PINE CAPITAL GROUP LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 196800320E

DISPOSAL OF THE COMPANY'S 51% OWNED SUBSIDIARY, ADVANCE CAPITAL PARTNERS ASSET MANAGEMENT PRIVATE LIMITED ("ACPAM")

Capitalised terms used but not defined herein shall have the same meanings ascribed to them in the Company's announcement made on 21 May 2019, 23 May 2019, 6 June 2019, 13 September 2019, 18 October 2019 and *8 October 2020 (the "**Previous Announcement**"), unless otherwise defined herein or the context requires otherwise.*

The board of directors (the "**Board**") of Pine Capital Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its announcements made on SGXNET on 21 May 2019, 23 May 2019, 6 June 2019, 13 September 2019, 18 October 2019 and 8 October 2020 respectively.

1. INTRODUCTION

Background

1.1 To recap, the Company had on 8 October 2020 announced on SGXNET that the Company, has on 7 October 2020 entered into a Settlement Agreement ("**Settlement Agreement**") with Advance Capital Partners Asset Management Private Limited ("**ACPAM**") and Mr. Tan Choon Wee ("**Mr. Tan**") regarding the outstanding obligations of PCGL under the settlement agreement dated 16 October 2019 ("**Original Settlement Agreement**").

1.2 As at the date of the Settlement Agreement, the Company was the legal and beneficial owner of 3,988 shares equivalent to 51% of the issued and paid-up share capital of ACPAM ("**51% ACPAM Shares**") and ACPAM was the sole subsidiary of the Company.

Disposal of ACPAM

1.3 The Board of the Company wishes to announce that pursuant to the terms of Settlement Agreement, the Company has on 7 October 2020 completed the disposal of the 51% ACPAM Shares to Mr. Tan ("**Disposal of ACPAM**").

1.4 Following the Disposal of ACPAM, on 7 October 2020, ACPAM has ceased to become a subsidiary of the Company with effect from 7 October 2020.

2. INFORMATION ON MR. TAN

Mr. Tan is a citizen of Singapore. As at the time of entry into the Settlement Agreement, Mr. Tan is the legal and beneficial owner of 3,832 shares equivalent to 49% of the issued and paid-up share capital of ACPAM.

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3. SALIENT TERMS OF THE DISPOSAL

3.1 Consideration

(a) The Company had disposed 51% ACPAM Shares to Mr. Tan for a consideration of SGD50,000 ("**Consideration**"). The Consideration has been agreed on a willing buyer and willing seller basis taking into consideration that the net tangible liability of ACPAM amounting to SGD540,000 based on the management accounts of ACPAM as at 31 January 2020.

(b) Pursuant to the terms of the Settlement Agreement, the payment of the Consideration shall be used to partially offset against the outstanding sum due and owing by PCGL to Mr. Tan under the Settlement Agreement.

3.2 Completion Obligations

(a) The Company has on 7 October 2020 fulfilled all completion obligations under the Settlement Agreement in regards to the Disposal of ACPAM.

(b) All statutory filings in regards to the disposal of 51% ACPAM Shares to Mr. Tan has been made with the Accounting and Corporate Regulatory Authority ("**ACRA**") and ACPAM has effectively ceased to become a subsidiary of the Company with effect from 7 October 2020.

4. RATIONALE AND USE OF PROCEEDS

4.1 Rationale

The disposal of 51% ACPAM Shares to Mr. Tan is pursuant to the terms of the Settlement Agreement.

4.2 Use of Proceeds

The proceeds from the Disposal of ACPAM shall be used to partially offset against the outstanding sum due and owing by PCGL to Mr. Tan under the Settlement Agreement.

5. FINANCIAL EFFECTS

5.1 Book value of the 51% ACPAM Shares

Based on the Group's unaudited management accounts as at 30 September 2020, the book value of the 51% ACPAM Shares is SGD667,885.20.

5.2 Gain on disposal

The Disposal of ACPAM would amount to loss on disposal of approximately SGD142,627.77. The net proceeds arising from the disposal of 51% ACPAM Shares will amount to SGD50,000.

As announced by the Company on SGXNET on 8 June 2020 and 24 June 2020, ACPAM has ceased to become a Registered Fund Management Company with effect from 1 June 2020 and as a result, has ceased to have recurring revenue.

5.3 Financial Effects of the Disposal of 51% ACPAM Shares

The financial effects of the Disposal of ACPAM as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Disposal of ACPAM

(a) Earnings Per Share **("EPS")**

The effect of the Disposal of ACPAM on the EPS of the Company shown below is based on the most recently completed financial year (i.e. FY2020), assuming that the Disposal of ACPAM had been effected at the beginning of FY2020:

	Before the Proposed Disposal	**After the Proposed Disposal**
Losses attributable to Shareholders	(2,493,748.08)	(2,640,375.85)
Weighted average number of shares	6,642,906,058	6,642,906,058
Loss per share	(0.00038)	(0.00040)

(b) Net Tangible Assets ("**NTA**")

The effect of the Disposal of ACPAM per share of the Company is based on the most recently completed financial year, assuming that the Disposal of ACPAM had been effected at the end of [FY2020]:

	Before the Proposed Disposal	**After the Proposed Disposal**
NTA	288,666.01	92,038.24
Number of issued shares	6,642,906,058	6,642,906,058

NTA per share	0.00004	0.00001

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

6.1 The relative figures of the Proposed Disposal under Rule 1006 of the Listing Manual of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") based on the Company's unaudited management accounts as at 30 September 2020 are set out below:

	Relative Figures (%)
Rule 1006(a): Net asset value of assets to be disposed of, compared with the Company's net liabilities value.(1)	7%
Rule 1006(b): Net profits attributable to the assets acquired, compared with the Company's net profits.(2)	0%
Rule 1006(c): The aggregate value of SGD196,627.77 for the total consideration for the Disposal of ACPAM, compared with the Company's market capitalisation(3) of approximately SGD25,399,914.	1%
Rule 1006(d): Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue(4).	Not applicable(5)
Rule 1006(e): 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) Net asset value of the 51% ACPAM Shares as at 30 September 2020 is SGD196,627.77

(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 losses attributable to the 51% ACPAM Shares is determined based on the unaudited management accounts as at 30 September 2020 of the Company of SGD 146,627.77.

(3) The Company's market capitalisation is based on 6,642,906,058 issued Shares (excluding treasury shares) as at 16 October 2020, being the last price the shares of the Company 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) This basis is not applicable to the Proposed Disposal.

7. INTERESTS OF 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 Disposal of ACPAM.

8. TRADING CAUTION

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts as to the actions they should take.

The Company will provide further updates to shareholders of the Company as and when there are material developments to the above.

DIRECTORS' 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 Mr. Tan) 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 Mr. Tan) 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 Disposal of ACPAM, 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.

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BY ORDER OF THE BOARD

Lee Sin Ann
Executive Director
20 October 2020