

Unaudited Full Year Financial Statement and Dividend Announcement for the fourth quarter and the year ended 31 March 2020

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 immediately preceding financial year.

	Note	GROUP			GROUP		
		3 months ended			12 months ended		
		31 Mar 2020	31 Mar 2019	Increase/ (Decrease)	31 Mar 2020	31 Mar 2019	Increase/ (Decrease)
Continuing operations		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	8(a)	355	402	(11.7)	630	2,410	(73.9)
Cost of sales	8(a)	(53)	(103)	(48.5)	(346)	(1,333)	(74.0)
Gross profit	8(a)	302	299		284	1,077	
Other (charges)/ income	8(b)	(8)	(6)	n.m	23	10	130.0
Expenses							
- Administrative	8(c)	(553)	(1,861)	(70.3)	(4,183)	(3,944)	6.1
- Loss on disposal of subsidiary		(5)	-	n.m	(18)	-	n.m
- Interest Expenses		(137)	-	n.m	(137)	-	n.m
Loss from continuing operations before taxation		(401)	(1,568)		(4,031)	(2,857)	
Taxation		-	-	n.m	-	-	n.m
Loss after taxation from continuing operations		(401)	(1,568)		(4,031)	(2,857)	
Profit/(Loss) from discontinued operations, net of tax		-	-	n.m	-	-	n.m
Total loss for the period		(401)	(1,568)		(4,031)	(2,857)	
Other comprehensive loss, net of tax:							
- Currency translation differences arising from consolidation		(106)	-	n.m	(106)	-	n.m
- Fair value loss on financial asset, at FVOCI		-	(144)	(100.0)	-	(144)	(100.0)
Total comprehensive loss		(507)	(1,712)		(4,137)	(3,001)	
Total comprehensive loss attributable to:							
Owner of parent							
-Loss from continuing operation, net of tax		(339)	(1,383)	(75.5)	(3,555)	(2,564)	38.7
-Loss from discontinued operation, net of tax		-	-	n.m	-	-	n.m
(Loss)/Profit attributed to the parent		(339)	(1,383)		(3,555)	(2,564)	
Non-controlling interests							
-Loss from continuing operation, net of tax		(62)	(185)	(66.5)	(476)	(293)	62.5
-Loss from discontinued operation, net of tax		-	-	n.m	-	-	n.m
Loss attributed to the non-controlling interests		(62)	(185)		(476)	(293)	
Loss before tax has been arrived at after (charging)/crediting:							
- Other income							
Interest Income		(5)	4		4	6	
Other (charges)/income		(3)	(10)		19	4	
		(8)	(6)		23	10	
- Foreign exchange gain/(loss), net		(4)	(12)	(66.7)	(4)	(4)	0.0
- Loss on disposal of subsidiary		5	-	n.m	(18)	-	n.m
- Impairment on investment in associated company		-	-	n.m	-	(13)	(100.0)
- Bad debts unrecoverable		(175)	-	n.m	(175)	-	n.m
- Depreciation of property, plant and equipment and right-of-use asset		(89)	(11)	705.7	(333)	(45)	639.2
- Operating leases		-	117	(100.0)	-	(96)	(100.0)

For Notes 8(a) to 8(c) above, please refer to paragraph 8 of this announcement – 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	
		31 Mar	31 March	31 Mar	31 March
		2020	2019	2020	2019
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8(d)	19	49	4	-
Right-of-use assets	8(e)	25	-	-	-
Investments in subsidiaries	8(f)	-	-	2,986	2,409
Financial assets, at FVOCI	8(g)	2,253	2,143	-	-
		<u>2,297</u>	<u>2,192</u>	<u>2,990</u>	<u>2,409</u>
Current assets					
Trade, other receivables and prepayments	8(h)	541	487	57	195
Cash and cash equivalents		185	3,443	156	3,033
		<u>726</u>	<u>3,930</u>	<u>213</u>	<u>3,228</u>
Current liabilities					
Trade and other payables	8(i)	1,118	421	436	376
Deferred revenue	8(j)	25	92	-	-
Borrowings	8(k)	2,609	-	2,609	-
		<u>3,752</u>	<u>513</u>	<u>3,045</u>	<u>376</u>
Net current assets/(liabilities)		<u>(3,026)</u>	<u>3,417</u>	<u>(2,832)</u>	<u>2,852</u>
Non-current liabilities					
Borrowings		-	2,700	-	2,700
Provision for reinstatement costs	8(l)	71	71	-	-
		<u>71</u>	<u>2,771</u>	<u>-</u>	<u>2,700</u>
Net assets/(liabilities)		<u>(800)</u>	<u>2,838</u>	<u>158</u>	<u>2,561</u>
Equity					
Share capital		25,400	25,400	25,400	25,400
Capital reserves	8(m)	223	-	223	-
Accumulated losses		(27,558)	(24,003)	(25,465)	(22,839)
Currency translation reserve	8(n)	106	-	-	-
Fair value reserve	8(o)	1,316	1,316	-	-
		<u>(513)</u>	<u>2,713</u>	<u>158</u>	<u>2,561</u>
Non-controlling interests		(287)	125	-	-
		<u>(800)</u>	<u>2,838</u>	<u>158</u>	<u>2,561</u>

For Notes 8(d) to 8(o) above, please refer to paragraph 8 of this announcement – Review of the performance of the Group.

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

As at 31 March 2020 and 31 March 2019, the Group had unsecured borrowings of S\$2,609,098 and S\$2,700,000 respectively from JMO Pte Ltd (“**JMO**”), a substantial shareholder of the Company.

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

As at 31 March 2020		As at 31 March 2019	
Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)
Within 1 year			
2,609	NIL	NIL	NIL
More than 1 year			
NIL	NIL	2,700	NIL

There are no collaterals on the loans.

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

	Group	
	12 months ended	
	31 Mar 2020	31 Mar 2019
	S\$'000	S\$'000
Cash flows from operating activities:		
Loss before taxation	(4,031)	(2,857)
Loss before tax for the year	(4,031)	(2,857)
Adjustments for :-		
Depreciation of property, plant and equipment	49	45
Depreciation of right-of-use asset	284	-
Interest income	(4)	(6)
Interest expense	137	-
Loss on disposal of investment	18	-
Impairment on investment in associate	-	13
Unrealised currency translation gain	(3)	-
	(3,550)	(2,805)
Operating cash flow before working capital changes:		
Trade, other receivables and prepayments	(55)	(385)
Trade and other payables	602	30
	(3,003)	(3,160)
Cash (used in)/generated from operations		
Interest received	4	6
Interest paid	(5)	-
Loss on disposal of investment	(18)	-
	(3,022)	(3,154)
Net cash used in operating activities		
Cash flows used in investing activity:		
Additions to property, plant and equipment	(19)	-
Net cash outflow arising from acquisition of subsidiaries	-	(1,826)
Net cash used in investing activity	(19)	(1,826)
Cash flows from financing activity:		
Proceeds from borrowings	-	2,700
(Repayment) from lease obligations	(281)	-
Proceeds from issuance of ordinary shares	-	4,675
Capital contribution from non-controlling interests	64	280
	(217)	7,655
Net cash used in financing activity		
Net increase/(decrease) in cash	(3,258)	2,675
Beginning of the financial period	3,443	768
End of financial period	185	3,443

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

(d) (i) Statement (for the issuer and the group) showing either (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					Total	Non-controlling interests	Total equity
	Share capital	Accumulated losses	Foreign currency translation reserve	Capital reserve	Fair value reserve			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
The Group								
At 1 April 2019	25,400	(24,003)	-	-	1,316	2,713	125	2,838
Loss for the period	-	(3,555)	-	-	-	(3,555)	(476)	(4,031)
Other comprehensive income for the period	-	-	106	223	-	329	-	329
Total comprehensive loss for the period	-	(3,555)	106	223	-	(3,226)	(476)	(3,702)
Capital contribution from non-controlling interest	-	-	-	-	-	-	64	64
At 31 March 2020	25,400	(27,558)	106	223	1,316	(513)	(287)	(800)
	Share capital	Accumulated losses	Foreign currency translation reserve	Capital reserve	Fair value reserve	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
At 1 April 2018	20,027	(21,439)	-	-	1,460	48	138	186
Loss for the period	-	(2,564)	-	-	(144)	(2,708)	(293)	(3,001)
Other comprehensive income for the financial year	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	(2,564)	-	-	(144)	(2,708)	(293)	(3,001)
Issuance of ordinary shares - Placement	5,373	-	-	-	-	5,373	-	5,373
Capital contribution from non-controlling interest	-	-	-	-	-	-	280	280
At 31 March 2019	25,400	(24,003)	-	-	1,316	2,713	125	2,838

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

(d) (i) Statement (for the issuer and the group) showing either (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.

	Share Capital	Accumulated losses	Capital reserves	Total
<u>The Company</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
At 1 April 2019	25,400	(22,839)	-	2,561
Loss for the period	-	(2,626)	223	(2,403)
Total comprehensive loss for the period	-	(2,626)	223	(2,403)
Issuance of ordinary shares	-	-	-	-
At 31 March 2020	<u>25,400</u>	<u>(25,465)</u>	<u>223</u>	<u>158</u>
	Share Capital	Accumulated losses	Capital reserves	Total
<u>The Company</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
At 1 April 2018	20,027	(19,973)	-	54
Loss for the period	-	(2,866)	-	(2,866)
Total comprehensive loss for the period	-	(2,866)	-	(2,866)
Issuance of ordinary shares	5,373	-	-	5,373
At 31 March 2019	<u>25,400</u>	<u>(22,839)</u>	<u>-</u>	<u>2,561</u>

- (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State 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 31 March 2020 as compared to as at 31 March 2019 and 31 December 2019.

The Company has no treasury shares and no subsidiary holdings as at 31 March 2020 and 31 March 2019.

- (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.

	31-Mar-20	31-Mar-19
Total number of issued shares (excluding treasury shares)	6,642,906,058	6,642,906,058

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As announced on 14 October 2019, ACPAM has commenced legal proceedings against Mr Adam Wang and Mr Pan Ki Ro in relation to the only fund managed by ACPAM, Advance Credit Fund SPC (“**ACF**”). The Company understand that the management rights of ACF rests with the holder of ACF’s one management share. The legal proceedings commenced by ACPAM against Wang and Pan relate to possible mismanagement and the transfer of the one management share in ACF from ACPAM to Wang.

Notwithstanding the foregoing, as at the date of this announcement, the Company had, on 7 October 2020, entered into a settlement agreement (the “**Settlement Agreement**”) with ACPAM and Mr Tan Choon Wee regarding the outstanding obligations of PCGL under the settlement agreement dated 16 October 2019. Pursuant to the terms of the Settlement Agreement, the Company had, on 20 October 2020, announced the completion of the disposal of 51% of the issued and paid-up share capital of ACPAM to Mr Tan Choon Wee on 7 October 2020 (the “**Disposal**”). Following the Disposal, ACPAM has ceased to be a subsidiary of the Company with effect from 7 October 2020 and accordingly, the MAS Direction Letter is no longer applicable to the Group.

(b) Independent Review

The Company’s Board, in consultation with SGX had appointed an independent reviewer, KordaMentha (the “**Independent Reviewer**”) to investigate the numerous allegations and complaints it had received from various parties since January 2019 concerning the operations of ACPAM.

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

- a) The various allegations received since January 2019 and the internal controls, policies and procedures of the Group surrounding the operations of ACPAM, including allegations in respect of potential conflict of interest and possible lapses in internal control; and

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

The previous Board which comprised Mr Lee Sin Ann and Mr Chan Wai Leung (who is still currently a director of the Company), had on 22 July 2020, announced the executive summary of the independent review report (the "**Independent Review Report**") and stated that the Company would endeavour to undertake the following follow-up action:

"The Board takes cognizance of the recommendations made by the Independent Reviewer in the Independent Reviewer Report which largely relates to lapses in existing compliance policies of the Company. In order to address the aforementioned recommendations, the Board will use its best endeavours to engage a compliance firm and/or compliance personnel to address the compliance matters of the Company.

However, considering that the Company has been declared a cash company as announced on 24 June 2020, the appointment of a compliance firm and/or compliance personnel is subject to the prevailing financial circumstances of the Company."

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

To the best of their knowledge, the Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

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

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

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

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

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

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

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

In addition, the Group applied the following practical expedients:

- apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- rely on previous assessments regarding whether the leases are onerous applying IAS 37
- Provisions, Contingent Liabilities and Contingent Assets immediately before 1 April 2019 as an alternative to performing an impairment review;

- account for leases for which the lease term ends within 12 months from 1 April 2019 as short-term leases;
- exclude initial direct costs for the measurement of ROU assets as of 1 April 2019; and
- use hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

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

Same as disclosed in paragraph 4 above, the accounting policies and methods of computation adopted are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 March 2019.

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: -

(a) based on the weighted average number of ordinary shares on issue; and

(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	FY2020	FY2019
Loss for the period attributed to equity holders of the Company	(3,555)	(2,563)
Attributable to equity holders of the Company:		
LPS (cents per share) - weighted average number of share	(0.0535)	(0.0479)
LPS (cents per share) - fully diluted*	(0.0516)	(0.0459)
Weighted average number of shares for the purposes of basic loss per share ('000)	6,642,906	5,351,583
Weighted average number of shares for the purposes of diluted loss per share ('000)	6,894,813	5,582,498
Total number of shares in issue ('000)	6,642,906	6,642,906

* due to issuance of warrants

Dilution of shares are mainly pertaining to 251,907,400 warrants which were issued on 7 May 2018. For the issue and listing of the warrants, please refer to the announcement dated 7 May 2018.

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	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Net asset value per ordinary share (in S\$ cents)	(0.0077)	0.0408	0.0024	0.0386
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 was mainly attributed from two of its subsidiaries, namely; ACPAM, which provided financial services and Pine Capital (Shanghai) Pte Ltd ("**PCS**"), which provided market management consultancy services.

For the financial year ended 31 March 2020 ("**FY2020**"), the Group has recorded a decrease of revenue amounting to S\$1,780,000 from S\$2,410,000 to S\$630,000 as compared to the preceding financial year ended 31 March 2019 ("**FY2019**"). The decrease is mainly attributable to the termination of the management agreement with Advance Opportunities Fund I as announced on 21 March 2019 as well as the Direction Letter pursuant to which, ACPAM was suspended from all fund raising and subscription activities.

During the 3 months ended 31 March 2020, there were no new revenue generating activities and the revenue of S\$75,000 was derived from prepaid management fee income from ACPAM, which ended in April 2020. For the 3 months ended 31 March 2020, the Group's revenue included S\$48,000 of revenue from PCS. In addition, there was an accounting adjustment to the revenue amounting to S\$175,000 for the period ended 31 December 2019 as the collaboration with Business Securities Ltd was called off. This reversal has been reclassified under the Bad Debts Unrecoverable account for the period ended 31 March 2020 thus presenting an increase in revenue for the 3 months ended 31 March 2020.

The Group's cost of sales for FY2020 decreased by S\$987,000 from \$1,333,000 in FY2019 to \$346,000 due to lower referral fees incurred from previous fund-raising activities before the issuance of the Direction Letter.

The gross profit for the Group for FY2020 and FY2019 was S\$284,000 and S\$1,077,000 respectively.

- b) Other income consists of interest income and foreign exchange gains/losses. In addition, it consists of a statutory demand amounting to S\$18,387 in respect of the Company's legal fees.
- c) Administrative expenses comprised of depreciation and amortization, staff costs, leases, professional fees, client business expenses, SGX-ST listing compliance costs, travelling expenses and general office expenses.

For FY2020, administrative expenses increased by S\$239,000 from S\$3,944,000 in FY2019 to S\$4,183,000. This was mainly attributable to higher legal fees.

BALANCE SHEET REVIEW

Notes:

- d) Decrease in Group's property, plant and equipment by S\$30,000 from S\$49,000 in FY2019 to S\$19,000 in FY2020 was due to depreciation charges for the financial period.
- e) The increase in right-of-use assets was due to the adoption of IFRS 16. Please refer to section 4 for more information.
- f) Increase in investment in subsidiaries at the Company level by S\$577,000 was mainly due to an increase in investment cost in ACPAM of approximately S\$67,000 to maintain the minimum capital requirements during the period ended 31 December 2019 and S\$510,000 in Pinnacle Asia Pacific Pte Ltd ("**PinAP**"), a newly incorporated subsidiary of the Company.
- g) Investment measured using fair value through other comprehensive income ("**FVOCI investment**") refers to the acquisition of 9.98% equity share of Pine Asia Assets Management Inc, which was held by its subsidiary, Pine Ventures Management Pte Ltd ("**PVM**"). Increase in FVOCI investment by S\$110,000 from S\$2,143,000 in FY2019 to S\$2,253,000 in FY2020 was

due to foreign exchange gain arising from the strengthening of United States Dollar (“USD”) against Singapore Dollar (“SGD”).

- h) The Company’s trade and other receivables comprised of deposits and other receivables.

The Group’s trade and other receivables comprised of prepayments, deposits, unbilled receivables, and other receivables (mainly from its subsidiary, PinAP). The increase in trade and other receivables by S\$54,000 from S\$487,000 in FY2019 to S\$541,000 in FY2020 was mainly due to other receivable from Shyalala Shanghai Company Limited for the subscription amount paid by the Company for the allotment and issue of ordinary shares in PinAP. This increase is partially offset by the refund of security deposits held by the vendors of ACPAM and also, the recognition of legal expenses from the deposits of the Company.

- i) The Company’s other payables comprised of trade payables, accrued expenses, amount due to subsidiary corporations and other payables.

The Group’s trade and other payables increased by S\$697,000 from S\$421,000 in FY2019 to S\$1,118,000 in FY2020 as a result of the increase in accrual of referral fees for ACPAM and trade payables for both the Company and ACPAM.

- j) The decrease in the Group’s deferred revenue of S\$67,000 was attributable to the services rendered on the advance billing of Advance Credit Fund SPC.

- k) On 27 November 2018, the Company entered into an interest-free convertible loan agreement with its controlling shareholder, JMO for S\$2,700,000. The convertible loan was to be converted into 1,000,000,000 conversion shares at a conversion price of S\$0.0027 per share at a date falling 24 months after the draw down date.

Subsequently, the Company entered into an Amendment and Restatement Agreement with JMO to amend the aforementioned interest-free convertible loan agreement. The loan structure was revised from a convertible loan to a loan without any conversion rights with a maturity period of 24 months with effect from 12 December 2018.

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

- m) Capital reserves refers to the unwinding of the effective interest on the interest-free shareholder’s loan as mentioned in 8(k) above.

- n) Currency translation refers to currency gain due to translation from USD to SGD for both PCS and PVM.

- o) Fair value reserve refers to fair value gain on FVOCI investment as mentioned in 8(g) above.

The Group is in a negative working capital position as at 31 March 2020 of S\$800,000 mainly due to the significant reduction in cash and cash equivalent decreasing from S\$3,443,000 in FY2019 to S\$185,000 in FY2020. Notwithstanding this, the Group is currently exploring various fund-raising options in order to strengthen and improve the group’s financial position.

CASH FLOW STATEMENT REVIEW

Net cash used in operating activities decreased by S\$132,000 from S\$3,154,000 in FY2019 to S\$3,022,000 in FY2020. This was mainly due to the increase in trade and other payables, which was offset partially by the increase in operating cash flow before working capital changes and the decrease in trade, other receivables and prepayment.

There was minimal investing in FY2020 amounting to S\$19,000. S\$19,000 was used to purchase property, plant and equipment in FY2020.

Net cash generated from financing activities decreased by S\$7,872,000 from net cash generated of S\$7,655,000 in FY2019 to net cash used of S\$217,000 in FY2020. This was mainly due to cash generated from proceeds from issuance of new shares of S\$4,675,000 and loan from JMO of S\$2,700,000 in FY2019 which was not present in FY2020.

As at 31 March 2020, the Group's cash and cash equivalents was S\$185,000.

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.

As of the date of this announcement, the Group has been deemed a cash company pursuant to Rule 1017 of the Catalist Rules. It will continue to focus on seeking potential investors regarding potential investments and is actively identifying potential businesses, in order to satisfy the requirements of the SGX-ST for a new listing by 1 June 2021.

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 of dividend per share for the current reporting period

Not applicable.

(b) (ii) Amount of dividend per share for the previous corresponding period

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 year ended 31 March 2020 as the Group is in a loss-making position.

13 If the Group has obtained a general mandate from shareholders for interest person transactions ("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 a general mandate from shareholders for IPTs.

- 14 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	FY2020	FY2019
	S\$'000	S\$'000
Singapore:		
Service fee	94	1,555
Management fee	409	515
Performance fee	21	167
	524	2,237
Shanghai:		
Consultancy Fee	106	173
Total	630	2,410

- 15 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please see paragraph 8 above.

- 16 **A breakdown of sales is as follows:**

	Latest Financial Year S\$'000	Previous Financial Year S\$'000	% Increase/ (decrease)
a) Sales reported for first half year	200	1,176	(83.0%)
b) Operating loss after tax before deducting non-controlling interests reported for first half year	2,558	827	209.3%
c) Sales reported for second half year	430	1,234	(65.1%)
d) Operating loss after tax before deducting non-controlling interests reported for second half year	1,473	2,030	(27.4%)

- 17 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

Not applicable. There was no dividend declared or paid in FY2020 or in the previous financial year FY2019.

- 18 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are such persons, the issuer must make an appropriate negative statement.**

For FY2020, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

- 19 Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use in the offer document or the announcement of the issuer.

Use of Proceeds

	S\$'000
Proceeds from Placement of 799,000,000 Shares	2,157
<u>Use of proceeds</u>	
Subscription of additional shares in ACPAM	(257)
Introducer fees	(240)
Administrative and operational expenses	(1,660)
	<u>(2,157)</u>
Balance as at 31 March 2020	<u><u>-</u></u>

The usage of the placement proceeds was consistent with the original intended usage per in accordance with the announcement made on 27 November 2018, and the reallocation of use of proceeds as disclosed in the Company's announcement dated 14 February 2020 for more information on the use of proceeds.

- 20 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 and executive officers (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

Andrew Lee
Executive Director

29 January 2021

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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. Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.