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## **PINE TECHNOLOGY HOLDINGS LIMITED**

### **松景科技控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1079)**

### **SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018**

Reference is made to the annual report of PINE Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 30 June 2018 (the “**Annual Report**”). Capitalised terms used herein shall have the same meanings as those defined in the Annual Report unless the context requires otherwise.

The Board would like to provide the following additional information to the Annual Report:

#### **1. USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE**

As disclosed on pages 8 to 9 of the Annual Report, the completion of the placing (the “**Placing**”) took place on 11 October 2017, where an aggregate of 141,316,956 new shares were successfully placed with net proceeds of approximately HK\$89.49 million. As at 30 June 2018, the status of the use of such net proceeds from the Placing is as follows:

	<b>Intended use of proceeds approximately HK\$ (million)</b>	<b>Utilisation as at 30 June 2018 approximately HK\$ (million)</b>	<b>Remaining balance of unutilised net proceeds as at 30 June 2018 approximately HK\$ (million)</b>
General working capital of the Group	10	10	–
Development of money lending business of the Group	70	70	–
New business opportunities	9.49	–	9.49
<b>Total</b>	<b>89.49</b>	<b>80</b>	<b>9.49</b>

\* For identification purposes only

The following table sets out the breakdown of the unutilised net proceeds from the Placing as at 30 June 2018 which has been utilised as at the date of this announcement:

	<i>approximately</i> <i>HK\$</i> (unaudited)
Provision of shareholder's loan to China UIP Information Technology Co. Ltd. for the development of the computer software and hardware and system development business	5,767,100
Professional fees for the acquisition of Eternal Abundant Limited	276,439
Capital injection in Pine Dahui (Shanghai) International Trading Co. Ltd.	<u>3,446,461</u>
<b>Total</b>	<b><u>9,490,000</u></b>

As at the date of this announcement, the Group has applied the net proceeds from the Placing in accordance with the proposed applications as set out in the announcements of the Company dated 21 September 2017 and 12 February 2018.

## **2. IMPAIRMENT OF AMOUNT DUE FROM A JOINT VENTURE**

As disclosed on page 81 of the Annual Report, the Company made a full impairment loss of US\$1.055 million in relation to an amount due from a joint venture.

Given that the joint venture was profit-making for the year ended 30 June 2017 and the amount due to the Group could be substantially repaid, the Directors considered there was no objective evidence that an impairment loss on the amount due from the joint venture had occurred.

For the year ended 30 June 2018, the joint venture incurred a net loss of approximately US\$1.3 million due to rising component cost, downturn of the personal computer industry and adverse market conditions in the middle east. As a result, the joint venture recorded net liabilities of approximately US\$1.3 million as at 30 June 2018. The Directors considered there was objective evidence that an impairment loss on the amount due from joint venture has occurred.

The impairment loss is measured as the difference between the carrying amount of approximately US\$1.055 million and the recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. As the joint venture recorded a net loss for the year ended 30 June 2018 and was not forecasted to have any net cash inflows given that such adverse business environment would continue for a longer period of time, the Directors considered that the amount due from the joint venture was non-recoverable and fully impaired the same.

The Company confirmed that the above additional information does not affect other information contained in the Annual Report.

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

Hong Kong, 31 July 2019

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