

Unaudited First Quarter Financial Statement and Dividend Announcement for the period ended 30 June 2018

Part 1 INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediate preceding financial year.

		GROUP		
		3 months ended		
	Note	30 June 2018	30 June 2017 Restated	Increase/ (Decrease)
		S\$'000	S\$'000	%
Continuing operations				
Revenue	8a	723	-	n.m
Cost of sales	8a	(369)	-	n.m
Gross profit	8a	354	-	
Other income	8b	9	5	80.0
Expenses				
- Administrative	8c	(817)	(191)	327.7
Loss from continuing operations before taxation		(454)	(186)	
Taxation		-	-	n.m
Loss after taxation from continuing operations		(454)	(186)	
Loss from discontinued operations, net of tax		-	(9)	n.m
Total loss for the period		(454)	(195)	
Other comprehensive profit/(loss), net of tax:				
- Currency translation differences arising from consolidation		93	8	n.m
Total comprehensive loss		(361)	(187)	
Total comprehensive loss attributable to:				
Owner of parent				
-Loss from continuing operation, net of tax		(458)	(186)	146.2
-Loss from discontinued operation, net of tax		-	(11)	n.m
Loss attributed to the parent		(458)	(197)	
Non-controlling interests				
-Profit from continuing operation, net of tax		4	-	n.m
-Profit from discontinued operation, net of tax		-	2	n.m
Profit attributed to the non-controlling interests		4	2	
<u>Profit before tax has been arrived at after (charging)/crediting:</u>				
- Other income				
Foreign exchange gain, net		8	-	
Interest income		-	5	
Other income		1	-	
		9	5	80.0
- Foreign exchange loss, net		-	(1)	n.m
- Operating leases		-	(16)	n.m

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

(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	GROUP		COMPANY	
		30 June	31 March	30 June	31 March
		2018	2018	2018	2018
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8(d)	82	94	-	-
Investments in subsidiaries	8(e)	-	-	7,624	7,524
Investments in associated companies	8(f)	13	13	-	-
Intangible assets	8(g)	5,791	5,791	-	-
Available-for-sale investments	8(h)	2,380	2,287	-	-
		<u>8,266</u>	<u>8,185</u>	<u>7,624</u>	<u>7,524</u>
Current assets					
Trade and other receivables	8(i)	253	102	24	23
Cash and cash equivalents		721	768	331	426
		<u>974</u>	<u>870</u>	<u>355</u>	<u>449</u>
Current liabilities					
Other payables	8(j)	561	3,007	303	2,826
Net current (liabilities)/assets		<u>413</u>	<u>(2,137)</u>	<u>52</u>	<u>(2,377)</u>
Non-current liabilities					
Other payable	8(j)	1,024	-	1,024	-
Provision for reinstatement costs	8(k)	71	71	-	-
		<u>1,095</u>	<u>71</u>	<u>1,024</u>	<u>-</u>
Net assets		<u>7,584</u>	<u>5,977</u>	<u>6,652</u>	<u>5,147</u>
Equity					
Share capital	8(l)	21,995	20,027	21,995	20,027
Accumulated losses		(15,494)	(15,036)	(15,343)	(14,880)
Currency translation reserve		43	(50)	-	-
Fair value reserve	8(m)	898	898	-	-
		<u>7,442</u>	<u>5,839</u>	<u>6,652</u>	<u>5,147</u>
Non-controlling interests		142	138	-	-
		<u>7,584</u>	<u>5,977</u>	<u>6,652</u>	<u>5,147</u>

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

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

The Group did not have any borrowings or debt securities as at 30 June 2018 and 31 March 2018.

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

	Group	
	3 months ended	
	30 JUNE 2018	30 JUNE 2017
	S\$'000	S\$'000
		Restated
Cash flows from operating activities:		
Loss before taxation from continuing operations	(454)	(186)
Loss before taxation from discontinued operations	-	(5) ⁽¹⁾
Loss before tax for the year	(454)	(191)
Adjustments for :-		
Depreciation of property, plant and equipment	12	9 ⁽²⁾
Interest income	-	(5)
Unrealised currency translation loss	-	4
	(442)	(183)
Operating cash flow before working capital changes:		
Trade, other receivables and prepayments	(151)	353
Trade and other payables	(1,422)	(398)
Work in progress	-	103
Decrease in advance billings	-	(211)
	(2,015)	(336)
Cash used in operations		
Interest income	-	5
Income tax paid	-	(9)
	(2,015)	(340)
Net cash used in operating activities		
Cash flows used in investing activity:		
Additions to property, plant and equipment	-	(6)
	-	(6)
Net cash used in investing activity		
Cash flows from financing activity:		
Proceeds from exercise of warrants and shares placement	1,968	-
Repayment of finance lease liabilities	-	(3)
	1,968	(3)
Net cash generated from/(used in) financing activity		
Net decrease in cash and cash equivalents	(47)	(349)
Beginning of the financial period	768	3,622
End of financial period	721	3,273

⁽¹⁾ Loss from discontinued operations, net of tax for the financial year ended 30 June 2017 is S\$9,000.

⁽²⁾ Depreciation charges amounting to S\$9,000 refer to discontinued operations

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

(d) (i) Statement (for the issuer and the group) showing (i) all changes in equity or (ii) changes in equity other than those arising from capitalization and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

3 months ended

	Attributable to equity holders of the parent						
	Share capital	Accumulated losses	Foreign currency translation reserve	Fair value reserve	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Group</u>							
At 1 April 2018	20,027	(15,036)	(50)	898	5,839	138	5,977
Loss for the period	-	(458)	-	-	(458)	4	(454)
Other comprehensive income for the period	-	-	93	-	93	-	93
Total comprehensive (loss) / income for the period	-	(458)	93	-	(365)	4	(361)
Issuance of ordinary shares	1,968	-	-	-	1,968	-	1,968
At 30 June 2018	21,995	(15,494)	43	898	7,442	142	7,584
	Share capital	Accumulated losses	Foreign currency translation reserve	Fair value reserve	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Group</u>							
At 1 April 2017	16,426	(13,276)	(77)	-	3,073	215	3,288
Loss for the period	-	(197)	-	-	(197)	2	(195)
Other comprehensive income for the period	-	-	8	-	8	-	8
Total comprehensive (loss) / income for the period	-	(197)	8	-	(189)	2	(187)
At 30 June 2017	16,426	(13,473)	(69)	-	2,884	217	3,101

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

(d) (i) Statement (for the issuer and the group) showing (i) all changes in equity or (ii) changes in equity other than those arising from capitalization and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

3 months ended

	Share Capital	Accumulated losses	Total
<u>The Company</u>	S\$'000	S\$'000	S\$'000
At 1 April 2018	20,027	(14,880)	5,147
Loss for the period	-	(463)	(463)
Total comprehensive loss for the period	-	(463)	(463)
Issuance of ordinary shares	1,968	-	1,968
At 30 June 2018	21,995	(15,343)	6,652

	Share Capital	Accumulated losses	Total
<u>The Company</u>	S\$'000	S\$'000	S\$'000
At 1 April 2017	16,426	(13,605)	2,821
Loss for the period	-	(186)	(186)
Total comprehensive loss for the period	-	(186)	(186)
At 30 June 2017	16,426	(13,791)	2,635

- (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Group had on 7 May 2018 completed the Renounceable Non-Underwritten Rights and Warrants Issue exercise. A total of 787,210,747 Rights Shares and 251,907,400 Warrants were issued. The gross proceeds raised from the issuance of Rights Shares were approximately S\$1.968 million.

The Company has no treasury shares and no subsidiary holdings held in issue.

- (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<u>30-Jun-18</u>	<u>31-Mar-18</u>
Total number of issued shares	4,457,794,948	3,670,584,201

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

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

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

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

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

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

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

Not applicable.

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

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

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

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

Not applicable. Refer to Note 4 above.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	1Q FY2019	1Q FY2018
Loss for the period attributed to equity holders of the Company	(458)	(197)
Less:		
Loss for the period from discontinued operation	-	(11)
Loss for the purposes of basic loss per shares from continuing operations	(458)	(186)
From continuing operations attributable to equity holders of the Company		
LPS (cents per share) - weighted average number of share	(0.0109)	(0.00757)
LPS (cents per share) - fully diluted	(0.0109)	(0.00757)
From discontinued operations attributable to equity holders of the Company		
LPS (cents per share) - weighted average number of share	-	(0.0004)
LPS (cents per share) - fully diluted	-	(0.0004)
Weighted average number of shares ('000)	4,195,391	2,458,344
Fully diluted ('000)	4,195,391	2,458,344
Total number of shares in issue ('000)	4,457,795	2,458,344

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	The Group		The Company	
	30 June 2018	31 Mar 2018	30 June 2018	31 Mar 2018
Net asset value per ordinary share (in S\$ cents)	0.17	0.16	0.15	0.14
Issued ordinary share (in '000)	4,457,795	3,670,584	4,457,795	3,670,584

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT REVIEW

Notes:

- a) The Group's revenue for the first quarter ended 30 June 2018 ("Q1FY2019") was mainly attributed from the subsidiary, Advance Capital Partners Asset Management Private Limited ("ACPAM"), which provides financial services.

A comparison of the revenue and cost of sales between Q1FY2019 and Q1FY2018 is not meaningful due to the change in core business of the Group from film production to financial services. The film production segment was discontinued in Nov 2017.

The Group's revenue for the 3 months ended 30 June 2018 (Q1FY2019) was approximately S\$723,000. The cost of sales was approximately S\$369,000 in Q1FY2019. Gross profit margin was 49.0% for Q1FY2019.

- b) Other income consists mainly of interest income and exchange gain.
- c) Administrative expenses comprise of staff costs, operating leases, professional fees, client business expenses, SGX listing compliance costs, travelling expenses and general office expenses. Increase in administrative expenses by S\$626,000 or 327.7% from S\$191,000 in Q1FY2018 to S\$817,000 in Q1FY2019 was mainly attributed to an increase in staff costs and other operating expenses as a result from the consolidation of a subsidiary, ACPAM.

The Group recorded loss of S\$454,000 for the period ended 30 June 2018 compared to the period ended 30 June 2017 of S\$186,000.

BALANCE SHEET REVIEW

Notes:

- d) Decrease in property, plant and equipment by S\$12,000 from S\$94,000 in FY2018 to S\$82,000 in Q1FY2019 was due to depreciation charges for the financial period.
- e) The Company's investment cost amounted to S\$7,624,000 was due to the acquisition of ACPAM and BSDCN Pte. Ltd. ("BSDCN") in FY2018. Increase in investment in subsidiaries by S\$100,000 from S\$7,524,000 in FY2018 to S\$7,624,000 in Q1FY2019 was mainly due to an increase in investment cost in ACPAM to maintain minimum capital requirements during the period ended 30 June 2018 which announcement was made on 1 June 2018.
- f) Investment in associated company amounted to S\$13,000 in Q1FY2019 and FY2018 refers to the investment in Advance Capital Partners Asset Management (HK) Pte Limited which was under its subsidiary, ACPAM.
- g) Intangible assets refer to goodwill arising on acquisition of subsidiaries as mentioned in Note 8(e). At the date of this announcement, the Management of the Company is still in the midst of completing the purchase price allocation ("PPA") exercise. As such goodwill relating to these acquisitions was recognised as the fair value of net assets acquired are provisionally determined. The determination of fair value of net asset and completion of PPA can be finalised within 12 months from the date of acquisition.

BALANCE SHEET REVIEW (Cont'd)

Notes:

- h) Available-for-sale investment refers to the acquisition of 9.98% equity share of Pine Asia Assets Management Inc, which was under its subsidiary, BSDCN. Increase in available-for-sales investment by S\$93,000 or 4.1% from S\$2,287,000 in FY2018 to S\$2,380,000 in Q1FY2019 was due to exchange rate differences arising from the strengthening of United States Dollar (USD) against Singapore Dollar (SGD).
- i) The Company's trade and other receivables comprise of prepayments and amount due from a subsidiary, BSDCN.

The Group's trade and other receivables comprise of accrued billing, prepayments and deposits, and other receivables. Increase in trade and other receivables by S\$151,000 or 148.0% from S\$102,000 FY2018 to S\$253,000 in Q1FY2019 was mainly due to increase in accrued billing by S\$100,000, prepayments and deposits by S\$98,000.

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

The Group's other payables decreased by S\$2,446,000 or 81.3% in FY2018 from S\$3,007,000 in FY2018 to S\$561,000 in Q1FY2019, and the Company's other payables decreased by S\$2,523,000 or 89.3% from S\$2,826,000 in FY2018 to S\$303,000 in Q1FY2019.

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

- k) Provision for reinstatement cost amounting to S\$71,000 is in relation to operating lease attributed to the consolidation of its subsidiary, ACPAM.
- l) Increase in share capital by S\$1,968,000 or 9.8% from S\$20,027,000 in FY2018 to S\$21,995,000 in Q1FY2019 due to issuance of Rights Shares as mentioned in Note 1 (d,ii).
- m) Fair value reserve refers to fair value gain on available-for-sales investment as mentioned in Note 8(h).

CASH FLOW STATEMENT REVIEW

Cash flow used in operating activities increased by S\$1,675,000 or 492.6% from a deficit position of S\$340,000 in FY2018 to S\$2,015,000 in Q1FY2019. This was mainly due to the partial settlement of S\$1,500,000 for the acquisition of BSDCN as mentioned in 8(j) above.

Net cash generated from financing activities was S\$1,968,000 in Q1FY2019 which was attributed to proceeds from issuance of new shares.

As at 30 June 2018, the Group's cash and cash equivalents was S\$721,000.

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.

The Group will continue to focus on enhancing shareholder value with a strategy for steady and sustainable growth in its financial services business.

At the Extraordinary General Meeting on 27 July 2018, the Company has obtained shareholders' approval, inter-alia for the:

- a. proposed expansion of the Group's current core business of investment in businesses which provide fund and investment management services, to include investment by the Group into funds, portfolio companies, securities and any other investments as detailed in the Circular to Shareholders dated 12 July 2018.
- b. proposed diversification of the Group's core business of investment in businesses which provide fund and investment management services into provision of project management services, fund-raising support, capital management services, consultancy services and any other businesses as detailed in the Circular to Shareholders dated 12 July 2018.

The Company is in the midst of finalizing the plans for the proposed expansion and diversification of the Group's business, the details of which were described in the Circular to Shareholders dated 12 July 2018. Announcement on the proposed expansion and diversification will be made as and when appropriate.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share cents

Not applicable.

(b) (ii) Previous corresponding period cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the financial period 3 months ended 30 June 2018.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained general mandate from shareholders for Interested Person Transaction. The Group does not have Interested Person Transaction during the period ended 30 June 2018.

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

We, Mr Tan Choon Wee and Mr Ling Chung Yee, Roy, being directors of Pine Capital Group Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements of the Company and its subsidiaries for the financial period ended 30 June 2018 to be false or misleading in any material aspect.

- 15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company has procured undertakings from all its directors (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules. As at the date of this announcement, the Group has no other executive officers (excluding directors).

BY ORDER OF THE BOARD

Tan Choon Wee
Interim Chief Executive Officer and Executive Chairman

Ling Chung Yee, Roy
Lead Independent Director

10 August 2018

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

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

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