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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)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



On 21 September 2017 (after trading hours of the Stock Exchange), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to allot and issue, and the Placing Agent has conditionally agreed to place, on a best effort basis, up to 141,316,956 Placing Shares at the Placing Price of HK\$0.64 per Placing Share to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 11 November 2016.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represent (i) approximately 14.65% of the existing issued share capital of the Company of 964,584,783 Shares as at the date of this announcement; and (ii) approximately 12.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$14,131,695.60.

The Placing Price of HK\$0.64 per Placing Share represents a discount of approximately 18.99% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.79 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.72 in the last five trading days prior to the date of the Placing Agreement.

\* For identification purposes only

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$90.44 million and HK\$89.49 million respectively. On such basis, the net issue price will be approximately HK\$0.633 per Placing Share.

**Since completion of the Placing is subject to the fulfillment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

The Board announces that on 21 September 2017 (after trading hours of the Stock Exchange), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to allot and issue, and the Placing Agent has conditionally agreed to place, on a best effort basis, up to 141,316,956 Placing Shares at the Placing Price of HK\$0.64 per Placing Share to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties. The principal terms of the Placing Agreement are set out below.

### **THE PLACING AGREEMENT**

#### **Date**

21 September 2017

#### **Issuer**

The Company

#### **Placing Agent**

KCG Securities Asia Limited, an Independent Third Party

Pursuant to the terms of the Placing Agreement, the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 141,316,956 Placing Shares to independent Placees. The terms of the Placing Agreement, including the placing commission, were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

#### **Placing Commission**

The Placing Agent will receive a placing commission of 0.5% of the aggregate amount equivalent to the Placing Price multiplied by the total number of Placing Shares successfully placed by the Placing Agent plus any other out-of-pocket charges and expenses by the Placing Agent in relation to the Placing.

## **Placees**

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) (if applicable) are Independent Third Parties.

## **Number of Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represent (i) approximately 14.65% of the existing issued share capital of the Company of 964,584,783 Shares as at the date of this announcement; and (ii) approximately 12.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$14,131,695.60.

## **Ranking of Placing Shares**

The Placing Shares under the Placing will rank, upon allotment and issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.64 per Placing Share represents a discount of approximately 18.99% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.79 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.72 in the last five trading days prior to the date of the Placing Agreement.

The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds (after deducting placing commission and other relevant costs and expenses) from the Placing will be approximately HK\$90.44 million and HK\$89.49 million respectively. On such basis, the net issue price will be approximately HK\$0.633 per Placing Share.

## **General Mandate to allot and issue of the Placing Shares**

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

Under the General Mandate, the Company is authorized to issue up to 184,316,956 Shares. Up to the date of this announcement, 43,000,000 Shares have been issued under the General Mandate as disclosed in the announcements of the Company dated 30 August 2017 and 1 September 2017. The 43,000,000 issued Shares and the maximum of 141,316,956 Placing Shares to be allotted and issued will utilize 100% of the General Mandate.

## **Application for listing of Placing Shares**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the approval for the listing of, and permission to deal in, the Placing Shares.

## **Conditions of the Placing Agreement**

Completion of the Placing is conditional upon:

- (a) the grant or conditional grant of approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares; and
- (b) the obligations of the Placing Agent and the obligations of the Company under the Placing Agreement not being terminated in accordance with the terms thereof, including provisions regarding the force majeure event.

Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the above conditions on or before 9 October 2017 or such later date as agreed between the Company and the Placing Agent in writing (the “**Long Stop Date**”). If any of the above conditions is not satisfied on or before the Long Stop Date, the obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and neither the Placing Agent nor the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of (i) any antecedent breaches of any obligation thereunder; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements under the Placing Agreement).

## **Completion of the Placing**

Completion of the Placing shall take place on the third Business Day after the fulfillment of the above conditions or on such other date as the Company and the Placing Agent may agree in writing.

## Termination

The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the date of completion of the Placing if, in the reasonable opinion of the Placing Agent, after consultation with the Company that the Placing would be materially and adversely affected by the following events:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in this announcement and the previously published announcements by the Company has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (5) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive Business Days (other than as a result of or in connection with the Placing); or
- (6) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties under the Placing Agreement.

Upon termination of the Placing Agreement as described above, all liabilities of the parties to the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

**Since completion of the Placing is subject to the fulfillment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## REASONS FOR THE PLACING 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.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$90.44 million and HK\$89.49 million respectively. Following the change in control of the Company and the appointment of new Directors in June and July 2017 respectively, the Board has commenced a detailed review of the existing business of the Group and explored other business opportunities to create value for the Company and its Shareholders as a whole.

The net proceeds from the Placing are intended to be used as to approximately HK\$10 million for general working capital of the Group and as to approximately HK\$79.49 million for new business opportunities that may be identified by the Company from time to time. As at the date of this announcement, the Company has not entered into any agreement or arrangement in respect of any acquisitions of new business. Further announcement(s) in respect of any possible acquisition or any equity investment will be made by the Company in compliance with the Listing Rules as and when appropriate.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide funding to the Group to meet any future development opportunities and obligations. The Placing also represents good opportunities to broaden the Shareholders' base and the capital base of the Company.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Placing is in the interest of the Company and the Shareholders as a whole.

## EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Date of announcement	Event	Net proceeds (approximate)	Intended use of proceeds	Actual use of proceeds
30 August 2017	Subscription of 43,000,000 new Shares at the subscription price of HK\$0.60 per Share	HK\$25.50 million	Applied for general working capital of the Group	To be used as intended

As disclosed in the announcement of the Company dated 28 July 2017, the Company also 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 had not conducted any other equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (subject to completion of the Placing and assuming that there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing) are set out below:

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Sage Global Holdings Limited (Note)	721,563,680	74.80	721,563,680	65.25%
Public Shareholders				
(i) The Placees	–	–	141,316,956	12.78%
(ii) Other public Shareholders	<u>243,021,103</u>	<u>25.20</u>	<u>243,021,103</u>	<u>21.97%</u>
Total:	<u>964,584,783</u>	<u>100.00%</u>	<u>1,105,901,739</u>	<u>100.00%</u>

Note:

Sage Global Holdings Limited (“**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 executive Director of the Company.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“AGM”	the annual general meeting of the Company convened on 11 November 2016
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	PINE Technology Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1079)
“connected person”	has the meaning ascribed to this term 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 AGM to allot, issue or deal with 184,316,956 Shares, being 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange



“Placee(s)”	any individuals, corporates, institutional investors or other investors to be procured by or on behalf of the Placing Agent under the Placing
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	KCG Securities Asia Limited, acting as the placing agent for the Placing and a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 21 September 2017 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.64 per Placing Share
“Placing Shares”	an aggregate of up to 141,316,956 new Shares to be placed pursuant to the Placing Agreement and each a “Placing Share”
“Share(s)”	ordinary 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
“%”	per cent.

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

Hong Kong, 21 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.*