PINE CAPITAL GROUP LIMITED

Company Registration No. 196800320E
(Incorporated in the Republic of Singapore)
(the "**Company**", together with its subsidiaries, the "**Group**")

UPDATE ON UTILISATION OF NET PLACEMENT PROCEEDS

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1. The board of directors (the "**Board**") of the Company refers to the following announcements and the information included therein:

   (i) the Company's announcement dated 27 November 2018 (the "**27 November 2018 Announcement**") in respect of, *inter alia*, the proposed placement of 799,000,000 new ordinary shares ("**Placement Shares**") in the capital of the Company to JMO Pte. Ltd. at the issue price of S$0.0027 per Placement Share for an aggregate subscription amount of S$2,157,300 ("**Proposed Placement**");

   (ii) the Company's announcement dated 21 December 2018 in respect of its receipt of the listing and quotation notice from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Placement Shares on the Catalist Board of the SGX-ST;

   (iii) the Company's announcement dated 27 December 2018 in respect of the completion of the Proposed Placement ("**Completed Placement**");

   (iv) the Company's announcement dated 15 January 2019 (the "**15 January 2019 Announcement**") in respect of the utilisation of the proceeds received by the Company from the Completed Placement for the payment of fees to the Introducer (as defined in the 27 November 2018 Announcement) and for the Company's general working capital including payments of administrative and operational expenses; and

   (v) the Company's announcement dated 7 February 2019 (the "**Subscription Announcement**") in respect of, *inter alia*, the subscription by the Company for 393 new ordinary shares in its 51.00% owned subsidiary, Advance Capital Partners Asset Management Private Limited ("**ACPAM**") for an aggregate cash consideration of S$189,819 ("**Subscription**"),

   (collectively, the "**Previous Announcements**").

   Capitalized terms used herein and not otherwise defined or the context requires otherwise shall have the same meanings as set out in the Previous Announcements.

2. As announced in the 15 January 2019 Announcement, the balance of the net proceeds ("**Net Placement Proceeds**") from the Placement following (i) the payment of a fee of S$239,700 to the Introducer, and (ii) the utilisation of S$379,490.61 for the Company's general working capital including payments of administrative and operational expenses, currently amounts to **S$1,538,109.39**.

3. The Board wishes to announce that the sum of S$189,819 from the Net Placement Proceeds has utilised for the payment of the aggregate cash consideration for the Subscription. The Net Placement Proceeds were originally intended to be utilised for the Company's general working capital purposes. Please refer to the Subscription Announcement released by the Company on even date for more information on the Subscription.

4. The Board is of the view that the utilisation of the Net Placement Proceeds as mentioned in paragraph 3 above is in the best interests of the Company and its shareholders for the following reasons:

   (i) As mentioned in the Subscription Announcement, as a fund management company that is registered with the Monetary Authority of Singapore ("**MAS**"), ACPAM, the principal subsidiary of the Company, is required by the MAS to maintain a certain level of base capital at all times ("**Base Capital Requirement**");

   (ii) The purpose of the Subscription, and the corresponding increase in the capital of ACPAM, is to assist enable ACPAM to recapitalise and to comply with its Base Capital Requirement; and

   (iii) ACPAM is one of the only two subsidiaries of the Company. Further, ACPAM is the principal as well as the sole operating subsidiary of the Group as at the date of this Announcement. In the event that ACPAM fails to meet its Base Capital Requirement, it will have to notify the MAS of such failure and it may have to cease its fund management activities until such time as advised by the MAS.

5. Following the utilisation of the sum of S$189,819 for the Subscription, the balance of the unutilised Net Placement Proceeds amounts to S$1,348,290.39.

6. The Company will make further announcements on the use of the balance of the Net Placement Proceeds as and when they are materially disbursed, and will provide a status report on the use of the Net Placement Proceeds in its annual report.

BY ORDER OF THE BOARD

Tan Choon Wee
Interim CEO and Executive Chairman

7 February 2019

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*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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