PINE CAPITAL GROUP LIMITED
(formerly known as "OLS Enterprise Ltd")
(Company Registration No. 196800320E)
(Incorporated in the Republic of Singapore)

MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE PRELIMINARY UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The majority of the Board, save for Mr Tomi Tjio who has abstained ("**Board**") of Pine Capital Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to (a) the Group's unaudited financial statements for the financial year ended 31 March 2019 released via SGXNET on 30 May 2019 (the "**Unaudited Financial Statements**") and (b) the audited financial statements of the Group for the financial year ended 31 March 2019 (the "**Audited Financial Statements**").

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce the variances between the audited financial statements and the unaudited full year financial results of the Group for FY2019.

A summary of the adjustments and explanation between the Unaudited Financial Statements and Audited financial statements is set out below.

Consolidated Statement of Comprehensive Income

	Group			
	FY2019 (Audited) S$'000	**FY2019 (Unaudited) S$'000**	**Variance S$'000**	**Note**
Revenue	2,410	2,650	(240)	1
Cost of sales	(1,333)	(1,524)	191	1
Gross profit	**1,077**	**1,126**		
Other gains – net	10	14	(4)	
Expenses				
- Administrative	(3,944)	(3,996)	52	1
Loss before tax	(2,857)	(2,856)		
Tax	-	-		
Loss after tax	**(2,857)**	(2,856)		
Other comprehensive loss, net of tax:				
- Currency translation differences arising from consolidation	**-**	76	(76)	2
- FVOCI – fair value gain/(loss)	**(144)**	**-**	(144)	3
Total comprehensive loss	**(3,001)**	**(2,780)**		
Loss attributable to:				
- Equity holders of the company	**(2,564)**	**(2,563)**		
- Non-controlling interests	**(293)**	**(293)**		

Group Balance Sheet

	Group			
	FY2019 (Audited) S$'000	FY2019 (Unaudited) S$'000	Variance S$'000	Note
ASSETS				
Non-current assets				
Property, plant and equipment	49	51	(2)	
Investment in associated company	-	-	-	
Goodwill	-	6,102	(6,102)	4
Financial assets, at FVOCI	2,143	2,272	(129)	3
	2,192	8,425		
Current assets				
Trade and other receivables	453	503	(50)	5
Prepayment	34	-	34	5
Cash and cash equivalents	3,443	3,436	7	
	3,930	3,939		
Total assets	**6,122**	**12,364**		
LIABILITIES				
Current liabilities				
Trade and other payables	513	619	(106)	5
Deposit received in advance	-	2,700	(2,700)	6
Finance lease liabilities	-	-		
	513	3,319		
Net current assets/(liabilities)	**3,417**	**620**		
Non-current liabilities				
Borrowings	2,700	-	2,700	6
Finance lease liabilities	-	-		
Provision for reinstatement costs	71	71		
	2,771	71		
Total liabilities	**3,284**	**3,390**		
Net assets	**2,838**	**8,974**		
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	25,400	25,400		
Accumulated losses	(24,003)	(17,111)		
Currency translation reserve	-	26	(26)	4
Fair value reserve	1,316	807	509	5
	2,713	9,122		
Non-controlling interests	125	(148)		
Total equity	**2,838**	**8,974**		

Company Balance Sheet

	Company			
	FY2019 (Audited) S$'000	FY2019 (Unaudited) S$'000	Variance S$'000	Note
ASSETS				
Non-current assets				
Investments in subsidiary corporations	2,409	7,950	(5,541)	7
	2,409	7,950		
Current assets				
Trade and other receivables	183	194	(11)	5
Prepayment	-	-		
Amount due from subsidiary corporation	12	-	12	5
Income tax recoverable	-	-		
Cash and cash equivalents	3,033	3,033		
	3,228	3,227		
Total assets	**5,637**	**11,177**		
LIABILITIES				
Current liabilities				
Deposit received in advance	-	2,700	(2,700)	6
Trade and other payables	376	376		
	376	3,076		
Net current assets/(liabilities)	**2,852**	**151**		
Non-current liabilities				
Borrowings	2,700	-	2,700	6
Net assets	**2,561**	**8,101**		
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	25,400	25,400		
Accumulated losses	(22,839)	(17,299)		
Total equity	**2,561**	**8,101**		

Group Cash Flow Statement

	FY2019 (Audited) S$'000	FY2019 (Unaudited) S$'000	Variance S$'000	Note
Cash flow from operating activities:				
Loss from continuing operations before tax	(2,857)	(2,856)	(1)	
	(2,857)	**(2,856)**		
Adjustments for:				
Acquisition expenses				
- Depreciation of property, plant and equipment	45	45		
- Impairment loss on goodwill	-	-		
- Impairment loss on investment in associated company	13	13		
- Interest income	(6)	(6)		
Operating cash flow before working capital changes:	**(2,805)**	**(2,804)**		
Trade and other receivables and prepayments	(385)	(401)	16	
Trade and other payables	30	(1,507)	1,537	8
Cash used in operations	**(3,160)**	**(4,712)**		
Interest received	6	6		
Net cash used in operating activities	**(3,154)**	**(4,706)**		
Cash flows from investing activities				
Additions to property, plant and equipment	**-**	(2)	2	
Net cash outflow arising from the acquisition of subsidiaries	(1,826)	-	(1,826)	8
Net cash used in investing activities	**(1,826)**	**(2)**		
Cash flows from financing activities				
Proceeds from borrowing	2,700	-	2,700	5
Proceeds from issuance of ordinary shares	4,675	4,676	(1)	
Deposit received in advance	-	2,700	(2,700)	5
Net cash provided by financing activities	**7,655**	**7,376**		
Net increase in cash and cash equivalents	2,675	2,668		
Cash and cash equivalents at beginning of financial year	768	768		
Cash and cash equivalents at end of financial year	**3,443**	**3,436**		

Notes:

(1) Due to reclassification between income and expenses.

(2) Due to adjustment of foreign currency translation to prior year.

(3) The Group recorded a fair value loss on the investment in Pine Asia Assets Management Inc. ("PAAM"), which was held by its subsidiary, Pine Ventures Management Pte Ltd ("PVM"). The decrease was due to a decline in the fair value of PAAM.

(4) The goodwill arising from the investment in 51% owned subsidiary, Advance Capital Partners Asset Management Pte Ltd ("ACPAM") and PVM was fully impaired following the impairment test of goodwill and impairment charge of S$1.2 million and S$5.2 million are retrospectively recognized for FY2018.

(5) Due to reclassification of accounts.

(6) To reclassify the loan from JMO Pte Ltd from deposit received in advance to borrowings. The reclassification is due to the fact that the convertible loan has been amended into an unsecured loan in April 2019.
(7) Due to the partial impairment of investments in ACPAM and PVM of S$5.1 million which is retrospectively recognized in FY2018. The Board, in assessing the value of the investments for the purposes of this audit, took the view that the fair value of the investments was S$2.409million. Accordingly, the difference of approximately $5.1million, which was the goodwill, was impaired as the auditors provided the view that there is insufficient basis to justify the retention.
(8) Due to adjustment to reclassify the payment for acquisition of subsidiaries from operating to investing activities.

BY ORDER OF THE BOARD

Andrew Lee
Executive Director

9 July 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Sponsor has not independently verified the contents of this announcement, including the correctness of any of the figures used, statements or opinions made.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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