**PINE CAPITAL GROUP LIMITED**
(formerly known as "OLS Enterprise Ltd.")
(Company Registration Number: 196800320E)
(Incorporated in the Republic of Singapore)

**PROPOSED ACQUISITION OF UP TO 51.0% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SILVER TREE HONG KONG LIMITED**

## 1. INTRODUCTION

The Board of Directors ("**Board**") of Pine Capital Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a conditional sale and purchase agreement ("**Share Purchase Agreement**") with Mr David Sarkis (the "**Vendor**") on 10 December 2018 for the proposed acquisition of up to 20,624,392 ordinary shares ("**Sale Shares**") in the share capital of Silver Tree Hong Kong Limited (the "**Target**") representing up to 51.0% of the issued and paid-up share capital in the Target on the terms and conditions of the Share Purchase Agreement, to be completed in two (2) stages as follows:

(a) subject to satisfaction (or waiver) of the Stage 1 Conditions Precedent (as defined below), acquisition of 4,003,558 Sale Shares ("**Stage 1 Sale Shares**") representing 9.9% of the issued and paid-up share capital of the Target ("**Stage 1 Acquisition**"); and

(b) subject to satisfaction (or waiver) of the Stage 2 Conditions Precedent (as defined below), acquisition of 16,620,834 Sale Shares ("**Stage 2 Sale Shares**") representing 41.1% of the issued and paid-up share capital of the Target ("**Stage 2 Acquisition**").

Stage 1 Acquisition and Stage 2 Acquisition shall be collectively referred to as the "**Proposed Acquisition**". The Company and the Vendor shall be collectively referred to as the "**Parties**", and each a "**Party**".

## 2. INFORMATION RELATING TO THE TARGET AND VENDOR

*Shareholders should note that information relating to the Target and the Vendor in this Section 2 and elsewhere in this Announcement was provided by the Vendor. The Company and the Directors have not independently verified the accuracy and correctness of such information herein. The sole responsibility of the Directors and the Company for the purpose of such information has been to ensure that such information has been accurately and correctly extracted and reproduced in this Announcement in its proper form and context*.

### 2.1 Information on the Target

The Target is a private company limited by shares incorporated in Hong Kong on 9 June 2010. As at the date of this Announcement, the Target has an issued and paid-up share capital of HK$40,440,083 (equivalent to S$7,094,751.40) consisting of 40,439,984 ordinary shares.

The Target is licensed to carry on Type 9 regulated activity (Asset Management) ("**Type 9 Licence**") by the Securities and Futures Commission Of Hong Kong ("**SFC**") under Sections 116 and 117 of the Securities and Futures Ordinance of Hong Kong ("**SFO**"), registered under Section 119 of the SFO and subject to the licensing conditions of (i) only providing services to professional investors; and (ii) not holding client assets. The term "professional investor", "hold" and "client assets" are defined under the SFO, and governed by the SFC Code of Conduct for Persons Licensed by or Registered with the SFC.

### 2.2 The Vendor

The Vendor is a director and sole shareholder of the Target.

The investment management team of the Target is spearheaded by the Vendor, who has been in the finance sector for more than 27 years, with experience encompassing a broad spectrum of investment and capital markets activities. Please refer to Section 4 of this Announcement for further information relating to the Vendor.

The Vendor is not related to the Company, its subsidiaries, its controlling shareholders or any of the Directors.

## 3. SALIENT TERMS OF THE PROPOSED ACQUISITION

*Unless otherwise stated, all amounts converted from HK$ to S$ in this Announcement are based on the exchange rate of HK$5.70 : S$1.00, being the exchange rate agreed under the Share Purchase Agreement.*

The salient terms of the Share Purchase Agreement are set out as follows:

### 3.1 Proposed Acquisition

(a) The Vendor shall sell to the Company, and the Company shall acquire from the Vendor the Stage 1 Sale Shares and the Stage 2 Sale Shares on the Stage 1 Completion Date (defined hereinafter) and on the Stage 2 Completion Date (defined hereinafter) respectively, free and clear of all encumbrances and will rank *pari passu* in all respects with the then existing and issued shares of the Target, and together with all rights, title and interest attaching thereto (including the right to receive all dividends and other distributions declared, paid or made thereon or thereafter).

(b) The Parties have agreed that the Proposed Acquisition will be in two (2) stages as follows:

(i) subject to satisfaction (or waiver) of the Stage 1 Conditions Precedent (as defined below), acquisition of the Stage 1 Sale Shares representing 9.9% of the issued and paid-up share capital of the Target; and

(ii) subject to satisfaction (or waiver) of the Stage 2 Conditions Precedent (as defined below), acquisition of the Stage 2 Sale Shares representing 41.1% of the issued and paid-up share capital of the Target,

on terms and conditions of the Share Purchase Agreement.

**3.2 Consideration**

The total consideration payable to the Vendor for the Proposed Acquisition is HK$2,550,000 (equivalent to S$447,368.43) ("**Consideration**"), wherein the consideration for Stage 1 Acquisition is HK$495,000 (equivalent to S$86,842.11) and the consideration for Stage 2 Acquisition is HK$2,055,000 (equivalent to S$360,526.32), respectively.

The Consideration will be payable by way of allotment and issue of new ordinary shares ("**Shares**") in the share capital of the Company ("**Consideration Shares**") at an issue price of S$0.0027 per Consideration Share ("**Issue Price**") to the Vendor in the manner as follows:

(a) 32,163,743 Consideration Shares to be issued by the Company to the Vendor on Stage 1 Completion Date (defined hereinafter) ("**Stage 1 Consideration Shares**"); and

(b) 133,528,265 Consideration Shares to be issued by the Company to the Vendor on Stage 2 Completion Date (defined hereinafter) ("**Stage 2 Consideration Shares**").

The Issue Price of S$0.0027 per Consideration Share represents a premium of 170% to the volume weighted average price of S$0.001 per Share as at 7 December 2018, being the last market day preceding the date of the Share Purchase Agreement on which Shares were traded on the Catalist of the SGX-ST.

**3.3 Basis of Consideration**

The Consideration reflects an agreed valuation of the Target of HK$5,000,000 (equivalent to S$877,192.98), which has been agreed upon on a willing-buyer willing-seller basis after arm's length negotiation between the Company and the Vendor, taking into account the future earning and growth potential of the Target in view of the intangible assets it holds such as valuable network held by its key management team and the Type 9 (Asset Management) licence held by the Target.

**3.4 Conditions Precedent**

Completion of the Proposed Acquisition is conditional on the fulfilment (or waiver, as the case may be) of certain terms common to transactions of such nature, including, *inter alia*, the following conditions precedent ("**Conditions Precedent**"):

(a) Stage 1 Acquisition

(i) Satisfactory due diligence by the Company on the Target

The outcome of the due diligence carried out by the Company into the financial, legal, contractual, tax, business and prospects of the Target being reasonably satisfactory to the Company in its sole discretion, including without limitation, that the Vendor has the legal and beneficial ownership of the Sale Shares, provided that the Company shall not deem the outcome of such due diligence unsatisfactory without reasonable cause and without first giving the Vendor a period of at least ten (10) Business Days to remedy any default in respect thereof;

(ii) Board's Approval

The approvals of the Board having been obtained by the Company for the entry into, implementation and completion of, the transactions contemplated under the Share Purchase Agreement and all other transactions in connection therewith and incidental thereto.

As at the date of this Announcement, the Company has obtained approval from the Board.

(iii) No Material Adverse Change

There not having been at any time after the entry into the Share Purchase Agreement, any material adverse change, or events, acts or omissions likely to lead to such a change, in the business, assets, prospects, performance, financial position or results of operations of the Target.

(iv) Representations, Undertakings and Warranties

All the representations, undertakings, warranties and covenants of the Vendor and the Company under the Share Purchase Agreement being complied with, and being true, complete, accurate and correct in all material respects.

(v) Other third party consents

Where applicable, all necessary approvals and consents from any other parties or such other stakeholders as may be relevant in respect of the Proposed Acquisition and all other transactions contemplated therewith and incidental thereto and such approvals and consents not having been withdrawn, suspended, amended or revoked on or before the Stage 1 Completion Date (defined hereinafter), and to the extent that such approvals and consents are subject to conditions required to be fulfilled before the Stage 1 Completion Date (defined hereinafter), all such conditions having been duly so fulfilled.

(vi) Requisite Regulatory Approvals

Where applicable, all necessary consents, approvals, confirmations and waivers of all relevant government bodies, stock exchange and other regulatory authorities having jurisdictions or authority over the Proposed Acquisition and all transactions contemplated in the Share Purchase Agreement, including but not limited to the Sponsor, SGX-ST, or such other regulatory authorities or governmental agencies or departments in Hong Kong, Singapore or other relevant jurisdiction, having been obtained by the Vendor, the Target (the Vendor to ensure that the same have been procured by the Target) and/or the Company (as relevant) in respect of the proposed sale of the Stage 1 Sale Shares by the Vendor to the Company.

(vii) Approval on the listing of and quotation for the Stage 1 Consideration Shares

The relevant approval for the listing of and quotation for the Stage 1 Consideration Shares having been granted by the SGX-ST and/or the Sponsor (as the case may be), and such approval not having been amended or revoked before Stage 1 Completion Date (defined hereinafter) and to the extent that such approval is are subject to any conditions required to be fulfilled before the Stage 1 Completion Date (defined hereinafter), all such conditions having been duly so fulfilled.

(collectively referred to as "**Stage 1 Conditions Precedent**")

(b) Stage 2 Acquisition

(i) The conditions precedent set out in paragraphs 3.4(a)(i)-(iv) being duly satisfied by the Vendor and the Company (as relevant).

(ii) Requisite Regulatory Approvals

Where applicable, all necessary consents, approvals, confirmations and waivers of all relevant government bodies, stock exchange and other regulatory authorities having jurisdictions or authority over the Proposed Acquisition and all transactions contemplated in the Share Purchase Agreement, including but not limited to the Sponsor, SGX-ST, or such other regulatory authorities or governmental agencies or departments in Hong Kong, Singapore or other relevant jurisdiction, having been obtained by the Vendor, the Target (the Vendor to ensure that the same have been procured by the Target) and/or the Company in respect of the proposed sale of the Stage 2 Sale Shares by the Vendor to the Company.

(iii) Approval on the listing of and quotation for the Stage 2 Consideration Shares

The relevant approval for the listing of and quotation for the Stage 2 Consideration Shares having been granted by the SGX-ST and/or the Sponsor (as the case may be), and such approval not having been amended or revoked before Stage 2 Completion Date and to the extent that such approval is subject to any conditions required to be fulfilled before the Stage 2 Completion Date, all such conditions having been duly so fulfilled.

(iv) Shareholders' Approval

The approvals of the shareholders having been obtained by the Company at an extraordinary general meeting to be convened for the issuance of the Stage 2 Consideration Shares.

(v) Shareholders' Agreement

The Vendor shall procure the Target to enter into a new shareholders agreement in relation to, inter alia, the operation and management of the Target, with the Company and the Vendor in such form and terms satisfactory to the Company.

(vi) Constitution of the Target

If required, the Vendor shall procure the Target to amend the existing constitution of the Target incorporating terms of the shareholders' agreement, in such form and terms satisfactory to the Company, to be adopted on the Stage 2 Completion Date by the Target.

(collectively referred to as "**Stage 2 Conditions Precedent**")

**3.5 Vendor's Undertakings and Obligations**

Subject to completion of Stage 1 Acquisition, the Vendor undertakes with the Company on the following:

(a) the Vendor shall be responsible for and assume all liabilities of the Company incurred prior to (and including) the Stage 1 Completion Date, and shall ensure that as at Stage 1 Completion Date, the Company has no liabilities outstanding (other than reasonable and common operating payables which are necessary for the continuation of the Target's business agreed by the Company prior to Stage 1 Completion Date);

(b) the Vendor shall ensure compliance by the Target of the matters set out in Section 3.6 of this Announcement;

(c) on or prior to the Stage 1 Completion Date, the Vendor shall procure that the Target enters into a revised service agreement with each of its Key Personnel (including employees) who has shareholding interests in the Company incorporating the following terms:

(i) the Key Personnel shall not be entitled to any remuneration or allowance unless otherwise consented by the Purchaser in writing or the following conditions are fulfilled:

(A) the Target reports net profits for two (2) consecutive quarters from Stage 1 Completion Date;

(B) the Target shall at all times maintain a minimum liquid capital of:

(AA) HK$100,000 in the case where the Target is subject to the specified licensing condition that it shall not hold client assets; or

(BB) HK$3,000,000 in any other case;

or such other amount as may be required by the SFC from time to time;

(C) the Target shall at all times maintain a minimum paid-up share capital of HK$5,000,000 or such other amount as may be required by the SFC from time to time; and

(D) all liabilities or operational expenses that will be incurred by the Target until the completion of Stage 2 Acquisition are provisioned for and/or paid for by the Target; and

(ii) such other terms and conditions as may be required to reflect the terms set out in this Agreement.

"**Key Personnel**" means any employee and/or director of the Target who is identified as being critical for the maintenance of the Target's Type 9 asset management licence regulated by the SFC, including but not limited to the Vendor and any other such persons whom the Parties may mutually agree in writing to be deemed as a Key Personnel.

**3.6 Target's Continuing Obligations**

As long as the Company retains a direct or indirect shareholding of at least 9.9% of the issued and paid-up share capital of the Target, the Vendor shall:

(a) ensure that the Company be entitled to nominate at least one director (or such other number as relevant, representing not less than 1/3 of the members) to the board of directors of the Target. No approval is required from the Hong Kong authorities for the appointment of a director to the board of the Target.

(b) procure the Target to carry out the following:

(i) to ensure the continuity of the service agreements entered into between the Target and the Key Personnel which are required for the maintenance of the asset management licence of the Target and such service agreements shall remain intact and in effect and shall not be subject to termination for a period of at least one (1) year from the Stage 1 Completion Date and/or Stage 2 Completion Date (as relevant);

(ii) to make available to the Company the Target's monthly management accounts by the 10th working day of the following month with effect from Stage 1 Completion Date onwards; and

(iii) to submit all expenses of the Target whether at the operational level or non-operational level which shall be subject to approval by the Company at all times.

(c) procure the Target to obtain the Company's prior written consent before taking any steps or implementing any of the following matters or decisions:

(i) Any alteration of or amendment to the constitution or any other constitutional documents of the Target.

(ii) Any major acquisition or major disposal made by the Target.

(iii) Any increase, reduction or other alteration to the authorised or issued share capital of the Target, including any action in relation to employee share schemes or employee share options schemes (if any).

(iv) The commencement of or carrying on of any type of business not being ancillary or incidental to or extension of the scope of operation or type of the business of the Target.

(v) Declaration or payment of any dividends or such other distributions to the shareholders of the Target.

(vi) Any merger by the Target with any other entity, acquisition of any shares in any body corporate or participation in any partnership or joint venture agreement.

(vii) Any redemption, purchase or cancellation of any shares or issue of further shares or other dilution of the interest of the shareholders of the Target or variation of any rights attaching to any shares of the Target.

(viii) Any alteration or restriction on shares transfer of the Target.

(ix) Any resolution for the voluntary winding-up or dissolution of the Target.

(x) Any lending of any moneys by the Target other than placing of deposits with banks and financial institutions.

(xi) Any change in the number or member of board of directors of the Target.

(xii) Entry into any contract of a material nature outside the normal ordinary course of business of the Target.

(xiii) Entry into any service contracts with its directors or Key Personnel nor change the remuneration paid to its directors or Key Personnel.

### 3.7 Long-Stop Date

The long-stop date for the Stage 1 Acquisition shall be a date falling three (3) months from the date of the Share Purchase Agreement (or such other date as may be agreed between the Company and the Vendor in writing) ("**Stage 1 Long-Stop Date**").

The long-stop date for the Stage 2 Acquisition shall be a date falling six (6) months from the date of the Share Purchase Agreement (or such other date as may be agreed between the Company and the Vendor in writing) ("**Stage 2 Long-Stop Date**").

The Share Purchase Agreement shall terminate automatically if any of the Conditions Precedent has not been fulfilled or waived, as the case may be, by the Stage 1 Long-Stop Date or Stage 2 Long-Stop Date, respectively. In the event that the termination takes place after the completion of Stage 1 Acquisition but before Stage 2 Acquisition, the Company's rights and remedies provided for under the Share Purchase Agreement insofar as they relate to Stage 1 Sale Shares shall not be prejudiced and shall remain in full force and effect.

### 3.8 Completion

Subject to all the Conditions Precedent being satisfied, fulfilled or waived (as the case may be), completion of Stage 1 Acquisition and Stage 2 Acquisition (as the case may be) shall take place on the date falling no more than ten (10) Business Days after the satisfaction of the last Condition Precedent in respect of Stage 1 Acquisition or Stage 2 Acquisition (as relevant), or such other date as the Company and the Vendor may agree in writing, but in any event such date being no later than the Stage 1 Long-Stop Date or the Stage 2 Long-Stop Date (as relevant).

The date on which completion of the Stage 1 Acquisition occurs, shall be referred to as "**Stage 1 Completion Date**" and the date on which the completion of the Stage 2 Acquisition occurs, shall be referred to as "**Stage 2 Completion Date**".

### 3.9 Non-completion of Stage 2 Acquisition

The Parties agree that the non-completion of Stage 2 Acquisition due to whatsoever reasons shall not affect the Stage 1 Acquisition and the Company's ownership of the Stage 1 Sale Shares.

## 4. RATIONALE FOR THE PROPOSED ACQUISITION

The Group is principally engaged in the business of financial services with a primary focus on fund and asset management services. Currently, the core business of the Group is conducted through Advance Capital Partners Asset Management Private Limited ("**ACPAM**"), in which the Company holds 51.0% shareholding interest. It is the Group's intention to enhance its service capacity in the asset management industry by accessing broader sources of capital flows.

The Target (Central Entity Number: AVL205) is a company licensed under the SFO to carry out the regulated activity of asset management (Type 9). The Type 9 Licence allows the Target to manage clients' portfolio of securities or future contracts on a discretionary basis. The Target manages multi-strategy portfolios focused on generating alpha from market neutral strategies across investments in capital markets, events, relative value and cross assets.

The funds currently managed by the Target includes Silver Tree Cayman Limited ("**STCL**"), a Cayman Island domiciled open ended fund established in 2013, set-up and fully owned by the Target. STCL has all the appropriate bank accounts and prime broker relationships with major institutions.

The investment management team of the Target is spearheaded by the Vendor. The Vendor has been involved in the finance sector for more than 27 years, with experience encompassing a broad spectrum of investment and capital markets activities. Prior to joining the Target, the Vendor held various key leadership positions in major investment institutions, including Daiwa Capital Markets Hong Kong Limited, ABN Amro (Hong Kong) Limited and Deutsche Bank Hong Kong Limited.

The Directors are of the view that the Proposed Acquisition will broaden the Group's client base, procure new sources of revenue for the Group and allow for the Group to leverage on the Target to break into the Hong Kong market. In addition, the Proposed Acquisition is a faster, more efficient manner for the Group to obtain the Type 9 (asset management) licence, as opposed to application for a new licence by the Group.

In light of the above, and taking into account the Consideration and the Issue Price, the Directors consider the terms and conditions of the Share Purchase Agreement and Proposed Acquisition to be in the best interest of the Group and shareholders of the Company ("**Shareholders**") as a whole.

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## 5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

*The financial information relating to the Target used for illustrating the financial effects of the Proposed Acquisition as set out under this paragraph was provided by the Vendor.*

The pro forma financial effects of the Proposed Acquisition on the net tangible assets ("**NTA**") per Share and loss per Share ("**LPS**") are strictly for illustrative purposes only and do not necessarily reflect the actual financial position and performance of the Group, prepared according to the relevant accounting standards, following the Proposed Acquisition.

The financial effects of the Proposed Acquisition are prepared based on the latest audited consolidated financial statements of the Group as at 31 March 2018 ("**FY2018**"), the audited financial statements of the Target for FY2017 and the following assumptions:

(a) the financial effects on the Company's LPS are computed assuming the Proposed Acquisition was completed on 1 April 2017;

(b) the financial effects on the Company's NTA are computed assuming the Proposed Acquisition was completed on 31 March 2018;

(c) assuming that 32,163,743 Stage 1 Consideration Shares and 133,528,265 Stage 2 Consideration Shares, will be issued to the Vendor at Issue Price, respectively for the Stage 1 Acquisition and Stage 2 Acquisition;

(d) assuming that 799,000,000 Placement Shares have been issued for the Placement[1] before the Proposed Acquisition and the Conversion Shares[2] will be issued after Stage 1 Acquisition but before Stage 2 Acquisition;

(e) the estimated expenses in connection with the Proposed Acquisition are disregarded for the purposes of calculating the financial effects;

(f) the analysis does not take into account any dividend and distributions out of profits that may be declared by the Target in respect of the financial year ended 31 March 2018;

(g) in the event of Mandatory Conversion[3], the computations for Stage 2 Acquisition take into account the issuance of the Conversion Shares; and

(h) in the event there is no Mandatory Conversion, the computations for Stage 2 Acquisition do not take into account the issuance of the Conversion Shares.

## 5.1 Historical Financial Information of the Target

Based on the audited financial statements of the Target, for the financial year ended 31 December 2017, the book value and the net tangible asset value of the Target as at 31 December 2017 was approximately HK$9,532,640 (equivalent to S$1,672,393). No independent valuation was conducted on the Target.

The Target recorded a net loss of HK$10,787,739 (equivalent to S$1,892,586) for the financial year ended 31 December 2017.

## 5.2 Share Capital

### (a) With Mandatory Conversion:

| | As at the date of this Announcement | Stage (i): Before Stage 1 Acquisition but after the Placement | Stage (ii): Immediately after Stage 1 Acquisition but before Issuance of Conversion Shares and Stage 2 Acquisition | Stage (iii): Immediately after Issuance of Conversion Shares but before Stage 2 Acquisition | Stage (iv): Immediately after Stage 2 Acquisition |
|---|---|---|---|---|---|
| Number of Shares (excluding treasury shares) | 5,843,906,058[(i)] | 6,642,906,058 | 6,675,069,801 | 7,675,069,801 | 7,808,598,067 |
| Share capital (S$) | 23,242,500[(i)] | 25,399,800 | 25,486,642 | 28,186,642 | 28,547,168 |

**Note:**

(i) Adjusted with the proceeds from issuance of 611,111,110 Shares from the private placement and 775,000,000 Shares pursuant to the settlement agreement which was completed on 17 and 18 October 2018, respectively.

[1] Pursuant to the proposed placement of 799,000,000 new Shares by the Company. Please refer to the Company's announcement dated 27 November 2018 for more information in this respect.

[2] Pursuant to the issuance of 1,000,000,000 new Shares by the Company as a result of the mandatory conversion of the convertible loan of S$2,700,000. Please refer to the Company's announcement dated 27 November2018 for more information in this respect.

[3] Pursuant to the issuance of 1,000,000,000 new Shares by the Company as a result of the mandatory conversion of the convertible loan of S$2,700,000. Please refer to the Company's announcement dated 27 November2018 for more information in this respect.

**(b) Without Mandatory Conversion:**

| | As at the date of this Announcement | Stage (i): Before Stage 1 Acquisition but after the Placement | Stage (ii): Immediately after Stage 1 Acquisition but before Stage 2 Acquisition | Stage (iii): Immediately after Stage 2 Acquisition |
|---|---|---|---|---|
| Number of Shares (excluding treasury shares) | 5,843,906,058[(i)] | 6,642,906,058 | 6,675,069,801 | 6,808,598,067 |
| Share capital (S$) | 23,242,500[(i)] | 25,399,800 | 25,486,642 | 25,847,168 |

**Note:**

(i) Adjusted with the proceeds from issuance of 611,111,110 Shares from the private placement and 775,000,000 Shares pursuant to the settlement agreement which was completed on 17 and 18 October 2018, respectively.

**5.3 NTA**

**(a) With Mandatory Conversion:**

| | As at the date of this Announcement | Stage (i): Before Stage 1 Acquisition but after the Placement | Stage (ii): Immediately after Stage 1 Acquisition but before Issuance of Conversion Shares and Stage 2 Acquisition | Stage (iii): Immediately after Issuance of Conversion Shares but before Stage 2 Acquisition | Stage (iv): Immediately after Stage 2 Acquisition |
|---|---|---|---|---|---|
| NTA as at 31 March 2018 (S$) | 3,402[(i)] | 5,559 | 5,646 | 8,346 | 8,707 |
| Number of Shares (excluding treasury shares) | 5,843,906,058 | 6,642,906,058 | 6,675,069,801 | 7,675,069,081 | 7,808,598,067 |
| NTA per share (S$ cents) | 0.0582 | 0.0837 | 0.0846 | 0.1087 | 0.1115 |

**Notes:**

(i) Adjusted with the proceeds from issuance of 611,111,110 Shares from the private placement and 775,000,000 Shares pursuant to the settlement agreement which was completed on 17 and 18 October 2018, respectively.

(ii) NTA is computed based on total assets less total liabilities (excluding goodwill and intangible assets).

**(b) Without Mandatory Conversion:**

| | As at the date of this Announcement | Stage (i): Before Stage 1 Acquisition but after the Placement | Stage (ii): Immediately after Stage 1 Acquisition but before Stage 2 Acquisition | Stage (iii): Immediately after Stage 2 Acquisition |
|---|---|---|---|---|
| NTA as at 31 March 2018 (S$) | 3,402[(i)] | 5,559 | 5,646 | 6,007 |
| Number of Shares (excluding treasury shares) | 5,843,906,058 | 6,642,906,058 | 6,675,069,801 | 6,808,598,067 |
| NTA per share (S$ cents) | 0.0582 | 0.0837 | 0.0846 | 0.0882 |

**Notes:**

(i) Adjusted with the proceeds from issuance of 611,111,110 Shares from the private placement and 775,000,000 Shares pursuant to the settlement agreement which was completed on 17 and 18 October 2018, respectively.

(ii) NTA is computed based on total assets less total liabilities (excluding goodwill and intangible assets).

## 5.4 LPS

### (a) With Mandatory Conversion:

| | As at the date of this Announcement | Stage (i): Before Stage 1 Acquisition but after the Placement | Stage (ii): Immediately after Stage 1 Acquisition but before Issuance of Conversion Shares and Stage 2 Acquisition | Stage (iii): Immediately after Issuance of Conversion Shares but before Stage 2 Acquisition | Stage (iv): Immediately after Stage 2 Acquisition |
|---|---|---|---|---|---|
| Consolidated loss of the Group after taxation for FY2018 (S$'000) | (1,760) | (1,760) | (1,760) | (1,760) | (1,760) |
| Weighted average number of Shares excluding (treasury shares) | 4,543,352,143 | 4,657,495,000 | 4,662,089,820 | 4,804,946,963 | 4,824,022,430 |
| Loss per Share (S$ cents) | (0.0387)[(i)] | (0.0378) | (0.0378) | (0.0366) | (0.0365) |

**Note:**

(i) The LPS is calculated by dividing the net loss after tax attributable to owners of the Company by the ordinary shares of the Company after completion of the issuance of 611,111,110 Shares from the private placement and 775,000,000 Shares pursuant to the settlement agreement which was completed on 17 and 18 October 2018, respectively.

**(b) Without Mandatory Conversion:**

| | As at the date of this Announcement | Stage (i): Before Stage 1 Acquisition but after the Placement | Stage (ii): Immediately after Stage 1 Acquisition but before Stage 2 Acquisition | Stage (iii): Immediately after Stage 2 Acquisition |
|---|---|---|---|---|
| Consolidated loss of the Group after taxation for FY2018 (S$'000) | (1,760) | (1,760) | (1,760) | (1,760) |
| Weighted average number of Shares excluding (treasury shares) | 4,543,352,143 | 4,657,495,000 | 4,662,089,820 | 4,681,165,287 |
| Loss per Share (S$ cents) | (0.0387)[(i)] | (0.0378) | (0.0378) | (0.0376) |

**Note:**

(i) The LPS is calculated by dividing the net loss after tax attributable to owners of the Company by the ordinary shares of the Company after completion of the issuance of 611,111,110 shares from the private placement and 775,000,000 shares pursuant to the settlement agreement which was completed on 17 and 18 October 2018, respectively.

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## 6. DISCLOSEABLE TRANSACTION

### 6.1 Relative Figures

The relative figures of the Proposed Acquisition computed on the applicable bases set out in Rule 1006(a) to (e) of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") are as follows:

| | |
|---|---|
| Rule 1006(a):<br><br>Net asset value of assets to be disposed of, compared with the Group's net liabilities value.(1) | Not applicable |
| Rule 1006(b):<br><br>Net profits attributable to the assets acquired, compared with the Group's net profits.(2) | Not meaningful |
| Rule 1006(c):<br><br>The aggregate value of HK$2,550,000 (or approximately S$447,368.42) for the total consideration for the Proposed Acquisition, compared with the Company's market capitalisation(3) of approximately S$5,843,906.06. | 7.7% |
| Rule 1006(d):<br><br>Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue(4). | 2.84% |
| Rule 1006(e):<br><br>Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. | Not applicable(5) |

**Notes:**

(1) Rule 1006(a) is not applicable as the Proposed Acquisition is not a disposal.

(2) Under Rule 1002(3) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items. The net loss attributable to the assets to be acquired is HK$10,787,739 (equivalent to S$1,892,586), compared with the Group's net loss of S$1,760,000.

(3) The Company's market capitalisation is based on 5,843,906,058 issued Shares (excluding treasury shares) as at 7 December 2018, being the last market day preceding the date of the Share Purchase Agreement on which Shares were traded on the Catalist of the SGX-ST, at a volume weighted average price of S$0.001 per Share.

(4) This figure was computed based on an aggregate of 165,692,008 Consideration Shares to be issued by the Company to the Vendor, and 5,843,906,058 Shares in the issued and paid-up capital of the Company as at 7 December 2018, being the last market day preceding the date of the Share Purchase Agreement on which Shares were traded on the Catalist of the SGX-ST.

(5) Rule 1006(e) is not applicable as the Proposed Acquisition is not a disposal of mineral, oil and gas assets.

As the relative figures computed under Rule 1006 (b) involve negative figures, pursuant to Catalist Rule 1007(1), the Company, through the Sponsor, will consult the SGX-ST on the application of Chapter 10 of the Catalist Rules ("**Chapter 10**") for the Proposed Acquisition including the requirements, if applicable, for Shareholders' approval. The Company will make further announcements on the outcome of the consultation with the SGX-ST.

## 7. APPLICABILITY OF CHAPTER 8 OF THE LISTING MANUAL

Rule 805(1) of the Listing Manual stipulates that an issuer must obtain prior approval of its shareholders in a general meeting for an issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer, except where the shares are issued pursuant to a general mandate from the shareholders in a general meeting.

Based on the general mandate obtained at the annual general meeting of the Company held on 27 July 2018 ("**Share Issue Mandate**"), the Company is authorised to issue up to 2,228,897,474 Shares other than on a pro-rata basis. As at the date of this Announcement, the Company had issued 1,386,111,110 Shares under the Share Issue Mandate, for the purposes of[4]:

(a) 775,000,000 Shares pursuant to the settlement agreement dated 5 September 2018 entered between the Company and Jessie Sun May Gze; and

(b) 611,111,110 Shares pursuant to the placement agreements entered into between the Company and three (3) individual placees, namely Lee Peck Huat, Tan Sze Seng and Lei Tsen Siang.

As announced by the Company on 27 November 2018, in view of the corporate exercises proposed to be undertaken by the Company, the balance of 842,786,364 Shares under the Share Issue Mandate will be utilised for the proposed placement of 799,000,000 new ordinary shares in the capital of the Company[5].

Therefore, the Company intends to utilise the balance of 43,786,364 Shares under the Share Issue Mandate for the allotment and issue of the 32,163,743 Stage 1 Consideration Shares pursuant to the Stage 1 Acquisition.

As the balance of the Shares available to be issued under the Share Issue Mandate is insufficient for the purposes of Stage 2 Consideration Shares, the Company will be seeking Shareholders' specific approval for the issuance and allotment of the Stage 2 Consideration Shares. A circular containing, *inter alia*, the notice of the extraordinary general meeting to be convened shall be despatched to Shareholders in due course.

## 8. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than in their capacity as directors or Shareholders of the Company), in the Proposed Acquisition.

## 9. APPLICATION TO SGX-ST

The Company will be making an application to the SGX-ST through its continuing sponsor for the listing of and quotation for the Stage 1 Consideration Shares and Stage 2 Consideration Shares on the Catalist of the SGX-ST, and will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST.

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[4] Please refer to the Company's announcements dated 17 and 18 October 2018, respectively for further information in this respect.

[5] Please refer to the Company's announcement dated 27 November 2018 for further information in this respect.

## 10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

## 11. SERVICE CONTRACTS

No person is proposed to be appointed a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contact is proposed to be entered between the Company and any such person.

## 12. DOCUMENTS FOR INSPECTION

A copy of the Share Purchase Agreement will be made available for inspection during normal business hours at the registered office of the Company at 8 Robinson Road, #13-00 ASO Building, Singapore 048544 for a period of three (3) months from the date of this Announcement.

## 13. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than information relating to the Vendor and the Target) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (other than information relating to the Vendor and the Target) are fair and accurate in all material respects as at the date hereof and that this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where any information in this Announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this Announcement in its proper form and context.

**BY ORDER OF THE BOARD**
**PINE CAPITAL GROUP LIMITED**

**Tan Choon Wee**
**Interim CEO and**
**Executive Chairman**

10 December 2018

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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 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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