which was under its subsidiary, ACPAM. Decrease in investment in associated company in Q2FY2019 was due to the disposal of ACPAM HK at HKD 1 on 31 August 2018 by the Group, and recognition of impairment loss of S$13,000 during the period ended 30 September 2018.

j) Intangible assets refer to goodwill arising on acquisition of subsidiaries as mentioned in Note 8 (h). At the date of this announcement, the Management of the Company is still in the midst of completing the purchase price allocation ("PPA") exercise. As such, goodwill relating to these acquisitions recognised at fair value of net assets, are provisionally determined.

k) Available-for-sale investment refers to the acquisition of 9.98% equity share of Pine Asia Assets Management Inc, which was under its subsidiary, BSDCN. Increase in available-for-sales investment by S$98,000 or 4.3% from S$2,287,000 in FY2018 to S$2,385,000 in Q2FY2019 was due to exchange rate differences arising from the strengthening of United States Dollar (USD) against Singapore Dollar (SGD).

l) The Company's trade and other receivables comprise of prepayments and amount due from a subsidiary, BSDCN.

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$156,000 or 152.9% from S$102,000 FY2018 to S$258,000 in Q2FY2019 was mainly due to the increase in prepayments and deposits by S$140,000.

BALANCE SHEET REVIEW (Cont'd)

Notes:

m) Other payables comprise of trade payables, accrued expenses, advances received from clients and other payables.

The Group's other payables decreased by S$2,265,000 or 75.3% from S$3,007,000 in FY2018 to S$742,000 in Q2FY2019, and the Company's other payables decreased by S$2,572,000 or 91.0% from S$2,826,000 in FY2018 to S$254,000 in Q2FY2019.

Decrease in other payables was mainly attributed to a decrease in outstanding balances on the cost of acquisition of BSDCN amounting to S$2,524,000. This was due to a settlement of S$1,500,000 during the period ended 30 September 2018 and reclassification of the remaining balance of S$1,024,000 from current liability to non-current liability, as the Company had signed a Supplemental Agreement with the Vendor of BSDCN to defer on the outstanding balance not later than 21 September 2019. The Purchaser and the Vendor had agreed that an interest rate of 10% per annum on the outstanding balance is applicable from the date of the Supplement Agreement.

Subsequently, the Group entered into a settlement agreement (the "Settlement Agreement") on 5 September 2018 with the Vendor to allot and issue 775,000,000 new ordinary shares at an issue price of S$0.0009 per share, aggregate sum of S$697,500 to settle part of the outstanding balance of S$1,024,000. The allotment of the shares were completed on 18 October 2018. The remaining balance of S$326,500 is to be settled as per Supplemental Agreement (i.e. 21 September 2019).

The Vendor has expressly waived the interest upon the settlement of the outstanding balance of S$1,024,000.

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

o) Increase in share capital by S$1,968,000 or 9.8% from S$20,027,000 in FY2018 to S$21,995,000 in Q2FY2019 was due to issuance of Rights Shares as mentioned in Note 1 (d,ii).

p) Fair value reserve refers to fair value gain on available-for-sales investment as mentioned in Note 8(k).

CASH FLOW STATEMENT REVIEW

Cash flow used in operating activities increased by S$3,995,000 or 233.6% from S$1,710,000 in 6MFY2018 to a deficit position of S$2,285,000 in 6MFY2019. This was mainly due to partial settlement of S$1,500,000 on the acquisition of BSDCN as mentioned in 8(m) above along with the payment of another S$1,500,000 for the acquisition of 51% share capital of Advance Capital Partners Asset Management Pte Ltd.

There was no investing activity in 6MFY2019. The investing activities of $6,909,000 in 6MFY2018 was attributed to acquisition of new subsidiaries which amounted to S$6,903,000 and cash outflow arising from deconsolidation of cash at bank of $585,000 due to the disposal of, Ellebeau Group.

Net cash generated from financing activities decreased by S$1,628,000 from S$3,596,000 in 6MFY2018 to S$1,968,000 in 6MFY2019 was mainly attributed to decrease in proceeds from issuance of new shares.

As at 30 September 2018, the Group's cash and cash equivalents was S$451,000.

CASH FLOW STATEMENT REVIEW (Cont'd)

Use of proceeds - Rights Shares

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

	S$'000
Proceeds from Right Shares	**1,968**
Use of proceeds	
Settlement on the cost of acquisition of BSDCN	(1,500)
Right issue expenses	(328)
Operating expenses	(140)
Total payments	(1,968)
Balance as at 30 September 2018	-

Negative Working Capital

The Company and Group reported a negative working capital of S$188,000 and $33,000 as at 30 September 2018 respectively. The Company and Group have no borrowings as at 30 September 2018. The main liabilities of the Group is the other payable of approximately S$742,000, comprising accrued expenses, advances from clients and other payables.

ACPAM and BSDCN are currently able to generate cash for its own operations. The Board is of the view that barring unforeseen circumstances and after taking into consideration, the additional proceeds of S$550,000 from the Placement shares completed in October 2018, the working capital available to the Company and the Group is sufficient to meet its present requirements and both the Company and the Group will be able to continue to operate as a going concern.

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.**

Following the mandate obtained at the EGM on 27 July 2018, the Group, in particular, ACPAM is growing its business and have been actively securing investments regionally. However, it will take time to grow and improve its revenue base. The Group is also actively seeking opportunity to grow its fund management licenses footprint in other jurisdictions like in Hong Kong.

The Group is also working on its business diversification including project management that will generate direct cashflow to the Company. The Group is in discussion to enter into a non-binding MOU to act as a project manager to develop an integrated hospitality and lifestyle township in Asia. A definitive agreement will be entered into at a later date subject to further negotiation and due diligence to be conducted.

The Group will make timely announcement when there are any further updates where appropriate.

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.

No dividend has been declared or recommended for the financial period 6 months ended 30 September 2018.

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 30 September 2018.

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

We, Mr Tan Choon Wee and Mr Ling Chung Yee, Roy, 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 ended 30 September 2018 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

Tan Choon Wee	Ling Chung Yee, Roy
Interim Chief Executive Officer and Executive Chairman	Lead Independent Director

13 November 2018

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 Liau H.K.
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