PINE CAPITAL GROUP LIMITED

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

(A) NOTIFICATION OF CASH COMPANY STATUS PURSUANT TO RULE 1017 OF THE CATALIST RULES OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

(B) RECEIPT OF STATUTORY DEMAND

(C) RECEIPT OF WRIT OF SUMMONS AND STATEMENT OF CLAIM

The board of directors (the "**Board**") of Pine Capital Group Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to provide an update to shareholders on the following matters:

(a) The classification of the Company as a cash company by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") under Rule 1017 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") with effect from 1 June 2020.

(b) The Company had on 15 June 2020 been served a statutory demand under section 254(2)(a) of the Companies Act (Cap 50) ("**Companies Act**") dated 15 June 2020 ("**Statutory Demand**") by Rajah & Tann, solicitors acting for Mr. Tan Choon Wee ("**Mr. Tan**") pursuant to a settlement agreement dated 16 October 2019 ("**Settlement Agreement**") entered into between the Company, Mr. Tan and the Company's 51%-owned subsidiary, Advance Capital Partners Asset Management Private Limited ("**ACPAM**"); and

(c) The Company had on 22 June 2020 been served with a Writ of Summons ("**Writ of Summons**") and a Statement of Claim ("**Statement of Claim**") commenced by Shook Lin & Bok LLP ("**SLB**") in the High Court of Singapore pursuant to the outstanding invoice due and owing to SLB for legal services rendered by SLB to the Company.

NOTIFICATION OF CASH COMPANY STATUS PURSUANT TO RULE 1017 OF THE CATALIST RULES OF THE SGX-ST

The SGX-ST has on, 2 June 2020 informed the Company that the SGX-ST has after taking into consideration the fact that:

(a) the Company does not have a core operating business with recurring revenue as a result of ACPAM's cessation as a Registered Fund Management Company as announced by the Company on 8 June 2020; and

(b) that the Company is unable to demonstrate that it has a viable business,

the Company will be deemed to be a cash company ("**Cash Company**") as defined under Rule 1017 of the Catalist Rules with effect from 1 June 2020. Accordingly the Company is required to comply with the requirements pursuant to Rule 1017 of the Catalist Rules.

The SGX-ST has re-affirmed their decision to deem the Company as a Cash Company on 16 June 2020 and 23 June 2020 respectively.

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Cash Company Status

Pursuant to Rule 1017(1) of the Catalist Rules, upon the Company becoming a Cash Company, the securities of the Company ("**Shares**") may be suspended from trading or continue to remain suspend until the Company has a new business which is able to satisfy the requirements of the SGX-ST for a new listing ("**New Business**"), and all relevant information has been announced. In addition, in compliance with Rules 1017(1)(a) and 1017(1)(b) of the Catalist Rules, the Company must:

(a) place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from disposal(s) undertaken by the Company) in an account (the "**Escrow Account**") opened with and operated by an escrow agent which is part of any financial institution licensed and approved by MAS. The amount that is placed in the Escrow Account cannot be drawn down until the completion of the acquisition of the New Business, except for payment of expenses incurred in a reverse takeover approved by Shareholders and pro-rata distributions to Shareholders; and

(b) provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining the New Business, to the market via SGXNet.

The Company has up till 1 June 2021 to meet the requirements for a New Business pursuant to Rule 1017(2) of the Catalist Rules. The SGX-ST will proceed to remove the Company from the Official List if the Company is unable to meet the requirements for a new listing within 12 months from the time it becomes a Cash Company.

The Company may (through its sponsor) apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a New Business, of which the acquisition must be completed in the 6-month extension period. The extension is subject to the Company providing information to investors on its progress in meeting key milestones in the transaction. In the event the Company is unable to meet its milestones, or complete the relevant acquisition despite the extension granted, no further extension will be granted and the Company will be required to delist and a cash exit offer, in accordance with Rule 1308 of the Catalist Rules, shall be made to its Shareholders within 6 months.

The Company's management will continue to oversee the affairs of the Company (including complying with the periodic reporting requirements pursuant to Rule 1017(1)(b) of the Catalist Rules).

The Company will continue to make announcements as and when appropriate to update shareholders once it receives further information or when material developments on these matters occur.

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RECEIPT OF STATUTORY DEMAND

The Company had on 15 June 2020 been served a Statutory Demand under section 254(2)(a) of the Companies Act dated 15 June 2020 by Rajah & Tann, solicitors acting for Mr. Tan pursuant to a Settlement Agreement entered into between the Company, Mr. Tan and ACPAM.

As announced by the Company on 18 October 2019, the Company, ACPAM and Mr. Tan had reached a global settlement following mediation on 16 October 2019. Pursuant to the global settlement, the Company had entered into a Settlement Agreement with Mr. Tan and ACPAM pursuant to the full and final settlement of all claims and counterclaims in HC/S 374 /2019[1] and HC/S 490/2019[2].

The Statutory Demand is for payment of the sum of S$200,000 ("**Outstanding Settlement Sum**") which is due to be paid by the Company to Mr. Tan pursuant to the Settlement Agreement on or before 16 April 2020.

The Statutory Demand states that if the Company fails to pay or secure or compound the Outstanding Settlement Sum to the reasonable satisfaction of Mr. Tan or his solicitors within 6 months from the date of receipt of the Statutory Demand, Mr. Tan shall be entitled to apply to the High Court of Singapore for a winding up order to be made against the Company.

As the date of this announcement, the Company is currently in negotiations with Mr. Tan with regards to the settlement terms of the Outstanding Settlement Sum.

The Company will make further announcements to update its shareholders when there are further developments on this matter.

RECEIPT OF WRIT OF SUMMONS AND STATEMENT OF CLAIM

The Company had on 22 June 2020 been served with a Writ of Summons and Statement of Claim dated 22 June 2020 filed by SLB in the High Court of Singapore.

[1] As announced by the Company on 21 May 2019, HC/S 374/2019 refers to the claim commenced by Mr. Tan against *inter alia*, the Company and ACPAM, alleging that the affairs of ACPAM had been conducted in a manner which unfairly discriminates against and/or is prejudicial towards Mr. Tan. The Company has also made further announcements on this matter on 6 June 2019 and 13 September 2019.

[2] As announced by the Company on 23 May 2019, HC/S 490/2019 refers to the claim commenced by ACPAM against, Mr. Tan, for the alleged breaches of his employment contract and breaches of his general, fiduciary and/or other duties owned to ACPAM.

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SLB is claiming for an amount of S$18,461.37 together with costs and interests at the rate of 6% per annum pursuant to the outstanding invoice dated 2 August 2019 ("**Outstanding Invoice**") due and owing to SLB for legal services rendered by SLB to the Company.

In the Statement of Claim, SLB alleges, *inter alia* that the Company has refused and/or neglected to make timely payment, or any part thereof pursuant to the Outstanding Invoice, to SLB from 2 August 2019 to date.

Pursuant to the Writ of Summons, the Company is required to (a) satisfy the claim; or (b) enter an appearance, within 8 days after service of the Writ of Summons, failing which SLB may proceed with the action and enter judgment against the Company without further notice.

The Company is currently assessing the claims in consultation with its legal counsel and will make further announcements to update its shareholders when there are further developments on this matter.

CAUTIONARY STATEMENT

The Board wishes to remind shareholders that the Shares of the Company continues to remain suspended.

The Board wishes to further remind shareholders that there is no assurance that the Company will be able to acquire a New Business that meets the SGX-ST's requirements for a new listing within the timeframe prescribed by the SGX-ST.

Shareholders are advised to take note of the receipt of statutory demand and the writ of summons and statement of claim.

Shareholders and potential investors are further advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action taken should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts or circumstances about the update on the Company and its subsidiaries (including *inter alia* the cash company status, the receipt of writ of summons and statement of claim), and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement

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has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors 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

Lee Sin Ann
Executive Director
24 June 2020

*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., in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**Exchange**") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the 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.

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