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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2017

CHAIRMAN'S STATEMENT

Fiscal 2017 was a robust year for Pine. Compared to last year, the Group's revenue and gross profit were increased by 48.5% and 59.3% respectively. In fiscal 2017, the Group's revenue was US\$230,914,000 and the gross profit was US\$10,562,000, compared to US\$155,488,000 and US\$6,631,000 respectively last year. Net loss for the year was US\$5,010,000.

Business review

In the previous 2 fiscal years (2015 and 2016) we continually lost market share to competitors. Our Group's revenue shrank from US\$233,705,000 in year ended June 2014 to US\$155,488,000 in 2016.

As a result of the successful launch of AMD Polaris-based products in our own brand division and we proactively went after the business aiming to regain market share, there was a substantial increase in revenue and gross profit. This market-share-centric approach also means that at times we need to sacrifice profit margin to win market share. But with this strategy we also managed to keep the inventory level low and minimize costly inventory write down.

Change of controlling shareholders

During the fiscal year, the Group experienced a change of controlling shareholders. Pursuant to the sale and purchase agreement dated 22 March 2017 (as amended and restated by an amendment and restatement agreement dated 1 June 2017) (the "Sale and Purchase Agreement"), each of Alliance Express Group Limited, Mr. Chiu Hang Tai, Mr. Chiu Samson Hang Chin, Mr. Chiu Herbert Hang Tat, Ms. Chiu Man Wah and Ms. Wong Wai Ying (collectively known as the "Vendors"), the former group of controlling shareholders of the Company, disposed of a total of 539,964,042 shares in the Company (representing approximately 58.59% of the issued share capital of the Company as at the date of the Sale and Purchase Agreement), to Sage Global Holdings Limited ("Sage Global"). Upon

* For identification purposes only

completion of the general offers on 3 July 2017, taking into account the valid acceptance in respect of offer shares under the general offer, together with completion of the subscriptions of 43,000,000 shares on 1 September 2017, Sage Global held 721,563,680 shares, representing approximately 74.80% of the total issued share capital of the Company.

Business outlook

In light of the encouraging performance in the last fiscal year, we still maintain a prudent view on the prospect of the Group's existing business in light of the world wide prolonged slump with declining demand of computer and market competition in the industry. The global economy is still facing a number of uncertainties. We will be operating the business cautiously in order to minimize the business risks.

The Group acknowledges its business in moving forward challenges, we will continue the Group's existing principal business and at the same time continue to review the strategic directions and operations of the Group in order to chart its long term corporate strategy and growth and to explore other business or investment opportunities. Our view is that the Mainland China has many investment opportunities and room for development. In view of the prospective steady growth of economy of the Mainland China in the upcoming five years, we will seek for potential investment opportunities in this market. We will exert our best effort to enhance the Group's future development and deliver better returns to our shareholders.

Appreciation

We would like to extend our gratitude to the shareholders, business partners and customers for their utmost support for the Group. We also take this opportunity to thank all management members, including those ex-directors, for their hard work and dedication throughout the years.

Zhang Sanhuo

Chairman

Hong Kong, 19 September 2017

RESULTS

The board of directors of the Company is pleased to present the audited consolidated results of the Group for the year ended 30 June 2017, together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	<i>Notes</i>	2017 <i>US\$'000</i>	2016 <i>US\$'000</i>
Revenue	2	230,914	155,488
Cost of sales		<u>(220,352)</u>	<u>(148,857)</u>
Gross profit		10,562	6,631
Other income		102	339
Selling and distribution expenses		(3,399)	(3,418)
General and administrative expenses		(10,440)	(9,658)
Other gains and losses	3	(1,201)	(102)
Finance costs		(888)	(741)
Share of result of a joint venture	7	<u>–</u>	<u>(26)</u>
Loss before tax		(5,264)	(6,975)
Income tax credit	4	<u>254</u>	<u>613</u>
Loss for the year	5	<u>(5,010)</u>	<u>(6,362)</u>
Other comprehensive expense:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(93)</u>	<u>(635)</u>
Total comprehensive expense for the year		<u>(5,103)</u>	<u>(6,997)</u>
Loss for the year attributable to:			
Owners of the Company		(4,758)	(6,362)
Non-controlling interest		<u>(252)</u>	<u>–</u>
		<u>(5,010)</u>	<u>(6,362)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(4,891)	(6,997)
Non-controlling interest		<u>(212)</u>	<u>–</u>
		<u>(5,103)</u>	<u>(6,997)</u>
Loss per share	6		
Basic (US cents)		<u>(0.52)</u>	<u>(0.69)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	<i>Notes</i>	2017 US\$'000	2016 US\$'000
Non-current Assets			
Property, plant and equipment		274	463
Development costs		242	206
Trademarks		150	159
Interest in a joint venture	7	–	–
Deposit placed for a life insurance policy		463	445
Rental deposits		39	58
		<u>1,168</u>	<u>1,331</u>
Current Assets			
Inventories		32,178	39,783
Trade and other receivables	8	71,335	56,604
Amount due from a joint venture		1,188	1,456
Tax recoverable		9	78
Pledged bank deposits		670	2,722
Bank balances and cash		7,069	5,931
		<u>112,449</u>	<u>106,574</u>
Current Liabilities			
Trade and other payables	9	32,957	22,742
Amount due to a joint venture		27	576
Loan from a non-controlling shareholder of a subsidiary		7,511	–
Tax payable		75	506
Obligations under finance leases		20	12
Bank borrowings		16,657	25,537
		<u>57,247</u>	<u>49,373</u>
Net Current Assets		<u>55,202</u>	57,201
Total Assets less Current Liabilities		<u>56,370</u>	<u>58,532</u>
Capital and Reserves			
Share capital	10	11,851	11,851
Share premium and reserves	10	42,394	46,642
Equity attributable to owners of the Company		54,245	58,493
Non-controlling interest	10	2,062	–
		<u>56,307</u>	<u>58,493</u>
Non-current Liabilities			
Deferred tax liability		63	19
Obligations under finance leases		–	20
		<u>63</u>	<u>39</u>
		<u>56,370</u>	<u>58,532</u>

Notes:

1. BASIS OF PREPARATION AND APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by HKICPA for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current year and prior period and/or on the disclosures set out in these consolidated financial statements.

2. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold by the Group to customers, net of discounts and sales related taxes.

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purpose of resources allocation and assessment of segment performance focuses on the sales of brands of products provided by the Group’s operating divisions. The Group is currently organised into two operating divisions, which are sales of Group’s brand products and other brand products. These two operating divisions form the basis of internal reports about components of the Group that are regularly reviewed by the CODM for the purpose of resources allocation and performance assessment. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments under HKFRS 8 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

The following is an analysis of the Group's revenue and results by operating and reportable segment.

	Group's brand products		Other brand products		Consolidated	
	2017	2016	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue						
External sales	164,115	92,608	66,799	62,880	230,914	155,488
Segment result	(4,090)	(5,946)	698	504	(3,392)	(5,442)
Interest income					28	26
Unallocated corporate expenses					(1,012)	(818)
Finance costs					(888)	(741)
Loss before tax					(5,264)	(6,975)

No segment assets and liabilities in the measure of the Group's reporting are presented as the information is not reported to the CODM for the purposes of resources allocation and performance assessment.

Revenue from major products

The Group's major products are derived from the sales of market video graphics cards included in Group's brand products operating segment amounting to US\$160,375,000 (2016: US\$85,421,000). Others are derived from the sales of other computer components amounting to US\$54,596,000 (2016: US\$56,874,000) and sales of consumer electronic products and others amounting to US\$15,943,000 (2016: US\$13,193,000).

Geographical information

The Group's revenue from external customers mainly derives from customers located in Canada, the United States and Asia, and information about its non-current assets by geographical location of the assets are detailed as below:

	Revenue by external customers		Non-current assets	
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
Canada	41,869	36,528	163	158
The United States	62,209	55,901	60	88
Asia	97,279	49,346	227	182
Others	29,557	13,713	255	458
	230,914	155,488	705	886

Note: Non-current assets exclude financial instruments.

Information about major customers

Included in revenue arising from sales of Group's brand products of US\$164,115,000 (2016: US\$92,608,000) are revenue of US\$17,239,000 (2016: US\$9,928,000) which arose from sales to the Group's largest customer.

Other segment information

	Group's Brand's Product US\$'000	Other Brand's Product US\$'000	Total US\$'000
2017			
Allowance for doubtful debts recognised, net	1,042	57	1,099
Amortisation on development cost	220	–	220
Amortisation on trademark	13	–	13
Depreciation of property, plant and equipment	237	57	294
Loss on disposal of property, plant and equipment	78	–	78
	<u>78</u>	<u>–</u>	<u>78</u>
	Group's Brand's Product US\$'000	Other Brand's Product US\$'000	Total US\$'000
2016			
Allowance for doubtful debts recognised, net	21	131	152
Amortisation on development cost	199	–	199
Amortisation on trademark	18	–	18
Depreciation of property, plant and equipment	673	74	747
Gain on disposal of property, plant and equipment	(16)	–	(16)
Trademarks written off	108	–	108
	<u>108</u>	<u>–</u>	<u>108</u>

3. OTHER GAINS AND LOSSES

	2017 US\$'000	2016 US\$'000
Allowance for doubtful debts recognised, net	(1,099)	(152)
Exchange (loss) gain, net	(24)	142
(Loss) gain on disposal of property, plant and equipment	(78)	16
Trademarks written off	–	(108)
	<u>(1,201)</u>	<u>(102)</u>

4. INCOME TAX CREDIT

	2017 <i>US\$'000</i>	2016 <i>US\$'000</i>
Current tax:		
Hong Kong Profits Tax	5	5
The People's Republic of China ("PRC")		
Enterprise Income Tax	155	82
PRC Withholding tax	–	134
Other jurisdictions	13	8
	<u>173</u>	<u>229</u>
(Over)underprovision in respect of prior years:		
Hong Kong Profits Tax	(440)	(875)
PRC Enterprise Income Tax	17	25
Other jurisdictions	(48)	(11)
	<u>(471)</u>	<u>(861)</u>
Deferred taxation	<u>44</u>	<u>19</u>
	<u>(254)</u>	<u>(613)</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits for both years.

Other jurisdictions mainly included the United States. Taxation arising in other jurisdictions (of which United States is at 40%) is calculated at the rates prevailing in the respective jurisdictions.

Pursuant to the Macao SAR's Offshore Law, Pine Technology (Macao Commercial Offshore) Ltd., a subsidiary of the Company, is exempted for all taxes in Macao, including income tax, industrial tax and stamp duties.

The PRC Enterprise Income Tax Law requires withholding tax to be levied on distribution of profits earned by PRC subsidiary for profits generated after 1 January 2008 at rate of 10% for companies incorporated in the British Virgin Islands ("BVI"), which is the beneficial owner of the dividend received.

5. LOSS FOR THE YEAR

	2017 <i>US\$'000</i>	2016 <i>US\$'000</i>
Loss for the year has been arrived at after charging (crediting):		
Amortisation charges:		
Development costs (included in cost of sales)	220	199
Trademarks	13	18
Auditor's remuneration	381	351
Cost of inventories recognised as an expense	218,219	147,554
Depreciation of property, plant and equipment	294	747
Interest income on bank deposits	(10)	(10)
Interest income on deposit placed for a life insurance policy	(18)	(16)
Operating lease rentals in respect of rented premises	615	1,071
Research and development costs	93	32
Staff costs:		
Directors' and chief executive's emoluments	666	430
Other staff costs	6,657	5,896
	<u>7,323</u>	<u>6,326</u>
Write down of inventories	<u>1,913</u>	<u>1,104</u>

6. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2017 <i>US\$'000</i>	2016 <i>US\$'000</i>
<u>Loss</u>		
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	<u>(4,758)</u>	<u>(6,362)</u>
	<i>'000</i>	<i>'000</i>
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>921,585</u>	<u>921,585</u>

No diluted loss per share for both years was presented as the exercise of the share options would result in a reduction in loss per share for both years.

7. INTEREST IN A JOINT VENTURE

	2017 <i>US\$'000</i>	2016 <i>US\$'000</i>
Cost of investment in a joint venture – unlisted	26	26
Share of post-acquisition losses	(26)	(26)
	<u>-</u>	<u>-</u>

As at 30 June 2017 and 30 June 2016, the Group had the following joint venture:

Name of joint venture	Place of establishment/ operations	Class of shares held	Proportion of ownership interest		Proportion of voting rights held		Nature of business
			2017	2016	2017	2016	
XFX Technology LLC	United Arab Emirates	Paid up capital	49%	49%	50%	50%	Wholesale and distribution of computer components

8. TRADE AND OTHER RECEIVABLES

The Group allows a credit period of 1 to 180 days (2016: 1 to 180 days) to its trade customers. The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period:

	2017 <i>US\$'000</i>	2016 <i>US\$'000</i>
1 to 30 days	19,331	15,568
31 to 60 days	12,745	8,616
61 to 90 days	10,618	4,078
Over 90 days	27,635	26,498
	<hr/>	<hr/>
Trade receivables	70,329	54,760
Deposits, prepayments and other receivables	1,006	1,844
	<hr/>	<hr/>
	71,335	56,604

9. 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:

	2017 <i>US\$'000</i>	2016 <i>US\$'000</i>
1 to 30 days	16,399	17,990
31 to 60 days	11,332	1,195
61 to 90 days	1,383	604
Over 90 days	497	338
	<hr/>	<hr/>
Trade payables	29,611	20,127
Deposits in advance, accruals and other payables	3,346	2,615
	<hr/>	<hr/>
	32,957	22,742

10. SHARE CAPITAL, SHARE PREMIUM AND RESERVES

	Share capital US\$'000	Share premium US\$'000	Surplus account US\$'000 (Note (a))	Exchange reserve US\$'000	Share options reserve US\$'000	Retained profits US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total US\$'000
At 1 July 2015	11,851	27,083	2,954	1,162	14	22,426	65,490	-	65,490
Loss for the year	-	-	-	-	-	(6,362)	(6,362)	-	(6,362)
Other comprehensive expense for the year									
Exchange differences arising on translation of foreign operations	-	-	-	(635)	-	-	(635)	-	(635)
Total comprehensive expense for the year	-	-	-	(635)	-	(6,362)	(6,997)	-	(6,997)
At 30 June 2016	11,851	27,083	2,954	527	14	16,064	58,493	-	58,493
Loss for the year	-	-	-	-	-	(4,758)	(4,758)	(252)	(5,010)
Other comprehensive (expense) income for the year									
Exchange differences arising on translation of foreign operations	-	-	-	(133)	-	-	(133)	40	(93)
Total comprehensive expense for the year	-	-	-	(133)	-	(4,758)	(4,891)	(212)	(5,103)
Cancellation of share options	-	-	-	-	(14)	14	-	-	-
Non-controlling interest arising on disposal of partial interests in a subsidiary that does not result in losing control of that subsidiary (Note (b))	-	-	-	-	-	643	643	2,274	2,917
At 30 June 2017	11,851	27,083	2,954	394	-	11,963	54,245	2,062	56,307

Notes:

- (a) Surplus account of the Group represents the difference between the nominal amount of the share capital issued by the Company and the aggregate of the nominal amount of the issued share capital and other reserve accounts of Pine Technology (BVI) Limited, the subsidiary which was acquired by the Company pursuant to the group reorganisation in previous years.
- (b) During the year, the Group disposed 15% interest in Pine Technology (BVI) Limited to Simply Perfect Group Limited, a company controlled by certain current and former directors of the Company and their associates, for a consideration of US\$2,917,000. The difference between the consideration of US\$2,917,000 and the net assets attributable to the interest disposed to the non-controlling shareholder of US\$2,274,000, amounting to US\$643,000, is credited to retained profits.

DIVIDEND

The directors of the Company do not recommend a dividend for the year ended 30 June 2017 (2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, financial resources and charge of group asset

As at 30 June 2017, the Group's bank borrowings are short-term loans of US\$16,657,000 (30 June 2016: US\$25,537,000) which were secured by pledged bank deposits and deposit placed for a life insurance policy, guaranteed or by all assets of certain subsidiaries as floating charges to banks.

As at 30 June 2017, deposit placed for a life insurance policy, pledged bank deposits and all assets of certain subsidiaries as floating charges were amounted US\$463,000, US\$670,000 and US\$24,753,000 respectively (2016: US\$445,000, US\$2,722,000 and US\$26,308,000). The Group continued to maintain a healthy financial and cash position. As at 30 June 2017, the total cash on hand amounted US\$7,069,000 (2016: US\$5,931,000).

Capital structure

The Group's overall treasury policies are prudent, with a focus on risk management.

Gearing ratio

As at 30 June 2017, the gearing ratio of the Group based on total liabilities over total assets was 50% (2016: 46%).

Currency risk

During the year, the Group's major foreign exchange payments arose from the import of components and materials, and repayments of foreign currency loans, that were principally denominated in US dollars, Hong Kong dollars and Canadian dollars. For settlement of import payments and foreign currency loans, the Group maintained its foreign exchange balance by its export revenue, that were principally denominated in US dollars and Canadian dollars. The unsecured risk will be foreign currency payables and loan exceeds its foreign currency revenue. During the year, the Group has used foreign currency forward contracts to minimise its exposure to currency fluctuations risk of certain trade payables denominated in foreign currencies.

Segment information

Group's brand products

For the year, the segment's revenue was US\$164,115,000, a 77% increase compared US\$92,608,000 last year. The segment's loss was US\$4,090,000, compared to last year of US\$5,946,000.

We will continue to be market-share-centric, and to establish our market position.

Other brand products

The turnover of the other brand products was US\$66,799,000, a 6% increase compared to US\$62,880,000 last year. The segment's profit was US\$698,000, compared to last year of US\$504,000.

We will continue to expand the procurement of more non PC products, and to do better to react faster to the dynamics of the business environment.

Significant investments and material acquisitions and/or disposals

As disclosed in the announcement of the Company dated 22 March 2017 and the circular of the Company dated 9 May 2017, the Company and Simply Perfect Group Limited ("Simply Perfect"), being a company incorporated in the British Virgin Islands with limited liability which is owned as to 41% by Mr. Chiu Hang Tai (an executive Director) , 33% by Mr. Chiu Samson Hang Chin (a former executive Director who resigned on 4 July 2017) , 13% by Mr. Chiu Herbert Hang Tat (a former non-executive Director who resigned on 4 July 2017) and 13% by Ms. Chiu Man Wah, entered into a disposal agreement (the "Disposal Agreement"), pursuant to which the Company had conditionally agreed to sell and Simply Perfect had conditionally agreed to purchase 15% of the issued share capital of Pine Technology (BVI) Limited ("Pine Technology BVI"), being a wholly-owned subsidiary of the Company prior to the Disposal Completion (as defined below), at a consideration of US\$2,916,942 (equivalent to HK\$22,632,553) (the "Disposal"). As further disclosed in the announcement of the Company dated 5 June 2017, completion of the Disposal (the "Disposal Completion") took place on 5 June 2017. Upon the Disposal Completion, the Company's equity interest in Pine Technology BVI is reduced to 85%, while Simply Perfect's equity interest in Pine Technology BVI becomes 15%. Pine Technology BVI has become a 85%-owned subsidiary of the Company. The financial results of the Pine Technology BVI Group will continue to be consolidated into the Company's consolidated financial statements. The principal business of the Group continues to be the design, manufacturing and distribution of personal computer based products and distribution of a wide range of personal computer and non-personal computer products.

Save as disclosed above, the Group had no significant investments or material acquisitions and/or disposals of subsidiaries and affiliated companies during the year.

Employee

As at 30 June 2017, the Group had 159 employees, a 9.7% decrease from 176 employees since 30 June 2016, at market remuneration with employee benefits such as medical coverage, insurance plan, retirement benefits schemes, discretionary bonus and employee share option scheme. Staff costs, including directors' emoluments, was US\$7,323,000 for the year ended 30 June 2017 as compared with that of US\$6,326,000 for the previous year.

Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2017 and 30 June 2016.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Code of Corporate Governance Practices (the "CG Code") set out in Appendix 14 of the Listing Rules throughout the period, except for the deviations from Code Provision A.2.1 and A.4.2, details of which will be explained below:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhang Sanhuo assumes the role of both the Chairman and the Chief Executive Officer of the Group. 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 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, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Company's Bye-law provides that one-third of the directors, with the exception of Chairman or Deputy Chairman, Managing Director or joint Managing Director, shall retire from office by rotation at each annual general meeting. Notwithstanding the provisions of the Company's Bye-laws, the Company intends to comply with the Code Provision A.4.2 in the way of having one-third of all directors subject to retirement by rotation at each annual general meeting.

AUDIT COMMITTEE

The Audit Committee had reviewed with the management and the Company's independent auditor the accounting principles and practices adopted by the Group and has discussed auditing, internal control and financial reporting matters including the Group's annual results for the year ended 30 June 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company did not redeem any of its shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase, or sell any such shares.

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

Hong Kong, 19 September 2017

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.