

PINE CAPITAL GROUP LIMITED
(Formerly known as "OLS Enterprise Ltd.")
Company Registration No. 196800320E
(Incorporated in the Republic of Singapore)
(the "**Company**")

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 917,646,050 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ("RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.0025 FOR EACH RIGHTS SHARE AND UP TO 293,646,736 FREE DETACHABLE WARRANTS ("WARRANTS"), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW SHARE (AS DEFINED HEREIN) AT AN EXERCISE PRICE OF S\$0.002 ON THE BASIS OF TWENTY-FIVE (25) RIGHTS SHARES FOR EVERY ONE HUNDRED (100) SHARES HELD BY THE SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), AND EIGHT (8) WARRANTS FOR EVERY TWENTY-FIVE (25) RIGHTS SHARES SUBSCRIBED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS AND WARRANTS ISSUE")

1. INTRODUCTION

The board of directors of the Company ("**Board**" or "**Directors**") wishes to announce that the Company is proposing to undertake a renounceable non-underwritten Rights and Warrants Issue of up to 917,646,050 **Rights Shares** at an issue price of S\$0.0025 for each Rights Share (the "**Issue Price**"), with up to 293,646,736 free Warrants, each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**Warrants Share**" or "**New Share**") at an exercise price of S\$0.002 for each New Share (the "**Exercise Price**"), on the basis of twenty-five (25) Rights Shares for every one hundred (100) Shares held by the shareholders of the Company ("**Shareholders**") as at a time and date to be determined by the Directors for the purpose of determining the Shareholders' entitlements under the Rights and Warrants Issue (the "**Books Closure Date**"), with eight (8) Warrants for every twenty-five (25) Rights Shares subscribed by Shareholder(s), fractional entitlements to be disregarded (the "**Rights and Warrants Issue**"). Please refer to paragraph (3) below for the rationale of the Rights and Warrants Issue and use of proceeds.

The issue of the Rights Shares with Warrants is proposed to be made pursuant to the authority granted by the shareholders of the Company under the share issue mandate ("**Share Issue Mandate**") at the Annual General Meeting of the Company held on 28 July 2017 ("**2017 AGM**"), pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of Section B: Rules of Catalist of the Listing Manual ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Share Issue Mandate authorised, *inter alia*, the Directors to allot and issue shares and convertible securities of not more than 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing Shareholders does not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company. As at the date of approval for the Share Issue Mandate, the Company's issued share capital comprised 2,458,343,565 Shares and the Company did not have any treasury shares. Subsequently, the Company had issued in aggregate 119,425 new Shares pursuant to the exercise of the then existing warrants which increased the Company's issued share capital to 2,458,462,990 Shares. On 12 September 2017, the Company issued 1,212,121,211 new Shares pursuant to the five (5) conditional placement agreements. The available number of Shares that may be issued on a pro rata basis to Shareholders pursuant to the Share Issue Mandate obtained at the 2017 AGM is therefore 1,246,341,779 Shares. As the number of Rights Shares and Warrants Shares to be issued pursuant to the Rights and Warrants Issue is up to 917,646,050 Rights Shares and 293,646,736 Warrants Shares, the Company will not be seeking specific approval from the Shareholders for the Rights and Warrants Issue as the basis of the Rights and Warrants Issue falls within the limit of the Share Issue Mandate.

2. DETAILS OF THE RIGHTS AND WARRANTS ISSUE

2.1 Basis of provision allotment

The Rights and Warrants Issue is proposed to be made on a renounceable non-underwritten basis to the Entitled Shareholders (as defined below), on the basis of twenty-five (25) Rights Shares for every one hundred (100) Shares as at the Books Closure Date, fractional entitlements to be disregarded, and eight (8) Warrants for every twenty five (25) Rights Shares subscribed.

2.2 Status and ranking

The Rights Shares will be payable in full upon acceptance and/or application, and when allotted and issued, will rank *pari passu* in all respects with the then existing issued Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares. For this purpose, "record date" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Central Depository (Pte) Limited ("**CDP**") or the Company, as the case may be, in order to be eligible to participate in such dividends, rights, allotments or other distributions.

2.3 Size of the Rights and Warrants Issue

As at the date of this announcement, the existing issued and paid up share capital of the Company ("**Existing Share Capital**") comprises 3,670,584,201 Shares and the Company has no outstanding convertible securities.

For illustration purposes only, assuming that the Rights and Warrants Issue is fully subscribed, an aggregate of 917,646,050 Rights Shares with 293,646,736 Warrants will be issued pursuant to the Rights and Warrants Issue.

2.4 Issue Price and Exercise Price

The Issue Price of S\$0.0025 for each Rights Share and the Exercise Price of S\$0.002 per Warrant represents:

- (i) a discount of approximately 37.5% and 50.0% respectively from S\$0.004 per Share, being the closing price of the Share on 7 February 2018, being the date of this announcement; and
- (ii) a discount of approximately 32.4% and 45.9% respectively from the theoretical ex-rights price of approximately S\$0.0037 per Share, based on the closing price of S\$0.004 per Share on 7 February 2018, being the date of this announcement.

2.5 Form and Subscription Rights of the Warrants

Up to 293,646,736 Warrants, to be issued free with the Rights Shares validly subscribed or applied for (as the case may be), will be in registered form and constituted by a deed poll setting out the terms and conditions of the Warrants (the "**Deed Poll**"). Each Warrant will, subject to the terms and conditions in the Deed Poll, carry the right to subscribe for one (1) Warrant Share at the Exercise Price during the exercise period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants unless such date is a date on which the register of members and/or register of warrant holders of the Company is/are closed or is not a market day, in which event the Warrants shall expire on the date prior to the closure of the register of members and/or register of warrant holders of the Company or on the immediately preceding market day, as the case may be (but excluding such period(s) during which the register of members and/or the register of warrant holders of the Company may be closed) (the "**Exercise Period**"). Any Warrant remaining unexercised at the end of the Exercise Period shall lapse and cease to be valid for all purposes.

In arriving at the number of Warrants to be issued and allotted pursuant to the subscription of Rights Shares, fractional entitlements to the Warrants, if any, will be disregarded, and will be disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the Catalist Board of the SGX-ST under the book-entry (scripless) settlement system, subject to there being a sufficient spread of holdings of the Warrants to provide an orderly market for the Warrants.

The Warrants Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions, the record date of which falls on or after the date of issue of the Warrants Shares, save as may be otherwise provided in the Deed Poll.

The Exercise Price and the number of Warrants to be held by each holder of the Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company.

2.6 Undertaking

In connection with the Rights and Warrants Issue, the Directors have approached and received from each of Messrs Lee Thiam Seng, Tay Kwong Hua, and Teo Yong Ping (the “**Undertaking Persons**”) irrevocable undertakings (“**Irrevocable Undertakings**”) to apply for and pay in full the application for such number of Excess Rights Shares with Warrants (“**Undertaken Excess Rights Shares with Warrants**”) pursuant to the Rights and Warrants Issue as stipulated below.

Pursuant to the Irrevocable Undertakings each of the Undertaking Persons has *inter-alia* undertaken:

- (a) to be registered as a Shareholder in the register of members of the Company or the records of CDP (as the case may be) on the date falling three (3) market days prior to the Books Closure Date, and to be the legal and beneficial owner of such Shares owned;
- (b) to subscribe for and pay in full such number of Undertaken Excess Rights Shares with Warrants, excluding their pro-rata entitlement to the Rights Shares, at the Issue Price as set out in the table below;
- (c) that commencing from the date of the respective Irrevocable Undertakings until the close of the Rights and Warrants Issue but before the allotment and issue of the Rights Shares and Warrants, their respective direct and indirect interest in the Shares will not exceed 5% of the total number of Shares; and
- (d) to provide the Company such confirmations and documents acceptable to the Directors that he has sufficient financial resources to fulfil the obligations pursuant to the Irrevocable Undertakings and as set out in the table below.

Details of the number of Shares to be held as at the date of this announcement, and the number of Undertaken Excess Rights Shares with Warrants, of each of the Undertaking Persons pursuant to their Irrevocable Undertakings are as follows:

Undertaking Persons	Number of Shares held as at the date of this announcement	As a percentage of the Existing Issued Share Capital (%)	Undertaken Right Shares with Warrants	Undertaken Amount (S\$)
Lee Thiam Seng	101,010,101	2.75%	Up to 240,000,000 Right Shares with up to 76,800,000 Warrants	600,000
Tay Kwong Hua ⁽¹⁾	2,900,000	0.08%	Up to 180,000,000 Rights Shares with up to 57,600,000 Warrants	450,000
Teo Yong Ping	530,000	0.01%	Up to 180,000,000 Rights Shares with up to 57,600,000 Warrants	450,000
TOTAL	104,440,101	2.85%	Up to 600,000,000 Rights Shares with up to 192,000,000 Warrants	1,500,000

Note:

(1) 2,900,000 Shares is held by China Equity Investment Ltd ("**China Equity**"). Mr. Tay Kwong Hua holds 100% equity interest in China Equity. Accordingly, Mr Tay Kwong Hua is deemed interested in the Shares held by China Equity by virtue of Section 7 of the Companies Act.

For the avoidance of doubt, Shareholders should note that the Undertaking Persons are not obliged to subscribe for each of their pro-rata entitlements for the Rights Shares and Warrants pursuant to the Irrevocable Undertakings.

As set out above, the aggregate sum of the Undertaken Excess Rights Shares with Warrants amounts to up to 600,000,000 Rights Shares (together with up to 192,000,000 Warrants), representing approximately 65.4% of the total number of Rights Shares and Warrants available under the Proposed Rights and Warrants Issue.

For the avoidance of doubt, the obligations pursuant to the Irrevocable Undertakings will cease in the event that by the closing date of the Rights and Warrants Issue, valid acceptances and/or applications for 917,646,050 Rights Shares with 293,646,736 Warrants have been received.

The Irrevocable Undertakings and this Rights and Warrants Issue will not result in any of the Undertaking Persons or such other Shareholders being obliged to make a mandatory general offer under the Code as a result of other Persons not taking up their Rights Shares entitlements. Pursuant to Rule 803 of the Catalist Rules, an issuer must not issue securities to transfer a controlling interest without prior approval of its shareholders in a general meeting. Depending on

the level of subscription for the Rights Shares and applications for Excess Rights Shares with Warrants, the Company will, if necessary, and upon the approval of the SGXST and/or the Sponsor, scale down the excess applications for the Undertaken Excess Rights Shares by any of the Undertaking Persons (or Excess Rights Shares with Warrants applications from any other Shareholder) to avoid the Company issuing securities to any of them to transfer a controlling interest.

None of the Undertaking Persons is related to any other Undertaking Persons. In addition, none of the Undertaking Persons is related to any of the Directors, Substantial Shareholders and their respective associates.

Lee Thiam Seng and Teo Yong Ping are existing Shareholders of the Company holding 101,010,101 Shares (or approximately 2.75% of the existing issued Share capital, and 530,000 Shares (or approximately 0.08% of the existing issued Share capital), respectively. By virtue of Section 7 of the Companies Act of Singapore, Tay Kwong Hua is deemed interested in the 2,900,000 Shares (or approximately 0.08% of the existing issued Share capital) held by China Equity.

Subject to Catalist Rules in the allotment of Excess Rights Shares with Warrants, preference will be given to Entitled Shareholders (including the Undertaking Persons) in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day to-day affairs of the Company or the terms of the Proposed Rights and Warrants Issue, or have representation (direct or through a nominee) on the Board, will either be ineligible for Excess Rights Shares, or if eligible, rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

Based on the Existing Share Capital, and assuming that all Entitled Shareholders subscribe for and pay in full for their respective entitlements for the Rights Shares with Warrants, the Undertaking Persons will not be allocated any Excess Rights Shares with Warrants pursuant to the Irrevocable Undertakings.

In consideration of the Irrevocable Undertakings provided by the Undertaking Persons, the Company shall, subject to (i) successful closing of the Rights and Warrants Issue and; (ii) each Undertaking Persons having fulfilled all (and not part of) his obligations under the Irrevocable Undertakings, pay to the Undertaking Persons (or his nominee(s) as he may instruct in writing) the following amounts as commission:

Undertaking Person	Commission
Lee Thiam Seng	S\$30,000
Tay Kwong Hua	S\$22,500
Teo Yong Ping	S\$22,500

In view of fact that the Irrevocable Undertakings will allow the Company to raise a minimum of S\$1.5 million in gross proceeds, Directors are of the view that the Irrevocable Undertakings (including commission payable to the Undertaking Persons), which were negotiated on an arms-length basis, are on normal commercial terms and in the best interest of the Company and Shareholders.

The obligations under the Irrevocable Undertakings shall lapse if the Rights and Warrants Issue do not proceed for any reason.

2.7 Approvals

The Rights and Warrants Issue is subject to and conditional upon, *inter alia*, the following:

- (i) the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, Warrants and Warrants Shares on the Catalist Board of the SGX-ST having been obtained (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights and Warrants Issue), and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
- (ii) the lodgement of the offer information statement together with all other accompanying documents (if applicable) in connection with the Rights and Warrants Issue (the “**Offer Information Statement**”) with the SGX-ST acting as agent of the Monetary Authority of Singapore (“**MAS**”); and
- (iii) all other necessary approvals, consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights and Warrants Issue and to give effect to the Rights and Warrants Issue, being obtained and not having been withdrawn or revoked before the completion of the Rights and Warrants Issue.

The Company will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares, Warrants and Warrants Shares on the Catalist Board of the SGX-ST.

The terms and conditions of the Rights and Warrants Issue are subject to such changes as the Directors may deem fit, in the interest of the Company. and the final terms and conditions of the Rights and Warrants Issue will be contained in the Offer Information Statement (and all its accompanying application forms including any supplementary or replacement documents) to be issued and despatched by the Company to Shareholders in due course.

The Offer Information Statement will be lodged with the SGX-ST acting as agent of the MAS and despatched to Entitled Shareholders (as defined below) in due course following, *inter alia*, the receipt of approval in-principle from the SGX-ST. Any approval in-principle granted by the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, Warrants and Warrants Shares will be subject to such conditions (if any) stated therein, and should not be taken as an indication of the merits of the Rights and Warrants Issue, the Rights Shares, the Warrants, the Warrants Shares, the Company, its subsidiaries and/or their securities.

Appropriate announcements in relation to *inter alia* the above application, updates of expression of interest (where applicable), intention and undertakings (where applicable), and lodgment and despatch of the Offer Information Statement will be made in due course.

2.8 Non-Underwritten Basis

In view of the Irrevocable Undertakings which will allow the Company to raise a minimum of S\$1.5 million in gross proceeds, the Company has decided to proceed with the Rights and Warrants Issue without having the Rights and Warrants Issue being underwritten by any financial institution.

3. RATIONALE AND USE OF PROCEEDS

3.1 Rationale

The Company is undertaking the Rights and Warrants Issue to strengthen and augment the financial performance and position and cash resources of the Group, and to provide working capital for the Group. In addition, the Group intends to utilize the net proceeds from the Rights and Warrants Issue to fund the recently approved new core business being financial services with a primary focus in asset management and for working capital requirements.

The Rights and Warrants Issue will also provide Shareholders with an opportunity to further or continue to participate in the new business direction of the Company, and for general corporate activities including, but not limited to, the new business developments, acquisitions, joint ventures and/or strategic alliances.

3.2 Use of Net Proceeds and shareholdings

	Maximum Subscription Scenario	Minimum Subscription Scenario
Existing no. of Shares	3,670,584,201	3,670,584,201
Rights Shares	917,646,050	600,000,000
Warrants	293,646,736	192,000,000
Net Proceeds (S\$' million)	2.0	1.3
Enlarged Share Capital after Rights and Warrants Issue	4,588,230,251	4,270,584,201
Enlarged Share Capital after Rights and Warrants Issue and exercise of Warrants issued	4,881,876,987	4,462,584,201

For illustrative purposes only, the maximum subscription scenario (the “**Maximum Subscription Scenario**”) describes the subscription for the Rights and Warrants Issue via the issue and allotment of 917,646,050 Rights Shares with 293,646,736 Warrants, based on the assumption that all Entitled Shareholders (as defined below) subscribe in full for their pro-rata Rights Shares with Warrants entitlements.

Under the Maximum Subscription Scenario, the estimated net proceeds from the subscription of the Rights and Warrants Issue (without taking into account the proceeds from the exercise of the Warrants) will be approximately S\$2.0 million, after deducting estimated expenses of S\$0.2 million.

For illustrative purposes only, the minimum subscription scenario (the “**Minimum Subscription Scenario**”) describes the application and payment in full for all the Undertaken Rights Shares with Warrants pursuant to the Irrevocable Undertakings and via the issue and allotment of 600,000,000 Rights Shares with 192,000,000 Warrants, based on the assumption that none of the Entitled Shareholders the subscribe for any Rights Shares with Warrants or apply for any Excess Rights Shares with Warrants other than the Undertaking Persons who applies validly for such number of Excess Rights Shares with Warrants pursuant to their Irrevocable Undertakings. For the Minimum Subscription Scenario, it is assumed that Undertaking Persons do not subscribe for any of their prorata entitlement of their Rights Shares with Warrants.

Under the Minimum Subscription Scenario, the estimated net proceeds from the subscription of the Rights and Warrants Issue (without taking into account the proceeds from the exercise of the Warrants) will be approximately S\$1.3 million, after deducting estimated expenses of S\$0.2 million.

The shareholdings of Undertaking Persons, Directors and substantial Shareholders in event of Minimum Subscription Scenario are detailed as follows.

	Shareholdings as at the date of this announcement		Number of Rights Shares	Number of Warrants	Shareholdings after Rights with Warrants Issue before exercise of Warrants	
	No of Shares	%			No of Shares	%
Undertaking Persons						
Lee Thiam Seng	101,010,101	2.75%	240,000,000	76,800,000	341,010,101 ⁽⁴⁾	7.99%
Teo Yong Ping	530,000	0.01%	180,000,000	57,600,000	180,530,000 ⁽⁴⁾	4.23%
Tay Kwong Hua ⁽¹⁾	2,900,000	0.08%	180,000,000	57,600,000	182,900,000 ⁽⁴⁾	4.28%
Substantial Shareholders						
Advance Opportunities Fund ("AOF")	263,905,926	7.19%	-	-	263,905,926	6.18%
Pine Partners Pte Ltd ("Pine Partners")	737,600,505	20.09%	-	-	737,600,505	17.27%
Lin Kok Peng	505,050,505	13.76%	-	-	505,050,505	11.83%
Sun Wei Yeh ⁽²⁾	737,600,505	20.09%	-	-	737,600,505	17.27%
Directors						
Tan Choon Wee ⁽³⁾	263,905,926	7.19%	-	-	263,905,926	6.18%
Philip Wong Yee Teng	-	-	-	-	-	-
Chong Chee Hoong	-	-	-	-	-	-
Roy Ling Chung Yee	-	-	-	-	-	-
Other Shareholders	2,059,587,164	56.11%	-	-	2,059,587,164	48.23%
TOTAL	3,670,584,201	100%	600,000,000	192,000,000	4,270,584,201	100%

Notes:

- (1) Tay Kwong Hua is deemed interested in the Shares held by China Equity Investment Ltd. by virtue of Section 7 of the Companies Act.
(2) Sun Wei Yeh is deemed interested in the Shares held by Pine Partners by virtue of Section 7 of the Companies Act.
(3) Tan Choon Wee is deemed interested in the Shares held by AOF by virtue of Section 7 of the Companies Act.
(4) Assuming that the Undertaking Persons do not subscribe for their pro-rata entitlement of Rights Shares.

Shareholders (other than the Undertaking Persons, Directors, and substantial Shareholders) should note that in the event of the Minimum Subscription Scenario, their aggregate percentage shareholdings interest in the Company will decline from 56.11% to 48.23%.

The Company intends to utilise the gross proceeds from the Rights and Warrants Issue after deducting expenses for the Rights and Warrants Issue ("**Net Proceeds**") for general working capital, business expansion, acquisitions or investments (inter-alia products offered by registered fund management company and short term investment).

Based on the Minimum and Maximum Subscription Scenarios, an aggregate of 192,000,000 to 293,646,736 Warrants will be issued. If these Warrants are exercised at the Exercise Price, the estimated additional gross proceeds from the exercise of the Warrants will be approximately S\$0.38 to S\$0.59 million ("**Exercise Proceeds**").

As and when the Warrants are exercised, the Exercise Proceeds, at the discretion of the Directors, will be used to fund general corporate activities including, but not limited to, new business developments, acquisitions, joint ventures and/or strategic alliances.

Pending usage of the Net Proceeds and/or the Exercise Proceeds, such proceeds may be placed as deposits with financial institutions in short term money markets, including products offered by registered fund management company or debt instruments or marketable securities or for any other purposes on a short term basis as the Directors may, in their absolute discretion, deem fit.

The Company will make periodic announcements on the utilisation of the Net Proceeds and Exercise Proceeds, as and when such proceeds are materially disbursed or utilised, and provide a status report on the utilisation of the Net Proceeds and Exercise Proceeds in the annual report of the Company. Where there is a material deviation in the use of Net Proceeds and Exercise

Proceeds, the Company will announce the reasons for such deviation. Where the Net Proceeds and Exercise Proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on its use for working capital in the Company's announcements and in the annual report.

4. DIRECTORS' OPINION

For the purposes of Rule 814(1)(e) of the Catalist Rules, as at the date of this announcement, and barring unforeseen circumstances, the Directors are of the opinion that:

- (a) Taking into account the cash resources available to the Group, cash used in operating activities for the Group as well as positive outcome of on-going negotiations between the Company and the vendor of BSDCN Pte. Ltd. for the outstanding amount due to the vendor pursuant to the acquisition as announced 13 September 2017 and barring unforeseen circumstances, the current working capital available to the Group is sufficient to meet its present requirements.
- (b) Taking into account the cash resources available to the Group, cash used in operating activities for the Group as well as positive outcome of on-going negotiations between the Company and the vendor of BSDCN Pte. Ltd. for the outstanding amount due to the vendor pursuant to the acquisition as announced 13 September 2017 and the potential Net Proceeds from the Rights and Warrants Issue based on the Minimum Subscription Scenario, the working capital available to the Group is sufficient to meet its present requirements.

5. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS AND WARRANTS ISSUE

The Company proposes to provisionally allot the Rights Shares with Warrants to all Shareholders who are eligible to participate in the Rights and Warrants Issue (the "**Entitled Shareholders**"), which comprises Entitled Depositors and Entitled Scripholders, excluding Foreign Shareholders (all as defined below).

5.1 Entitled Depositors

Shareholders whose Shares are registered in the name of CDP and whose securities accounts with CDP ("**Securities Accounts**") are credited with Shares as at the Rights Books Closure Date and whose registered addresses with CDP are in Singapore as at the Rights Books Closure Date (the "**Depositors**") will be provisionally allotted the Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their Securities Accounts as at the Rights Books Closure Date.

To be "**Entitled Depositors**", Depositors must have registered addresses in Singapore with CDP as at the Rights Books Closure Date, or if they have registered addresses outside Singapore, they must provide CDP at 9 North Buona Vista Drive #01-19/20 The Metropolis, Singapore 138588 with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Rights Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants entitlements.

5.2 Entitled Scripholders

Shareholders whose Shares are not registered in the name of CDP but whose names appear in the Register of Members of the Company with registered addresses in Singapore as at the Rights Books Closure Date (the "**Scripholders**") will be provisionally allotted Rights Shares with Warrants on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Rights Books Closure Date.

To be "**Entitled Scripholders**", Scripholders must have registered addresses in Singapore with the Company as at the Rights Books Closure Date, or if they have registered addresses outside Singapore, must provide the Company's share registrar ("**Share Registrar**"), B.A.C.S. Private Limited at 8 Robinson Road, #03-00, ASO Building Singapore 048544 with addresses in

Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Rights Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants entitlements.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Rights Books Closure Date by the Share Registrar, will be registered to determine the transferee's provisional allotments of Rights Shares with Warrants entitlements.

5.3 Participation in the Rights and Warrants Issue

Entitled Scripholders and Entitled Depositors will be entitled to participate in the Rights and Warrants Issue and to receive the Offer Information Statement together with the application form for rights shares and excess rights shares (“**ARE**”) or provisional allotment letter (“**PAL**”), as the case may be, and its accompanying documents at their respective registered addresses in Singapore.

Entitled Scripholders who do not receive the Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment for, and renunciation of (as may be applicable), the Rights Shares with Warrants under the Rights and Warrants Issue through CDP or the Share Registrar (as may be applicable); or the last time and date to be determined by the Directors for acceptance and/or excess application and payment for the Rights Shares with Warrants under the Rights and Warrants Issue through an electronic application (as may be applicable) (“**Closing Date**”). Entitled Depositors who do not receive the Offer Information Statement and the AREs may obtain them from CDP during the period up to the Closing Date.

5.4 Excess Rights Shares with Warrants

Subject to Catalist Rules, provisional allotments of Rights Shares with Warrants which are not taken up or allotted for any reason, will be aggregated as excess Rights Shares with Warrants (the “**Excess Rights Shares with Warrants**”) to satisfy applications for such Excess Rights Shares with Warrants from Shareholders and Undertaking Persons (as may be applicable) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. Subject to Catalist Rules, in the allotment of Excess Rights Shares with Warrants, preference will be given to the rounding of odd lots. Directors and substantial shareholders of the Company (“**Substantial Shareholders**”) who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights and Warrants Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants.

The Company will not make any allotment and issue of any Excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

5.5 Provisional allotments and excess applications

Entitled Shareholders will be provisionally allotted the Rights Shares with Warrants under the Rights and Warrants Issue on the basis of their shareholdings as at the Rights Books Closure Date. They are at liberty to accept, decline, renounce or in the case of Entitled Depositors only, trade on the Catalist Board of SGX-ST (during the provisional allotment trading period as prescribed by the SGX-ST) their provisional allotments of Rights Shares with Warrants and are eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights and Warrants Issue. Entitled Depositors who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants (as defined below) may only do so through CDP or by way of an electronic application (as may be applicable).

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at Shareholders' entitlements and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

5.6 Option to scale down subscription

Depending on the level of subscription for the Rights Shares with Warrants and/or the applications for Excess Rights Shares with Warrants, the Company will, if necessary, scale down the subscription Rights Shares with Warrants and/or excess applications for the Excess Rights Shares with Warrants by any of the Shareholders (if such Shareholder chooses to subscribe for its pro-rata Rights Shares with Warrants entitlement and/or apply for Excess Rights Shares with Warrants) to, *inter alia*, avoid placing the relevant Shareholder and parties acting in concert with him (as defined in the Singapore Code on Take-overs and Mergers ("**Code**") in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up their Rights Shares with Warrants entitlements fully. The terms and conditions for the Rights and Warrants Issue (where applicable) may be subject to such waivers or consents or confirmation or approvals from such other regulatory authorities in Singapore including, *inter-alia*, the Securities Industry Council.

5.7 Dealings/ transactions for provisional allotments

All dealings in and transactions of the provisional allotments of the Rights Shares with Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs if any to be issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the Catalist Board of SGX-ST.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update its records or to effect any change in address must reach CDP at least three (3) market days before the Rights Books Closure Date. Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses in the Register of Members.

Entitled Scripholders (where applicable) are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP before the Rights Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and their provisional allotments of Rights Shares with Warrants. Entitled Scripholders should note that their Securities Accounts will only be credited with the Rights Shares on the 12th market day or such number of market days as may be required and determined by CDP, from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

Details for the Rights and Warrants Issue will be set out in the circular to be despatched to Shareholders in due course.

Full details of the Rights and Warrants Issue, including an indicative timetable of key events will be set out in the Offer Information Statement to be despatched to the Entitled Shareholders in due course.

5.8 CPF investment scheme

Persons who bought their Shares previously using their Central Provident Fund ("**CPF**") account savings (the "**CPF Funds**") may use the same for the payment of the Issue Price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants, subject to the applicable rules and regulations of the CPF. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants will need to instruct their respective approved banks where they hold their CPF investment accounts, to accept their provisional allotment of Rights Shares with Warrants and (if applicable) apply for the Excess Rights Shares with Warrants on their behalf in accordance with the Offer Information Statement.

CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

5.9 Foreign Shareholders

The Offer Information Statement and its accompanying documents relating to the Rights and Warrants Issue will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders whose registered addresses with the Company and the CDP are outside Singapore as at the Rights Books Closure Date and who have not, by 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Rights Books Closure Date, provided to the Share Registrar or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights and Warrants Issue. No provisional allotment of Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance of the provisional allotments of Rights Shares with Warrants or application for Excess Rights Shares with Warrants by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents relating to the Rights and Warrants Issue will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares with Warrants credited by CDP to their Securities Accounts should make the necessary arrangements with their depository agents or stockbrokers in Singapore.

The Company reserves the right to reject any acceptances of the provisional allotments of the Rights Shares with Warrants and/or applications for Excess Rights Shares with Warrants where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction. The Company further reserves the right to treat as invalid any ARE, application form for rights shares with warrants ("**ARS**") or PAL where applicable which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares with Warrants or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore or (c) purports to exclude any deemed representation or warranty.

Foreign Shareholders who wish to be eligible to participate in the Rights and Warrants Issue may provide a Singapore address by notifying in writing, as the case may be, (i) CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, or (ii) the Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00, ASO Building Singapore 048544, not later than three (3) market days before the Rights Books Closure Date.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as

the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Rights Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than \$10.00, such net proceeds will be retained for the sole benefit of the Company or dealt with as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the manager (where applicable), the Share Registrar, the board of the Central Provident Fund established under the Central Provident Fund Act (Cap. 36) as amended or modified from time (“**CPF Board**”) or the CDP or their respective officers in connection therewith.

Where such provisional allotments of Rights Shares with Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the manager (where applicable), the Share Registrar, the CPF Board or the CDP or their respective officers in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares with Warrants or the Rights Shares with Warrants represented by such provisional allotments.

If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the Rights Shares with Warrants represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the manager (where applicable), the Share Registrar, the CPF Board or the CDP or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares with Warrants unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in those territories.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation (where applicable) and/or sale of the provisional allotments of Rights Shares with Warrants and for application of Excess Rights Shares with Warrants pursuant to the Rights and Warrants Issue will be set out in the Offer Information Statement and its accompanying documents to be despatched by the Company to Entitled Shareholders in due course.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or Substantial Shareholders, as well as their associates, has any interest, direct or indirect, in the Rights and Warrants Issue (other than through their respective shareholdings in the Company) or in the Irrevocable Undertakings or the Commission. Furthermore none of the Directors or Substantial Shareholders well as their associates are related to any of the Undertaking Persons.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Irrevocable Undertakings are available for inspection at the registered office of the Company at 8 Robinson Road, #13-00, ASO Building Singapore 048544 during normal business hours for a period of three (3) months from the date of this announcement.

8. RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually 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 about the Rights and Warrants Issue, 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. Where information in the announcement 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 OF PINE CAPITAL GROUP LIMITED

Philip Wong Yee Teng
Executive Director and Chief Executive Officer

07 February 2018

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.

*The contact person for the Sponsor is Mr Liao H.K..
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