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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)

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 30 August 2017 (after trading hours of the Stock Exchange), the Company entered into two separate Subscription Agreements with each of Subscriber A and Subscriber B. Pursuant to the Subscription Agreement A, the Company has conditionally agreed to allot and issue, and Subscriber A has conditionally agreed to subscribe for, 36,000,000 Subscription Shares. Pursuant to the Subscription Agreement B, the Company has conditionally agreed to allot and issue, and Subscriber B has conditionally agreed to subscribe for, 7,000,000 Subscription Shares. All the Subscription Shares will be issued at the Subscription Price of HK\$0.60 per Subscription Share.

The total number of 43,000,000 Subscription Shares to be allotted and issued under the Subscriptions represents (i) approximately 4.67% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.46% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscriptions). The Subscription Shares will be issued under the General Mandate.

The aggregate gross proceeds of the Subscriptions will be HK\$25.80 million and the aggregate net proceeds of the Subscriptions, after deduction of expenses, are estimated to be approximately HK\$25.50 million, representing a net issue price of approximately HK\$0.593 per Subscription Share. It is proposed that the net proceeds from the Subscriptions will be used for general working capital of the Group.

* For identification purposes only

An application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the Subscription Shares to be issued pursuant to the Subscriptions. The Subscriptions are conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares. If such condition is not fulfilled, the Subscriptions will not proceed. The Subscription Agreements are not inter-conditional upon each other.

Upon Completion, the Public Float Requirement can be restored.

GENERAL

Shareholders and potential investors should note that completion of the Subscriptions is subject to fulfillment of the conditions under the respective Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 30 August 2017 (after trading hours of the Stock Exchange), the Company entered into two separate Subscription Agreements with each of Subscriber A and Subscriber B. Apart from the identities of the Subscribers and the number of the Subscription Shares to be subscribed by each Subscriber, the terms of each of the Subscription Agreements are the same.

The Subscription Agreements

Date: 30 August 2017

Issuer: The Company

Subscribers: Subscriber A: KIND HONOUR HOLDINGS LIMITED

Subscriber B: Mr. Liu Ya

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Subscriber A and its ultimate beneficial owner are Independent Third Parties. Immediately before entering into of the Subscription Agreement A, neither Subscriber A nor its ultimate beneficial owner has any interests in the Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Subscriber B and his close associates are Independent Third Parties. Immediately before entering into of the Subscription Agreement B, neither Subscriber B nor his close associates have any interests in any Shares.

Each of Subscriber A and Subscriber B confirms that it/he is independent of and not connected with the other Subscriber and its/his respective close associates.

The Subscription Agreements are not inter-conditional upon each other.

Subscription Shares

Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for the Subscription Shares, as to:

- (i) 36,000,000 Subscription Shares by Subscriber A; and
- (ii) 7,000,000 Subscription Shares by Subscriber B.

The total number of 43,000,000 Subscription Shares (of an aggregate nominal value of HK\$4,300,000) to be allotted and issued under the Subscriptions represents (i) approximately 4.67% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.46% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Subscriptions).

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.60 per Subscription Share represents:

- (i) a discount of approximately 4.76% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) a premium of approximately 0.33% to the average of the closing Share price as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements of approximately HK\$0.598 per Share.

The net Subscription Price, after deduction of relevant expenses (including but not limited to legal expenses and disbursements) of approximately HK\$0.3 million, is estimated to be approximately HK\$0.593 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the respective Subscription Agreements shall be subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

In the event that the condition of the Subscriptions is not fulfilled on or before 5:00 p.m. on 1 September 2017 (or such other time and/or date as the Company and the relevant Subscriber may agree in writing), all obligations of each of the parties to such Subscription Agreement shall cease and determine and neither the Company nor the Subscribers shall have any claim against the other, save for any antecedent breaches of the terms under such Subscription Agreement.

Completion

Completion of the relevant Subscription Agreement shall take place at 4:00 p.m. within two Business Days after the condition thereto is fulfilled (or such other time and/or date as the Company and the relevant Subscriber may agree in writing).

General Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 26 August 2016. The maximum number of Shares that can be issued under the General Mandate is 184,316,956 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Subscription Shares. Accordingly, no separate approval of Shareholders is required for the Subscriptions.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in the design, manufacturing and distribution of personal computer based products and distribution of a wide range of personal computer and non-personal computer products through its extensive distribution network.

Reference is made to the announcement dated 3 July 2017 jointly issued by Sage Global Holdings Limited (“**Sage Global**”) and the Company in relation to among other things, the public float of the Company. The Directors consider that the Subscriptions can restore the minimum public float of 25% of the existing issued share capital of the Company as required under Rule 8.08(1)(a) of the Listing Rules (the “**Public Float Requirement**”), and offer a good opportunity to raise additional funds for the Group’s business operation and to strengthen the capital base and financial position of the Group and broaden the Shareholder base of the Company. In addition, the Directors consider that the Subscriptions are preferred method of fund raising as compared with other equity fund raising exercises based on the time and costs involved.

The aggregate gross proceeds of the Subscriptions will be HK\$25.80 million and the aggregate net proceeds of the Subscriptions, after deduction of all relevant costs and expenses, are estimated to be approximately HK\$25.50 million, representing a net issue price of approximately HK\$0.593 per Subscription Share. It is proposed that the net proceeds from the Subscriptions will be used for general working capital of the Group.

The Directors consider that the Subscription Agreements are entered into upon normal commercial terms following arm’s length negotiations between the Company and the Subscribers and that the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming in all cases that there are no other changes in the share capital of the Company from the date of this announcement up to Completion.

Shareholders	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Sage Global Holdings Limited (<i>Note</i>)	721,563,680	78.30	721,563,680	74.80
<i>Public Shareholders</i>				
Subscriber A	–	–	36,000,000	3.73
Subscriber B	–	–	7,000,000	0.73
Other public Shareholders	<u>200,021,103</u>	<u>21.70</u>	<u>200,021,103</u>	<u>20.74</u>
	<u><u>921,584,783</u></u>	<u><u>100.00</u></u>	<u><u>964,584,783</u></u>	<u><u>100.00</u></u>

Note:

Sage Global beneficially owns 721,563,680 Shares. Sage Global is wholly and beneficially owned by South Pearl Ventures Limited (“**South Pearl**”). South Pearl is in turn wholly and beneficially owned by Mr. Zhang Sanhuo, the Chairman and an executive Director of the Company.

Upon Completion, the Public Float Requirement can be restored.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As disclosed in the announcement of the Company dated 28 July 2017, the Company entered into a placing agreement dated 28 July 2017 in relation to the placing of convertible bonds of an aggregate principal amount up to HK\$115,000,000. As further disclosed in the announcement of the Company dated 18 August 2017, given that the conditions of such placing is not fulfilled on or before 18 August 2017, being the long stop date for the fulfillment of the conditions of the placing, the placing lapsed on 18 August 2017.

Save as disclosed above, the Company has not conducted any other fund raising activities during the twelve months immediately before the date of this announcement.

GENERAL

Shareholders and potential investors should note that completion of the Subscriptions is subject to fulfillment of the conditions under the respective Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours
“close associates”	has the meaning ascribed to it under the Listing Rules

“Company”	PINE Technology Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Shares are listed on the Stock Exchange (stock code: 1079)
“Completion”	the completion of each of the Subscription Agreements
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 11 November 2016 to allot, issue and deal with 184,316,956 Shares, being 20% of the issued share capital of the Company as at the date of the said annual general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Share(s)”	share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	Subscriber A and Subscriber B, or any of them

“Subscriber A”	KIND HONOUR HOLDINGS LIMITED (啟榮控股有限公司), a company incorporated in the British Virgin Islands with limited liability and the subscriber under the Subscription Agreement A
“Subscriber B”	Mr. Liu Ya, a PRC citizen and the subscriber under the Subscription Agreement B
“Subscription(s)”	subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreement(s)”	Subscription Agreement A and Subscription Agreement B, or any of them
“Subscription Agreement A”	the subscription agreement dated 30 August 2017 entered into between the Company and Subscriber A in respect of the subscription of 36,000,000 Subscription Shares
“Subscription Agreement B”	the subscription agreement dated 30 August 2017 entered into between the Company and Subscriber B in respect of the subscription of 7,000,000 Subscription Shares
“Subscription Price”	HK\$0.60 per Subscription Share
“Subscription Shares”	an aggregate of 43,000,000 new Shares to be allotted and issued by the Company to the Subscribers under the Subscriptions
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 30 August 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.