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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*

**PINE**   
**PINE TECHNOLOGY HOLDINGS LIMITED**  
**松景科技控股有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1079)**

**(1) ANNOUNCEMENT PURSUANT TO RULE 3.7 OF  
THE TAKEOVERS CODE AND RULE 13.09 OF THE LISTING RULES  
AND INSIDE INFORMATION PROVISIONS  
UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE;  
AND  
(2) RESUMPTION OF TRADING**

This announcement is made by PINE Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 3.7 of the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeovers Code**”) and Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**MEMORANDUM OF UNDERSTANDING IN RESPECT OF POSSIBLE TRANSACTION**

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to announce that, on 17 January 2017, 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 “**Potential Vendors**”), as vendors, an independent third party (the “**Potential Purchaser**”), as purchaser, and the Company had entered into a memorandum of understanding (the “**MOU**”) in respect of (i) the possible sale of the Potential Vendors’ interest in the Company by the Potential Vendors to the Potential Purchaser (the “**Possible Transaction**”); and (ii) the possible sale of 15% equity interest in Pine Technology (BVI) Limited (the “**Target Company**”), a wholly-owned subsidiary of the Company, by the Company to the Potential Vendors (or a company associated with or nominated by the Potential Vendors) (the “**Potential Buyer**”). The MOU contemplates a possible

\* *for identification purpose only*

sale of all the shares of the Company (the “**Shares**”) held by the Potential Vendors comprising an aggregate of 539,964,042 Shares (the “**Sale Share(s)**”), and representing approximately 58.59% of the issued share capital of the Company as at the date of this announcement. To the best of the knowledge, information and belief of the Directors having made reasonable enquiry, the Potential Purchaser and its ultimate beneficial owners are independent third parties, which are not connected persons (as defined in the Listing Rules) of the Company and are independent of the Company and its connected persons (as defined in the Listing Rules).

### **Due Diligence**

Pursuant to the terms of the MOU, the Potential Purchaser is entitled to conduct due diligence review on the assets, liabilities, business plan, operations and affairs of the Company and its subsidiaries, whereas the Company and the Potential Vendors shall use their best endeavours to assist and in particular to provide relevant information to the Potential Purchaser in connection with the due diligence review.

### **Exclusivity**

Pursuant to the terms of the MOU, the Potential Purchaser has been granted an exclusivity period from the date of the MOU to 1 March 2017 (both days inclusive) (the “**Exclusivity Period**”). During the Exclusivity Period, the Company and the Potential Vendors will not, and will procure that the irrespective directors, officers, employees, representatives and agents not to, directly or indirectly, during the Exclusivity Period (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Potential Purchaser with respect to the sale or other disposition of the Sale Shares or any interests of the Group or the sale, subscription, or allotment of any part thereof or any other shares of the Company.

### **Escrow Deposit**

As at the date of this announcement, in consideration of the Potential Vendors entering into the MOU, a sum of HK\$10,000,000 as deposit (the “**Deposit**”) has been paid by the Potential Purchaser by depositing two cashier’s orders of HK\$8,500,000 and HK\$1,500,000, being issued by a licensed bank in Hong Kong and made payable in favour of Mr. Chiu Hang Tai (for himself and on behalf of the Potential Vendors), with an escrow agent jointly appointed by the Potential Vendors and the Potential Purchaser in relation to the holding of the Deposit.

In the event that the formal sale and purchase agreement in respect of the Sale Shares (the “**Formal Agreement**”) is entered into by the Potential Vendors and the Potential Purchaser on or before 1 March 2017 (or such later date as the Potential Vendors and the Potential Purchaser may mutually agree in writing) (the “**Expiry Date**”), the Deposit shall be applied towards the satisfaction of part of the consideration payable to each of the Potential Vendors for the sale and purchase of the Sale Shares as specified in the Formal Agreement.

In the event that the Formal Agreement is not entered into by the Potential Vendors and the Potential Purchaser on or before the Expiry Date, save and except for the occurrence of any of the Relevant Event(s) (as defined below), the Potential Purchaser shall be entitled to the return of part of the Deposit in the sum of HK\$8,500,000 but shall pay an aggregate sum of HK\$1,500,000 to the Potential Vendors to reimburse the cost and expenses incurred by the Potential Vendors in respect of the MOU.

In the event that the Formal Agreement is not entered into by the Potential Vendors and the Potential Purchaser on or before the Expiry Date, if during the course of the due diligence review to be conducted by the Potential Purchaser pursuant to the provisions under the MOU, there occurs or exists any one or more of the event(s) as set out in paragraphs (i) to (iv) (the “**Relevant Event(s)**”) below, the Potential Purchaser shall be entitled to the return of the Deposit in full:

- (i) any material litigation, arbitration or governmental proceeding being brought against the Company or any other member of the Group which involves any liability (whether actual or contingent) in excess of HK\$10,000,000 individually or in aggregate;
- (ii) any event which results in or is likely to give rise to any material liability for any tax of the Group that is not adequately disclosed or provided for in the audited consolidated financial statements of the Group for the year ended 30 June 2016;
- (iii) the total borrowings and/or indebtedness due by the Group to any banks and/or financial institutions as at 31 December 2016 was in excess of US\$35,000,000; and
- (iv) any event which is likely to have or have had a material adverse effect on the net asset value or financial position of the Group.

In addition, pursuant to the terms of the MOU, the Company intends to sell and the Potential Buyer intends to purchase 15.00% of the issued share capital (the “**Disposal Target Shares**”) of the Target Company subject to and upon the terms and conditions of the formal disposal agreement to be entered into between the Company and the Potential Buyer. Upon completion of the sale and purchase of the Disposal Target Shares, the Company and the Potential Buyer intend to enter into a formal shareholders’ agreement in relation to the management, operation and ownership of the Target Company. Since the Potential Buyer would be shareholders of the Company or a company associated with or nominated by them, on this basis, it is expected that the disposal of the Disposal Target Shares to the Potential Buyer by the Company as set out above would constitute a special deal under Rule 25 of the Takeovers Code.

Pursuant to the terms of the MOU, only the clauses in relation to confidentiality, exclusivity, escrow deposits, due diligence review, notices, costs, legal effect, counterpart and governing law and jurisdiction provisions in the MOU are legally binding on the parties.

If the Possible Transaction materialises, it will lead to a change in control of the Company and a mandatory general offer under Rule 26.1 of the Takeovers Code. As at the date of this announcement, no formal agreements have been entered into in respect of the Possible Transaction, and the discussion is still in progress and the Possible Transaction may or may not proceed.

## **DEALING DISCLOSURE**

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company (as defined in the Takeovers Code) in issue comprised (i) 921,584,783 Shares as at the date of this announcement and (ii) outstanding options to subscribe for up to 1,000,000 Shares granted under the Company's share option scheme adopted by its shareholders pursuant to a resolution passed on 16 April 2003 of the Company. Save as disclosed above, the Company does not have other classes of securities, derivatives, warrants or other securities which are convertible or exchangeable into Shares as at the date of this announcement.

The associates of the Company (including shareholders of the Company having interests of 5% or more in the relevant securities of the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

### ***“RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

For the avoidance of doubt, the meaning of “Executive” as set out above has the meaning ascribed to it under the Takeovers Code, being the executive director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of such executive director.

## MONTHLY UPDATE

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions in relation to the Possible Transaction will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made as and when necessary in accordance with the Listing Rules and the Takeovers Code (if applicable).

## TRADING HALT AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Wednesday, 18 January 2017 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 19 January 2017.

**Warning: There is no assurance that any transactions referred to in this announcement will materialise or eventually be consummated, or that if consummated, at what price. Shareholders and potential investors of the Company should be aware that the completion of the Possible Transaction is subject to entering into of a formal agreement and the satisfaction (or waiver as applicable) of such conditions precedent as may be specified therein. The discussion in relation to the Possible Transaction may or may not proceed, and the terms of the Possible Transaction are subject to negotiation between the Potential Vendors and the Potential Purchaser. As such, the discussions may or may not lead to the Possible Transaction taking place. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

By order of the Board  
**PINE Technology Holdings Limited**  
**Chiu Hang Tai**  
*Chairman*

Hong Kong, 18 January 2017

*As at the date of this announcement, the executive directors are Mr. Chiu Hang Tai and Mr. Chiu Samson Hang Chin, the non-executive directors are Mr. Chiu Herbert H T and Mr. Li Chi Chung and the independent non-executive directors are Mr. So Stephen Hon Cheung, Dr. Huang Zhijian and Dr. Chung Wai Ming.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*