PINE CAPITAL GROUP LIMITED

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

TRANSFER FOR SHARES TO THE COMPANY'S SUBSIDIARY, ADVANCE CAPITAL PARTNERS ASSET MANAGEMENT PRIVATE LIMITED

The board of directors (the "**Board**") of Pine Capital Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's subsidiary, Advance Capital Partners Asset Management Private Limited ("**ACPAM**"), is in the midst of its recovery efforts for a substantial number of shares (the "**Secured Shares**") quoted on a recognised stock exchange from Advance Opportunities Fund ("**AOF**"). The Secured Shares are presently held by AOF for the benefit for ACPAM, in ACPAM's capacity as fund managers for Advance Credit Fund SPC Golden Fund SP ("**ACF**").

On 26 July 2019, the Company was informed by ACPAM that it had previously engaged in correspondence with AOF for the transfer of the Secured Shares from AOF to ACPAM without success. AOF received the Secured Shares on trust for ACPAM in ACPAM's capacity as fund managers for ACF in 2 tranches, on 17 August 2018 and 1 September 2018. Based on correspondence and documents as part of ACPAM's records, the Company understands that:

(a) on 27 July 2018, ACF entered into an Investment Term Sheet with a third-party investor (the "**Investor**") for an intended purchase of shares quoted on a recognised stock exchange (the "**Intended Investment**"). For the protection of ACF's interests, the Investor agreed as an express term of the Investment Term Sheet the Investor was to provide collateral, in the form of the Secured Shares, to be held by ACPAM in its capacity as ACF's fund manager. The terms of the Investment Term Sheet and ACPAM's confidentiality obligations prohibit ACPAM from disclosing the issuer of the Secured Shares, the quantity of the Secured Shares and the identity of the Investor.

(b) The term of the Intended Investment was to be for one year and was due to expire on 26 July 2019. Upon the expiry of the Investment Term Sheet, ACF was contractually obliged to return all or some of the Secured Shares to the Investor, depending on the performance of the Intended Investment.

(c) At that time of entry into the Investment Term Sheet, and for the interests of expediency and for the completion of the transaction, ACPAM decided and authorised for the Secured Shares to be held by AOF instead, and AOF was to hold the Secured Shares on trust for ACPAM.

(d) Subsequently, the trading of the shares of the issuers of the Secured Shares were suspended in early September 2018. Since then, the trading of the Secured Shares remain suspended to date.

(e) On the first anniversary of the Investment Term Sheet on 26 July 2019, and pursuant to the terms of the Investment Term Sheet, the performance of the

Intended Investment may result in ACPAM having to transfer all or part of the Secured Shares to the Investor.

(f) On 26 July 2019, ACPAM informed the Company that the Secured Shares had yet to be transferred from AOF to ACPAM, and that ACPAM was in the midst of its recovery efforts for the return of the Secured Shares from AOF.

(g) The Company further understands that prior to 26 July 2019, ACPAM, through its solicitors, made its first request to AOF for the transfer of the Secured Shares on 30 May 2019. AOF replied on the same day of 30 May 2019, requesting for ACPAM's and ACF's account details for the purposes of effecting the transfer. ACPAM provided to AOF these requested details on 3 June 2019 but subsequently, ACPAM did not receive any further replies from AOF. ACPAM was thus prompted to instruct its solicitors to make further requests for the transfer of the Secured Shares on 7 June 2019, 17 June 2019 and 26 June 2019.

After the Company was informed by ACPAM on this issue, the Company instructed its solicitors on Thursday, 1 August 2019, to query on the transfer of the Secured Shares from AOF to ACPAM. On Monday, 5 August 2019, the Company's solicitors received confirmation that AOF had no interest in the Secured Shares. The Company and ACPAM were further informed by AOF that both AOF and ACPAM were required to provide instructions to their respective stockbrokers to facilitate the transfer. The same day on 5 August 2019, ACPAM instructed its solicitors to seek for confirmation from AOF that: (a) the Secured Shares remain in AOF's possession, custody or control; (b) that the Secured Shares remain unencumbered; and (c) that AOF shall fully indemnity and hold ACPAM and ACF harmless from and against any claims, damages, losses costs, liabilities and expenses arising from AOF's retention of the Secured Shares.

On 6 August 2019, AOF confirmed that it was willing and able to effect the transfer of the Secured Shares, and in response to ACPAM's request for confirmation that the Secured Shares are in AOF's possession, custody or power and that the Secured Shares are unencumbered, AOF's response was that the "*prior correspondence speaks for itself*".

On 7 August 2019, ACPAM, through its solicitors, sent the relevant transfer instructions to AOF for AOF's execution and return. Later that day on 7 August 2019, AOF executed and sent the transfer instructions required to effect the transfer of the Secured Shares to ACPAM.

On 8 August 2019, the signed transfer instructions were submitted for processing and to effect the transfer of the Secured Shares to ACPAM. However, the stockbroker has informed AOF and ACPAM that the signed transfer instructions are inaccurate and/or incomplete. Further, PCG understands that for the transfer of the Secured Shares to be effected, stamp duty has to be presented to the relevant tax authority.

The stockbroker has also informed ACPAM that AOF does not have the entire block of the Secured Shares, and that approximately 9% of the Secured Shares are not in AOF's account (the "**9% Secured Shares**"). In this regard, AOF has now alleged that the 9% Secured Shares were previously transferred to Pine Partners Pte Ltd on ACPAM's instructions. PCG understands that ACPAM is denying this allegation.

The Company has instructed its solicitors to make its own queries on this outstanding transfer and is committed to ensuring that ACPAM takes all necessary steps to recover

the Secured Shares. The Company will make further announcements once it receives further information or when material developments occur to update its shareholders in relation to the receipt of the Secured Shares by ACPAM.

As ACPAM has not issued or paid out dividends to the Company and that the Secured Shares are suspending from trading, the transfer of the Secured Shares is not expected to have any material impact on the net asset value per share or earning per share for the current financial year ending 31 March 2020.

Save as disclosed, none of the Directors nor the substantial shareholders of the Company or their respective associates have any interest, direct or indirect, in the transfer or in the Secured Shares.

Shareholders and potential investors are advised to carefully read this announcement and any further announcements made by the Company. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing with the securities of the Company. If in doubt, shareholders and potential investors are advised to consult their stockbrokers, bank managers, solicitors, accountants and/or other professional advisors.

DIRECTOR RESPONSIBILITY STATEMENT

The Director accepts full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of his knowledge and belief, this announcement constitutes full and true disclosure of all material facts or circumstances about the letter of demand and withdrawal, and the Director is not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Director has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Tomi-Jae Wanlun Tjio
Non-Executive Chairman and Independent Director

15 August 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's 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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