

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## PINE TECHNOLOGY HOLDINGS LIMITED

### 松景科技控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1079)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

The board (the “**Board**”) of directors (the “**Director(s)**”) of PINE Technology Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 31 December 2021 (the “**Period**”) together with the comparative figures for the corresponding period of the financial year ended 30 June 2021 and the relevant explanatory notes.

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2021

		<b>Six months ended</b>	
		<b>31 December</b>	
		<b>2021</b>	<b>2020</b>
	<i>NOTES</i>	<i>US\$'000</i>	<i>US\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	3	<b>5,258</b>	8,652
Cost of sales		<b>(2,961)</b>	(6,179)
<b>Gross profit</b>		<b>2,297</b>	2,473
Other income		<b>35</b>	162
Other (losses)/gain, net		<b>(11)</b>	978
Selling and distribution expenses		<b>(162)</b>	(170)
General and administrative expenses		<b>(2,260)</b>	(4,524)
Finance costs		<b>(87)</b>	(92)
<b>Loss before income tax</b>	4	<b>(188)</b>	(1,173)
Income tax expense	5	<b>(4)</b>	(39)
<b>Loss for the period</b>		<b>(192)</b>	(1,212)

\* For identification purposes only

		<b>Six months ended</b>	
		<b>31 December</b>	
		<b>2021</b>	<b>2020</b>
	<i>NOTES</i>	<i>US\$'000</i>	<i>US\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>95</u>	<u>485</u>
<b>Total comprehensive loss for the period</b>		<b><u>(97)</u></b>	<b><u>(727)</u></b>
<b>(Loss)/profit for the period attributable to:</b>			
Owners of the Company		<u>(487)</u>	<u>(1,340)</u>
Non-controlling interests		<u>295</u>	<u>128</u>
		<b><u>(192)</u></b>	<b><u>(1,212)</u></b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>			
Owners of the Company		<u>(394)</u>	<u>(913)</u>
Non-controlling interests		<u>297</u>	<u>186</u>
		<b><u>(97)</u></b>	<b><u>(727)</u></b>
<b>Loss per share</b>	<b>7</b>		
Basic and diluted ( <i>US cents</i> )		<b><u>(0.04)</u></b>	<b><u>(0.10)</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

		31 December 2021 US\$'000 (Unaudited)	30 June 2021 US\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		309	391
Right-of-use assets		183	282
Goodwill		7,985	7,985
Intangible assets		9,643	10,380
Rental deposits		–	94
		18,120	19,132
<b>Current assets</b>			
Trade and other receivables	8	2,216	4,729
Loan receivables	9	9,534	10,539
Contract assets and contract costs		978	431
Tax recoverable		–	1
Bank balances and cash		8,700	4,784
		21,428	20,484
<b>Current liabilities</b>			
Trade and other payables	10	1,796	1,852
Contract liabilities		531	677
Tax payable		451	349
Lease liabilities		194	200
Bank borrowings		1,833	881
		4,805	3,959
<b>Net current assets</b>		16,623	16,525
<b>Total assets less current liabilities</b>		34,743	35,657

	<b>31 December</b>	30 June
	<b>2021</b>	2021
<i>NOTES</i>	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current liabilities</b>		
Lease liabilities	–	91
Bank borrowings	–	616
Deferred tax liabilities	<b>1,447</b>	1,557
	<u>1,447</u>	<u>2,264</u>
<b>NET ASSETS</b>	<b><u>33,296</u></b>	<b><u>33,393</u></b>
<b>Capital and reserves</b>		
Share capital	<b>17,045</b>	17,045
Reserves	<b>9,093</b>	9,489
	<u>26,138</u>	<u>26,534</u>
Equity attributable to owners of the Company	<b>26,138</b>	26,534
Non-controlling interests	<b>7,158</b>	6,859
	<u>33,296</u>	<u>33,393</u>
<b>TOTAL EQUITY</b>	<b><u>33,296</u></b>	<b><u>33,393</u></b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability under the Companies Law of Bermuda and its shares are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of the Company’s principal place of business in Hong Kong is Unit B, 12/F., Central 88, 88–98 Des Voeux Road Central, Central, Hong Kong.

The principal activities of the Group are the manufacturing and sales of high-quality computer components, consumer electronic products and others, provision of money lending service, trading business and computer software and hardware and system development business. The Company is an investment holding company.

The condensed consolidated interim financial statements are presented in United States dollars (“**US\$**”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and with Hong Kong Accounting Standards (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 30 June 2021.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the Period are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2021.

### **Adoption of New and Revised Hong Kong Financial Reporting Standards (“**HKFRSs**”)**

In the Period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 July 2021. HKFRSs comprise Hong Kong Financial Reporting Standards; HKAS; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the six months ended 31 December 2021 and prior periods.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

### 3. REVENUE AND SEGMENT INFORMATION

The Group's operating segments, based on information reported to the board of Directors (being the chief operating decision maker ("CODM")), for the purposes of resources allocation and performance assessment are as follows:

Group's brand products	– manufacture and sales of market video graphics cards and other computer components under the Group's brand name
Other brand products	– distribution of other manufacturers' computer components and consumer electronic products and others
Money lending service	– money lending service in Hong Kong
Trading business	– trading of chemical products in the People's Republic of China (the "PRC")
Computer software and hardware and system development	– provision of computer software and hardware and system development service in the PRC

For management purpose, the Group is organised into business units based on their products and services. The management of the Group monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss which in certain respects, as explained in the table below, is measured differently from the operating profit or loss in the condensed consolidated statement of profit or loss.

For the purposes of monitoring segment performance and allocating resources between segments, the CODM also reviews other segment information.

An analysis of the Group's unaudited revenue and results for the Period and its comparatives are as follows:

#### 2021

	Group's brand products <i>US\$'000</i> (Unaudited)	Other brand products <i>US\$'000</i> (Unaudited)	Money lending service <i>US\$'000</i> (Unaudited)	Trading business <i>US\$'000</i> (Unaudited)	Computer software and hardware and system development <i>US\$'000</i> (Unaudited)	Consolidated <i>US\$'000</i> (Unaudited)
REVENUE	–	–	789	–	4,469	5,258
SEGMENT RESULT	–	–	761	(4)	224	981
Interest income						1
Unallocated corporate expenses						(1,122)
Finance costs						(48)
Loss before income tax						(188)

2020

	Group's brand products <i>US\$'000</i> (Unaudited)	Other brand products <i>US\$'000</i> (Unaudited)	Money lending service <i>US\$'000</i> (Unaudited)	Trading business <i>US\$'000</i> (Unaudited)	Computer software and hardware and system development <i>US\$'000</i> (Unaudited)	Consolidated <i>US\$'000</i> (Unaudited)
REVENUE	<u>2</u>	<u>4,294</u>	<u>574</u>	<u>–</u>	<u>3,782</u>	<u>8,652</u>
SEGMENT RESULT	<u>(1,527)</u>	<u>(403)</u>	<u>1,404</u>	<u>(6)</u>	<u>621</u>	89
Interest income						1
Unallocated corporate expenses						(1,186)
Finance costs						<u>(77)</u>
Loss before income tax						<u>(1,173)</u>

#### 4. LOSS BEFORE INCOME TAX

	<b>Six months ended</b>	
	<b>31 December</b>	
	<b>2021</b>	2020
	<i>US\$'000</i>	<i>US\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Loss before income tax has been arrived at after charging/(crediting):		
Amortisation of intangible assets	<b>741</b>	741
Depreciation and amortisation	<b>188</b>	203
Reversal of impairment loss on trade receivable	<u>–</u>	<u>(206)</u>

## 5. INCOME TAX EXPENSE

	Six months ended	
	31 December	
	2021	2020
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
The charge/(credit) comprises:		
Hong Kong Profits Tax	–	1
The PRC enterprise income tax	114	161
Other jurisdictions	–	10
	<hr/>	<hr/>
	114	172
Deferred tax	(110)	(133)
	<hr/>	<hr/>
	4	39
	<hr/> <hr/>	<hr/> <hr/>

For the Period and prior periods, Hong Kong Profits Tax is calculated under two-tier profits tax rate regime. First HK\$2 million of estimated assessable profits is taxed at a rate of 8.25% and the remaining estimated assessable profits is taxed at 16.5%. The Group has selected one of the Hong Kong subsidiaries to apply the two-tier profits tax rate.

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% from 1 January 2008 onwards.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

## 6. DIVIDEND

No dividend was paid or proposed for the Period (six months ended 31 December 2020: Nil). The Directors do not recommend a dividend in respect of the Period (six months ended 31 December 2020: Nil).

## 7. LOSS PER SHARE

### Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the Period attributable to owners of the Company of approximately US\$487,000 (six months ended 31 December 2020: approximately US\$1,340,000) and the weighted average number of ordinary shares of 1,326,702,000 (six months ended 31 December 2020: 1,326,702,000) in issue during the Period.

### Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the Period (six months ended 31 December 2020: anti-dilutive).

## 8. TRADE AND OTHER RECEIVABLES

The Group allows a credit period of 1 to 180 days (30 June 2021: 1 to 180 days) to its trade customers. The aged analysis of trade receivables, net of allowance for doubtful debt, presented based on the invoice date at the end of the reporting period is as follows:

	<b>31 December 2021 US\$'000 (Unaudited)</b>	30 June 2021 US\$'000 (Audited)
1 to 30 days	–	1,515
31 to 60 days	–	20
61 to 90 days	<b>95</b>	56
Over 90 days	<b>725</b>	1,436
	<hr/>	<hr/>
Trade receivables, net	<b>820</b>	3,027
Deposits, prepayments and other receivables	<b>1,396</b>	1,702
	<hr/>	<hr/>
	<b>2,216</b>	4,729
	<hr/> <hr/>	<hr/> <hr/>

No trade and other receivables were pledged to secure general banking facilities granted to the Group (30 June 2021: approximately US\$185,000).

## 9. LOAN RECEIVABLES

	<b>31 December 2021 US\$'000 (Unaudited)</b>	30 June 2021 US\$'000 (Audited)
Fixed-rate loan receivables	<b>9,534</b>	10,539
	<hr/> <hr/>	<hr/> <hr/>

Unsecured loan receivables carry fixed-rate interest ranging from 8% to 12% per annum (30 June 2021: 12% per annum) and with maturity of 180 to 365 days (30 June 2021: 365 days). All amounts of principal will be receivable on respective maturity dates.

Before accepting any new borrower, the Group carries out research on the creditability of the new borrower, assesses the potential customer's credit quality and defines loan terms with the borrower. The credit of the borrowers granted with loans is reviewed once a year.

There were no loan receivables past due at the end of the reporting period. The Group reviews the recoverable amount of each individual loan receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amount. Accordingly, the Directors believe that there is no allowance or impairment required.

#### 10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period, and other payables:

	<b>31 December 2021 US\$'000 (Unaudited)</b>	30 June 2021 US\$'000 (Audited)
1 to 30 days	<b>661</b>	239
31 to 60 days	<b>216</b>	–
Over 60 days	<b>91</b>	455
	<hr/>	<hr/>
Trade payables	<b>968</b>	694
Accruals and other payables	<b>828</b>	1,158
	<hr/>	<hr/>
	<b>1,796</b>	1,852
	<hr/> <hr/>	<hr/> <hr/>

The average credit period on purchase of goods is 30 to 60 days (30 June 2021: 30 to 60 days).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the Period, the global economic environment remained affected by the 2019 Novel Coronavirus Disease (the “**COVID-19**”) pandemic, and many major economies were still affected by different levels of social distancing, lockdown and quarantine measures to contain the COVID-19 pandemic. The Group adopted a cautious and prudent approach to the business in response to different kinds of changes that emerged in the global markets. Thus, the business activities of the Company were generally slowed down during the Period.

### **OUTLOOK**

The COVID-19 pandemic rages on in an unpredictable way. The management expects that the business of the Group will face much more unknown challenges. The Group will make steady progress in accordance with its business plans and its actual operational conditions, so as to facilitate effective implementation of the business objectives of the Company and bring benefits from it.

Apart from the above, the Group will actively explore investment opportunities related to technology to diversify the business, thereby creating long-term value for shareholders and the Group.

### **FINANCIAL REVIEW**

#### **Review of results**

For the Period, the Group’s revenue was approximately US\$5,258,000, representing an approximate 39% decrease compared to that of approximately US\$8,652,000 in the corresponding period last year. Because of the further tightening on cost control, gross profit margin improved to approximately 44% as compared to approximately 29% in the corresponding period last year.

Operating expenses, including selling and distribution expenses and general and administrative expenses, decreased by approximately US\$2,272,000, or approximately 48%, from approximately US\$4,694,000 in the corresponding period last year to approximately US\$2,422,000 during the Period. The decline of the operating expenses was mainly resulted from further tightened control on general and administrative spending throughout the Period.

The Group’s loss before income tax decreased by approximately 84% to approximately US\$188,000 (2020: approximately US\$1,173,000).

Loss attributable to owners of the Company amounted to approximately US\$487,000 for the Period, representing a significant decrease of approximately 64% compared to approximately US\$1,340,000 for the corresponding period last year.

Basic loss per share attributable to owners of the Company for the Period improved to approximately US0.04 cents compared to approximately US0.1 cents for the corresponding period last year.

## **Segment Information**

### ***Group's brand products***

During the Period, there was no segment revenue as compared to that of approximately US\$2,000 in the corresponding period last year. There was no segment loss as compared to a loss of approximately US\$1,527,000 in the corresponding period last year.

### ***Other brand products***

During the Period, there was no segment revenue as compared to that of approximately US\$4,294,000 in the corresponding period last year. There was no segment loss as compared to a loss of approximately US\$403,000 in the corresponding period last year.

### ***Money lending service***

During the Period, the segment's revenue was approximately US\$789,000, representing an approximate 37% increase compared to that of approximately US\$574,000 in the corresponding period last year. The segment's profit was approximately US\$761,000, representing an approximate 46% decrease compared to that of approximately US\$1,404,000 in the corresponding period last year.

### ***Trading business***

During the Period, there was no revenue generated from this segment during the Period and the corresponding period last year. The segment's loss was approximately US\$4,000, representing a decrease of approximately 33% as compared to a loss of approximately US\$6,000 in the corresponding period last year.

### ***Computer software and hardware and system development***

During the Period, the segment's revenue was approximately US\$4,469,000, representing an approximate 18% increase compared to that of approximately US\$3,782,000 in the corresponding period last year. The segment's profit was approximately US\$224,000, representing a decrease of approximately 64% as compared to a profit of approximately US\$621,000 in the corresponding period last year.

## **LIQUIDITY, FINANCIAL RESOURCES AND CHARGE ON GROUP ASSETS**

During the Period, the Group continued to maintain a healthy liquidity position. The Group generally finances its operations with internally generated resources and banking facilities. The Group's cash and bank balances increased from approximately US\$4,784,000 as at 30 June 2021 to approximately US\$8,700,000 as at 31 December 2021. Bank borrowings increased from approximately US\$1,497,000 as at 30 June 2021 to approximately US\$1,833,000 as at 31 December 2021.

As at 31 December 2021, no trade and other receivables were pledged to secure general banking facilities granted to the Group (30 June 2021: approximately US\$185,000).

The Group has total current assets of approximately US\$21,428,000 as at 31 December 2021 and approximately US\$20,484,000 as at 30 June 2021. The Group's total current liabilities amounted to approximately US\$4,805,000 as at 31 December 2021 and approximately US\$3,959,000 as at 30 June 2021.

The Group's current ratio, defined as total current assets over total current liabilities, decreased from 5.2 as at 30 June 2021 to 4.5 as at 31 December 2021.

As at 31 December 2021, the gearing ratio of the Group based on total liabilities over total assets was approximately 15.8% (30 June 2021: approximately 15.7%).

The Group continued to maintain a healthy financial and cash position. The Company did not carry out any fund raising activities by issuing new shares of the Company during the first six months of this financial year.

## **TREASURY POLICIES**

The Group financed its operations by internally generated cash flows and banking facilities provided by its bankers. The Group continues to maintain a prudent approach in managing its financial requirements.

## **SHARE CAPITAL AND CAPITAL STRUCTURE OF THE COMPANY**

As at 31 December 2021, the Company had 1,326,701,739 ordinary shares (the "Shares") of HK\$0.1 each in issue (30 June 2021: 1,326,701,739 Shares).

## **FOREIGN EXCHANGE EXPOSURE**

The Group carried on its trading transactions mainly in United States dollars, Hong Kong dollars, Canadian dollars and Renminbi. It is the Group's policy to continue maintaining the balance of its sales and purchases in the same currency. The Group did not have any hedging arrangement on foreign exchange. The Directors are of the view that the transactional exposure of the Group in currencies other than the functional currencies is maintained at an acceptable level.

## **SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS AND/OR DISPOSALS**

There was no significant investment held by the Group, nor were there any material acquisitions and/or disposals of subsidiaries, associates and joint ventures during the Period.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND MATERIAL ACQUISITIONS AND/OR DISPOSALS**

The Group did not have any plan for material investments or capital assets and/or material acquisitions and/or disposals as at 31 December 2021.

## **EMPLOYEES**

As at 31 December 2021, the Group had 117 employees, representing an approximate 9% increase from 107 employees as at 30 June 2021, at market remuneration with employee benefits such as medical coverage, insurance plan, retirement benefits schemes, discretionary bonus and employee share option scheme. Staff cost, including Directors' emoluments, was approximately US\$1,897,000 for the Period as compared with that of approximately US\$3,968,000 for the corresponding period last year.

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 December 2021 (30 June 2021: Nil).

## **INTERIM DIVIDEND**

The Directors do not recommend an interim dividend for the Period (six months ended 31 December 2020: Nil).

## **OTHER INFORMATION**

### **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has applied the principles as set out with the code provisions in the Corporate Governance Code previously contained in Appendix 14 to the Listing Rules (the "CG Code"). Throughout the Period, the Company has complied with all the code provisions as set out in the CG Code, save and except for code provisions A.2.1 and A.4.2 of the CG Code, details of which are explained below.

Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

As Mr. Zhang Sanhuo is the chairman (the “**Chairman**”) and the chief executive officer (the “**Chief Executive Officer**”) of the Company from 3 January 2018, it constituted a deviation from code provision A.2.1 of the CG Code since 3 January 2018. The positions of the Chairman and Chief Executive Officer are held by Mr. Zhang Sanhuo who has extensive knowledge about the management. The Company believes that this structure is conducive to strong and consistent leadership, enabling the Company to formulate and implement strategies efficiently and effectively. Under the supervision of the Board and its independent non-executive Directors, a balancing mechanism exists so that the interests of the Shareholders are adequately and fairly represented. The Company considers that there is no imminent need to change this structure.

Under code provision A.4.2 of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Under the bye-laws 111 and 114 of the bye-laws (the “**Bye-laws**”) of the Company, one-third of the Directors, with the exception of Chairman or Deputy Chairman, Managing Director or joint Managing Director, are subject to retirement by rotation and re-election at annual general meeting of the Company. New Directors appointed by the Board to fill a casual vacancy during any year are required to retire and submit themselves for election at the first general meeting immediately following their appointments. Notwithstanding the provisions of the Bye-laws, the Company intends to comply with the code provision A.4.2 of the CG Code by way of having one-third of all the Directors, including those appointed for a specific term, subject to retirement by rotation at each annual general meeting at least once every three years.

## **SHARE OPTION SCHEME**

The share option scheme (the “**Share Option Scheme**”) was adopted by the Company pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 22 November 2013 for the purpose of providing incentives or reward to the Directors, eligible employees or any persons who have contributed or may contribute to the Group. The Share Option Scheme was amended pursuant to the resolution passed by the Shareholders on 15 November 2018 and the Directors considered that the amendment to the Share Option Scheme was in line with Rule 17.04(1) of the Listing Rules. Please refer to the circular of the Company dated 16 October 2018 and the announcement of the Company dated 15 November 2018 for further information in relation to the amendment to the Share Option Scheme. Unless otherwise cancelled or amended, the Share Option Scheme will expire on 21 November 2023.

Share options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1 per share option. A share option may be exercised in accordance with the terms of the Share Option Scheme at any time during the respective effective period of the Share Option Scheme to be notified by the Board which shall not be later than 10 years from the date of grant. The exercise price is determined by the Directors, and will not be less than the highest of the closing price of the Shares on the Stock Exchange on the date of grant, the average closing price of the Shares on the Stock Exchange for the 5 business days immediately preceding the date of grant, and the nominal value of the Share on the date of grant.

On 28 November 2019, an ordinary resolution was duly passed by the Shareholders at an annual general meeting of the Company, approving, inter alia, the refreshment of the scheme mandate limit under the Share Option Scheme. Upon the refreshment of the scheme mandate limit, the Company may grant share options entitling holders thereof to subscribe for up to a maximum number of 132,670,173 Shares, representing approximately 10% of the number of issued Shares as at the date of the annual general meeting. Please refer to the circular of the Company dated 29 October 2019 and the announcement of the Company dated 28 November 2019 for further details of the refreshment of the scheme mandate limit.

## **PROFIT GUARANTEE**

Pursuant to the sale and purchase agreement dated 9 July 2018 (as amended and supplemented by a supplemental agreement thereto dated 13 July 2018) entered into amongst Talent Crest Limited, a wholly-owned subsidiary of the Company, as purchaser, Harmonious Miles Limited, as vendor, and Mr. Wu Chung Man Ronnie, as guarantor, in relation to the acquisition of the entire equity interest of Eternal Abundant Limited (together with its subsidiaries, the “**Eternal Abundant Group**”), the vendor has warranted and guaranteed to the purchaser that the audited consolidated profit after tax as shown in the audited consolidated accounts of the Eternal Abundant Group for the 12-month period commencing from the date falling on the second anniversary of the completion date of the said acquisition (i.e. 23 July 2018) (the “**3rd Profit Guarantee Period**”) shall not be less than HK\$16.5 million (the “**3rd Guaranteed Profit**”).

As disclosed in the announcement of the Company dated 12 November 2021, the audited consolidated profit after tax of the Eternal Abundant Group for the 3rd Profit Guarantee Period was not less than HK\$16.5 million. Therefore, the 3rd Guaranteed Profit has been met.

## **CHANGES IN DIRECTORS’ INFORMATION**

Save as disclosed below, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Period and up to the date of this announcement:

<b>Name of Directors</b>	<b>Details of changes</b>
Mr. Chan Cheuk Ho ( <i>executive Director</i> )	Appointed as an independent non-executive director of EPS Creative Health Technology Group Limited, a company listed on the Stock Exchange (Stock Code: 3860), with effect from 9 July 2021

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules of the Stock Exchange. All Directors have confirmed, following enquiry by the Company, that they have complied with the required standards as set out in the Model Code throughout the Period.

## **AUDIT COMMITTEE**

The Company established an audit committee (the “**Audit Committee**”) on 9 November 1999 with written terms of reference amended and became effective on 9 January 2019. The Audit Committee comprised the three independent non-executive Directors, namely Mr. So Stephen Hon Cheung (chairman of the Audit Committee), Mr. Zhou Chunsheng and Mr. Tian Hong. The Audit Committee together with the management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed the auditing, risk management, internal controls and financial reporting matters (including a review of the Group’s unaudited condensed consolidated interim financial statements for the Period).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

By Order of the Board  
**PINE Technology Holdings Limited**  
**Zhang Sanhuo**  
*Chairman*

Hong Kong, 22 February 2022

*As at the date of this announcement, the executive Directors are Mr. Zhang Sanhuo and Mr. Chan Cheuk Ho; and the independent non-executive Directors are Mr. So Stephen Hon Cheung, Mr. Zhou Chunsheng and Mr. Tian Hong.*