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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST OF ETERNAL ABUNDANT LIMITED INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

Financial Adviser to the Company

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智 略 資 本

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 9 July 2018, the Purchaser (being a wholly-owned subsidiary of the Company), the Vendor and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Target Company, for a Consideration of HK\$220,800,000, which shall be satisfied by the Purchaser by procuring the Company to allot and issue the Consideration Shares at the Issue Price of HK\$1 per Consideration Share to the Vendor's Shareholders in accordance with the terms and conditions of the Sale and Purchase Agreement.

The Consideration Shares will be issued under the General Mandate and will rank pari passu in all respect with the Shares then in issue on the relevant issue date.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

* *For identification purposes only*

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Acquisition exceeds 5% and all of such ratios are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Acquisition is subject to satisfaction of certain conditions precedent pursuant to the Sale and Purchase Agreement and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 9 July 2018, the Purchaser (being a wholly-owned subsidiary of the Company), the Vendor and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Target Company, for a Consideration of HK\$220,800,000, which shall be satisfied by the Purchaser by procuring the Company to allot and issue the Consideration Shares at the Issue Price of HK\$1 per Consideration Share to the Vendor's Shareholders in accordance with the terms and conditions of the Sale and Purchase Agreement.

THE SALE AND PURCHASE AGREEMENT

Principal terms of the Sale and Purchase Agreement are set out below:

- Date:** 9 July 2018
- Parties:**
- (i) Harmonious Miles Limited (as the vendor);
 - (ii) Talent Crest Limited (as the purchaser); and
 - (iii) Mr. Wu Chung Man Ronnie (as the guarantor)

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, each of the Vendor, the Vendor's Shareholders and the Guarantor is an Independent Third Party.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, free from all Encumbrances.

Consideration

The Consideration of HK\$220,800,000 shall be satisfied by the Purchaser by procuring the Company to allot and issue the Consideration Shares at the Issue Price of HK\$1 per Share to the Vendor's Shareholders under the General Mandate in the following manner:

- (i) as to HK\$21,285,120 of the Consideration, by procuring the Company to allot and issue 21,285,120 Consideration Shares on Completion to Mr. Ng and/or his nominee(s) at the Issue Price;
- (ii) as to HK\$48,134,400 of the Consideration, by procuring the Company to allot and issue 48,134,400 Consideration Shares on Completion to the Guarantor and/or his nominee(s) at the Issue Price;
- (iii) as to HK\$110,400,000 of the Consideration, by procuring the Company to allot and issue 110,400,000 Consideration Shares on Completion to Ms. Hui and/or her nominee(s) at the Issue Price;
- (iv) as to HK\$31,044,480 of the Consideration, by procuring the Company to allot and issue 31,044,480 Consideration Shares on Completion to Ms. Lin and/or her nominee(s) at the Issue Price; and
- (v) as to HK\$9,936,000 of the Consideration, by procuring the Company to allot and issue 9,936,000 Consideration Shares on Completion to Ms. Ngan and/or her nominee(s) at the Issue Price.

Issue of Consideration Shares under the General Mandate

Pursuant to the Sale and Purchase Agreement, the Company shall allot and issue an aggregate of 220,800,000 Consideration Shares to the Vendor's Shareholders as the Consideration. The Issue Price of HK\$1 per Consideration Share was determined after arm's length negotiations between the Company and the Vendor with reference to the current market price of the Shares. The Directors consider that the Issue Price is fair and reasonable and on normal commercial terms.

The Consideration Shares will be issued under the General Mandate and will rank *pari passu* in all respect with the Shares then in issue on the relevant issue date.

At the annual general meeting of the Company held on 8 November 2017, the General Mandate was granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with up to 221,180,347 new Shares, being 20% of the number of issued Shares as at the date of passing of the resolution by the Shareholders in relation to the General Mandate. As at the date of this announcement, no Shares have been issued under the General Mandate. The 220,800,000 Consideration Shares to be allotted and issued will utilise approximately 99.83% of the General Mandate. Accordingly, the issue of the Consideration Shares will not be subject to the approval of the Shareholders.

Issue Price

The issue price of HK\$1 per Share:

- (i) represents a premium of approximately 5.26% over the closing price of HK\$0.95 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) represents a premium of approximately 2.04% over the average closing price of approximately HK\$0.98 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately preceding the Last Trading Day; and
- (iii) represents a premium of approximately 3.09% over the average closing price of approximately HK\$0.97 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately preceding the Last Trading Day.

Basis for the Consideration

The Consideration was determined on an arm's length basis under normal commercial terms pursuant to the negotiation between the Purchaser and the Vendor after taking into account, among others, (i) the Profit Guarantee provided by the Vendor (details of which are set out in the sub-section below headed "Profit Guarantee"); (ii) the financial information and prospects of the Target Group; and (iii) the preliminary valuation of China UIP as at 31 May 2018 determined by an independent valuer (the "**Valuer**").

The Valuer adopted the market approach with reference to comparable companies in the industry based on the following selection criterias: (a) listed on the stock exchanges in PRC or the Stock Exchange; (b) principal business operation includes e-government services, system integration, data management, and other information technology related services; and (c) significant revenue contribution from e-government services, system integration, data management, and other information technology related services, and the Valuer has identified a list of 10 comparable companies (the "**Comparable Companies**") accordingly. The Directors believe that (i) the Comparable Companies identified are fair and representative for comparison and (ii) analysis of the Comparable Companies provides a general reference as to the market valuation of companies with similar business to the Target Group.

The Directors consider that the Consideration of the Acquisition is fair and reasonable and on normal commercial terms, and thereby is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion shall be conditional upon and subject to:

- (i) the Purchaser being reasonably satisfied with the results of the due diligence review to be conducted pursuant to the Sale and Purchase Agreement;
- (ii) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser and the Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereby (including the allotment and issue of the Consideration Shares) having been obtained;
- (iii) 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 Consideration Shares having been obtained; and
- (iv) the warranties under the Sale and Purchase Agreement remaining true and accurate in all material respects.

Pursuant to the Sale and Purchase Agreement, the Purchaser may at any time waive in writing any of conditions precedent as set out in (i) and (iv) and such waiver may be made subject to such terms and conditions as are determined by the Purchaser. If the conditions set out in conditions precedent have not been satisfied or, as the case may be, waived (in respect of (i) and (iv) only) by the Purchaser on or before 4:00 p.m. on 30 September 2018 or such other date as the parties may agree (the “**Long Stop Date**”), the Sale and Purchase Agreement shall cease and terminate. Save for conditions set out in (i) and (iv) abovementioned, none of the other conditions is capable of being waived by any parties.

Completion

Completion shall take place at 4:00 p.m. on the Completion Date upon compliance with or fulfillment (or waiver, if applicable) of all the conditions precedent set out above.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the Group’s financial information.

Shareholders’ Agreement

Upon Completion, Faith Converge, the Target Company, Soaring Eagle and the Guarantor shall enter into the Shareholders’ Agreement to record the respective rights and obligations of each of Faith Converge and the Target Company and the arrangements between them with respect to the finance, management and operations of Soaring Eagle and its subsidiary(ies).

The principal terms of the Shareholders' Agreement are summarised below:

(a) Board composition

Pursuant to the Shareholders' Agreement, the board of Soaring Eagle at any time shall comprise three directors, two of them shall be appointed by the Target Company and one of them shall be appointed by Faith Converge.

Each of the Target Company and Faith Converge thereby undertakes to the other that it shall procure the directors of Soaring Eagle it nominates in Soaring Eagle to manage, operate and conduct the business of the group of Soaring Eagle in good faith and in the best interests of Soaring Eagle, the Target Company and Faith Converge as a whole.

The chairman of the board of Soaring Eagle shall be nominated by the Target Company, and the legal representative of China UIP shall be nominated by the board of Soaring Eagle.

(b) Finance

As at the date of this announcement and immediately after Completion, an unsecured interest-free shareholder's loan in the amount of RMB4 million (equivalent to approximately HK\$4.48 million) (the "**Shareholder's Loan**") is owed by the Soaring Eagle's group to the Guarantor. So long as Faith Converge remains a shareholder of Soaring Eagle, the Guarantor agrees and undertakes not to demand for (a) repayment or capitalisation of; (b) creating any encumbrances on; and (c) amend, alter or change the terms (including in particular the security, interest and the term of the Shareholder's Loan) of the Shareholder's Loan or any part thereof or assign, transfer or otherwise dispose of the Shareholder's Loan or any interest therein. Pursuant to the Shareholders' Agreement, the Shareholder's Loan shall be deemed as shareholder's loan provided by Faith Converge to Soaring Eagle.

As at the date of this announcement, save for the Shareholder's Loan, there is no outstanding shareholder's loan due by any of the Target Group to the Vendor, the Guarantor and/or their associates.

The working capital requirements of Soaring Eagle will be met as the board of Soaring Eagle may from time to time resolve, including but not limited to by means of advances and credit from financial institutions and other third party sources on the most favourable terms reasonably obtainable as to interest, repayment and security, or by advances from the Target Company and Faith Converge, provided always that:

- (i) funding requirements of Soaring Eagle shall firstly be met by internal cash flow of Soaring Eagle without recourse to the Target Company and Faith Converge;

- (ii) if the internal cash flow of Soaring Eagle is insufficient to meet the funding requirements of Soaring Eagle, Soaring Eagle shall then, seek external resources, including bank borrowings or credit facilities from financial institutions, to satisfy funds required for the capital or operational expenses of Soaring Eagle;
- (iii) only if such external resources are unavailable or are not sufficient to cover the required capital or operational expenses, the Target Company and Faith Converge may provide additional funds by way of shareholder's loan in the proportions in accordance with their respective shareholding in Soaring Eagle. All repayment of shareholders' loan to the Target Company and Faith Converge shall be made in proportion to the respective outstanding amounts of the loans from the Target Company and Faith Converge and advances contributed by each of the Target Company and Faith Converge. For the avoidance of doubt, the then outstanding amount of the Shareholder's Loan shall be taken into account when determining (i) the amount of shareholder's loan required to be provided by Faith Converge to Soaring Eagle pursuant to the Shareholders' Agreement; and (ii) the amount for the repayment of the shareholders' loan required to be made by Soaring Eagle to the Target Company, Faith Converge and/or the Guarantor (as the case may be) pursuant to the Shareholders' Agreement.

If funds are required to be financed by the Target Company and Faith Converge pursuant to the foregoing provisions, the board of Soaring Eagle shall issue a written notice to each of the Target Company and Faith Converge specifying the amount of funds required and each of the Target Company and Faith Converge shall advance loans to Soaring Eagle as specified in the notice on or before the time stipulated in the notice, which in any event shall not be earlier than 21 days from the date of such notice.

Service Agreements

The Service Agreements (which shall be in such form and substance to the satisfaction of the Purchaser) shall be entered into (i) between Soaring Eagle and the Guarantor; and (ii) between China UIP and the Guarantor upon Completion, pursuant to which the Guarantor shall act as the chief operating officer of each of China UIP and Soaring Eagle for a term of three years from the Completion Date.

The Board believes that the Guarantor's continued involvement as a senior management of the Target Group would ensure the Target Group to operate normally and smoothly following Completion and the Target Group will benefit from his rich experience in the business and operation of the Target Group.

Profit guarantee

Pursuant to the Sale and Purchase Agreement, the Vendor has warranted and guaranteed to the Purchaser that (i) the audited consolidated profit after tax (the “**Audited CPAT**”) of the Target Group as shown in the audited consolidated accounts of the Group for the 12-month period commencing from the Completion Date (the “**1st Profit Guarantee Period**”) shall not be less than HK\$14,500,000 (the “**1st Guaranteed Profit**”); (ii) the Audited CPAT of the Target Group as shown in the audited consolidated accounts of the Group for the 12-month period commencing from the date falling on the first anniversary of the Completion Date (the “**2nd Profit Guarantee Period**”) shall not be less than HK\$15,500,000 (the “**2nd Guaranteed Profit**”); and (iii) the Audited CPAT of the Target Group as shown in the audited consolidated accounts of the Group for the 12-month period commencing from the date falling on the second anniversary of the Completion Date (the “**3rd Profit Guarantee Period**”) shall not be less than HK\$16,500,000 (the “**3rd Guaranteed Profit**”) (together with the 1st Profit Guarantee Period, 2nd Profit Guarantee Period, collectively being the “**Relevant Periods**”).

In the event that (i) the actual Audited CPAT of the Target Group calculated in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKFRS**”) for the 1st Profit Guarantee Period (the “**1st Period Actual Profit**”); and/or (ii) the actual Audited CPAT of the Target Group calculated in accordance with HKFRS for the 2nd Profit Guarantee Period (the “**2nd Period Actual Profit**”); and/or (iii) the actual Audited CPAT of the Target Group calculated in accordance with HKFRS for the 3rd Profit Guarantee Period (the “**3rd Period Actual Profit**”) (together with 1st Period Actual Profit, 2nd Period Actual Profit, collectively being the “**Actual Profits**”) as shown in the Auditors’ Certificate (as defined below) is/are less than the 1st Guaranteed Profit or the 2nd Guaranteed Profit or the 3rd Guaranteed Profit (as the case may be), the Vendor shall compensate (the “**Compensation**”) the Purchaser by 23.7 times of the aggregate amount of shortfall of the Relevant Periods in cash, as calculated according to the following formulas:

(i) For the 1st Profit Guaranteed Period

Compensation for the 1st Profit Guarantee Period = (1st Guaranteed Profit – 1st Period Actual Profit) x 23.7

(ii) For the 2nd Profit Guaranteed Period

Compensation for the 2nd Profit Guarantee Period = (2nd Guaranteed Profit – 2nd Period Actual Profit) x 23.7

(iii) For the 3rd Profit Guaranteed Period

Compensation for the 3rd Profit Guarantee Period = (3rd Guaranteed Profit – 3rd Period Actual Profit) x 23.7

In the event that payment of the Compensations be required, the Vendor shall be obliged to compensate the Purchaser within seven (7) Business Days upon the receipt of the auditors' certificate(s) (being the date falling three (3) months after the expiry of each of the Relevant Periods) for the Audited CPAT of the Target Group (the "**Auditors' Certificate(s)**") for the 1st Profit Guarantee Period (the "**1st Auditors' Certificate**") and/or the 2nd Profit Guarantee Period (the "**2nd Auditors' Certificate**") and/or the 3rd Profit Guarantee Period (the "**3rd Auditors' Certificate**") (as the case may be) in cash.

For the avoidance of doubt, should the Target Group record an actual audited consolidated loss for the Relevant Periods, the amount of the Actual Profits shall be deemed as zero for the purpose of calculation of the amount of Compensation.

Guarantor's guarantee

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Guarantor thereby irrevocably and unconditionally guarantees to the Purchaser the due and punctual performance by the Vendor of all the obligations expressed to be imposed on or assumed by it under the Sale and Purchase Agreement and the transaction documents and undertakes to indemnify and keep effectively indemnified the Purchaser (if necessary by the payment of cash on first demand) against all liabilities, losses, damages, costs and expenses stipulated under the Sale and Purchase Agreement, the transaction documents or otherwise which the Purchaser may suffer or incur in connection with any default or delay on the part of the Vendor, the Vendor's Shareholders and/or Faith Converge in the performance of such obligations.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

EFFECT ON THE SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after the allotment and issue of the Consideration Shares is as follows:

Shareholders	As at the date of this announcement		Immediately after Completion and the allotment and issue of the Consideration Shares	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Sage Global Holdings Limited (<i>Note</i>)	721,563,680	65.25	721,563,680	54.39
Public Shareholders				
Vendor's Shareholders				
– Mr. Ng	–	–	21,285,120	1.60
– the Guarantor	–	–	48,134,400	3.63
– Ms. Hui	–	–	110,400,000	8.32
– Ms. Lin	–	–	31,044,480	2.34
– Ms. Ngan	–	–	9,936,000	0.75
Subtotal	–	–	220,800,000	16.64
Other public Shareholders	384,338,059	34.75	384,338,059	28.97
Total	<u>1,105,901,739</u>	<u>100.00</u>	<u>1,326,701,739</u>	<u>100.00</u>

Note:

As at the date of this announcement, Sage Global Holdings Limited (“Sage Global”) beneficially owns 721,563,680 Shares. Sage Global is wholly and beneficially owned by South Pearl Ventures Limited, which is in turn wholly and beneficially owned by Mr. Zhang Sanhuo, being the Chairman and executive Director of the Company.

INFORMATION OF THE GROUP

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

The Purchaser is a wholly-owned subsidiary of the Company and is an investment holding company.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in the investment holdings and a wholly-owned subsidiary of the Vendor as at the date of this announcement.

As at the date of this announcement, the Target Company and Faith Converge hold as to 60% and 40% of the entire issued share capital of Soaring Eagle respectively, which is in turn the owner of the entire registered capital of China UIP.

Financial information of the Target Group

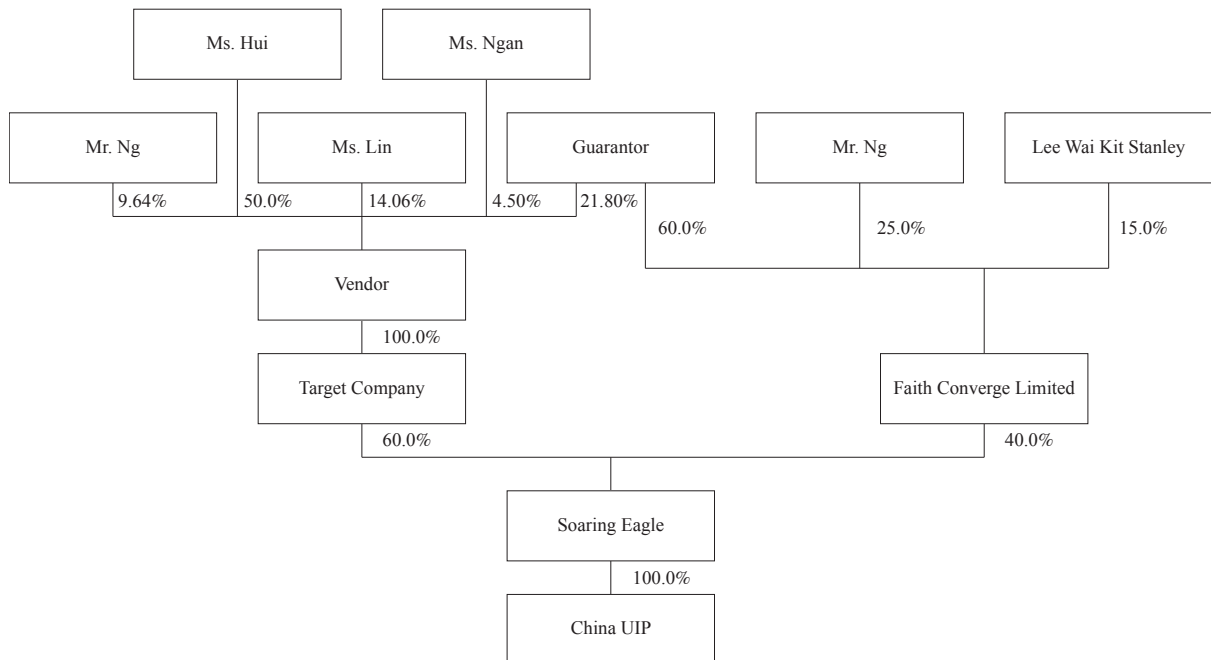
Set out below are certain financial information of the Target Group for the year ended 31 December 2016 and 2017 prepared in accordance with HKFRS:

	For the year ended	
	31 December	
	2016	2017
	(unaudited)	(unaudited)
	<i>RMB</i>	<i>RMB</i>
Revenue	14,455,914	27,276,294
Profit before tax	885,894	12,619,011
Profit after tax	721,902	10,665,124

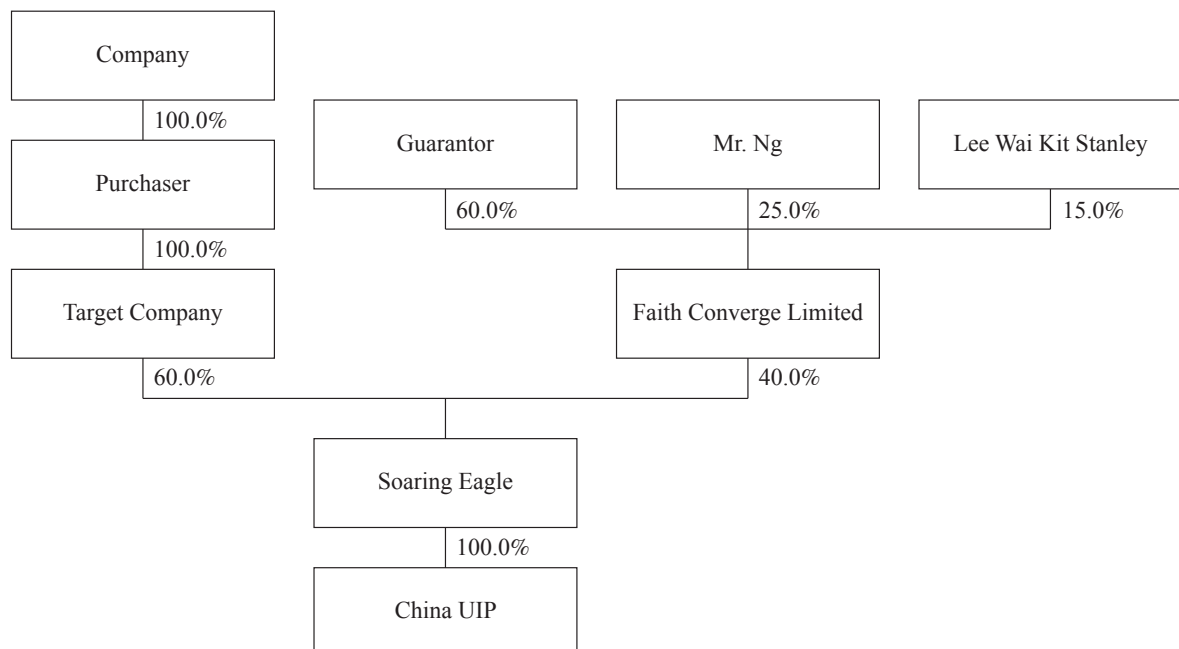
As at 31 May 2018, the unaudited net assets value of the Target Group were RMB941,926.

Group structure of the Target Group

(i) *Set out below is the structure of the Target Group as at the date of this announcement*



(ii) *Set out below is the structure of the Target Group upon Completion*



REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Company is a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in the investment holdings and a wholly-owned subsidiary of the Vendor as at the date of this announcement.

The Target Group is principally engaged in the provision of professional information technology (the “IT”) high-tech industry services, including but not limited to, e-government solutions research and software development.

China UIP is a company incorporated in the PRC which is principally engaged in computer software and hardware and system development for e-government and e-commerce solutions in the PRC. In 2003, China UIP set up its headquarter in Guangzhou and successfully expanded its branch to Changsha in 2014. With such geographical expansion, China UIP has built up robust management and monitoring systems and the total number of staff of China UIP exceeds 80 persons.

In addition, given the prolonged experience in IT industry for more than 15 years, China UIP has developed a good reputation in IT industry and has been awarded 7 certificates, including but not limited to, “Government Certified High-tech Enterprise” and “Honorable Credit Certificate for over 10 Consecutive Years”. Furthermore, China UIP has developed a wide range of technology services, including but not limited to, the self-developed platform for government at all levels, the comprehensive platform of the market supervision department, the law enforcement system, the big data management platform and the food safety and the traceability management platform, and has completed more than 30 software products and solutions with copyrights registered in the government sector. In 2018, China UIP has also expanded its business from government sectors to commercial sectors by providing solutions to its customers.

Furthermore, as referred to an article, namely “Worldwide Spending on Augmented and Virtual Reality Forecast to Reach \$17.8 Billion in 2018” published by International Data Corporation on 29 November 2017, the virtual reality industry will continue to grow in the worldwide, and the consumption on the virtual reality products and services will grow throughout the remainder of the 2017-2021 forecast period at the compound annual growth rate of 98.8%. Given that the virtual reality industry is expected to continue to grow worldwide, China UIP plans to provide virtual reality courses regarding programming, graphic and content development. Save for abovementioned, China UIP has also developed its business in big data analysis sectors by partnering with a worldwide data analysis specialist.

As the competition in the high-quality computer components will continue to be intense for the business segments, the Directors will continue to review existing principal business and the strategic directions and operations of the Group to chart the long term corporate strategy and growth and to explore other business or investment opportunities. Given the prolonged experience in IT high-tech industry of the Target Group and the diversified services provided by China UIP, the Directors believe that the proposed Acquisition will leverage the IT high-tech experience of Target Group with the Group, which will allow the Group to remain competitiveness and enjoy the potential benefits brought by proposed Acquisition under such intensive completion environment.

Accordingly, the Directors are of the view that the Acquisition which is conducted on normal commercial terms, is fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Acquisition exceeds 5% and all of such ratios are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Acquisition is subject to satisfaction of certain conditions precedent pursuant to the Sale and Purchase Agreement and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day(s)”	any day (other than Saturday and Sunday and public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. to 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“China UIP”	China UIP Information Technology Co. Ltd., being a company established in the PRC and a wholly-owned subsidiary of Soaring Eagle
“Company”	PINE Technology Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1079)

“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date	any day falling within five (5) Business Days after the fulfillment (or waiver) of all the conditions precedent or such other date as the Vendor and the Purchaser may agree
“Consideration”	the consideration of HK\$220,800,000 payable by the Purchaser to the Vendor pursuant to the Sale and Purchase Agreement
“Consideration Shares”	an aggregate of 220,800,000 new Shares to be allotted and issued by the Company to the Vendor’s Shareholders pursuant to the Sale and Purchase Agreement as the Consideration
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Encumbrances”	any mortgage, charge, pledge, lien, hypothecation or other encumbrance, priority or security interest or deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Faith Converge”	Faith Converge Limited, being a company incorporated in the British Virgin Islands with limited liability which is beneficially owned as to 60% by the Guarantor, 25% by Mr. Ng and 15% by Mr. Lee Wai Kit Stanley
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 8 November 2017 to exercise the powers of the Company to allot, issue and otherwise deal with up to 20% of the number of issued Shares as at the date of passing of the resolution in relation to such general mandate (being 221,180,347 Shares)
“Group”	the Company and its subsidiaries, from time to time
“Guarantor”	Mr. Wu Chung Man Ronnie, who is also the beneficial owner as to 21.80% of the Vendor as at the date of this announcement

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party independent of and not connected with the Company and its connected persons
“Issue Price”	the issue price of HK\$1 per Consideration Share
“Last Trading Day”	9 July 2018, being the last trading day in the Shares prior to the issue of this announcement and the date of the Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Mr. Ng”	Mr. Ng Man Kin, being the beneficial owner as to 9.64% of the Vendor as at the date of this announcement
“Ms. Hui”	Ms. Hui Oi Lan, being the beneficial owner as to 50% of the Vendor as at the date of this announcement
“Ms. Lin”	Ms. Lin Yu Feng, being the beneficial owner as to 14.06% of the Vendor as at the date of this announcement
“Ms. Ngan”	Ms. Ngan Ching Wa, being the beneficial owner as to 4.50% of the Vendor as at the date of this announcement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Talent Crest Limited, a company incorporated in Samoa with limited liability, which is a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 9 July 2018 and entered into amongst the Vendor, the Purchaser and the Guarantor in relation to the sale and purchase of the Sale Shares
“Sale Shares”	the entire issued share capital in the Target Company

“Service Agreements”	service agreements having a term of three (3) years and to be entered into between (i) the Guarantor and China UIP; and (ii) the Guarantor and Soaring Eagle upon Completion
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into amongst the Target Company, Soaring Eagle, Faith Coverage and the Guarantor pursuant to the Sale and Purchase Agreement upon Completion
“Soaring Eagle”	Soaring Eagle Technology Limited, being a company incorporated in the British Virgin Islands with limited liability which is beneficially owned as to 60% by the Target Company and as to 40% by Faith Converge as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Eternal Abundant Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	collectively, the Target Company and its subsidiaries
“Vendor”	Harmonious Miles Limited, a company incorporated in the British Virgin Islands
“Vendor’s Shareholders”	collectively, Mr. Ng, Ms. Hui, the Guarantor, Ms. Lin and Ms. Ngan
“%”	per cent.

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

Hong Kong, 9 July 2018

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.

For the purpose of this announcement, unless the context otherwise requires, conversion of RMB into Hong Kong dollars is based on the approximate exchange rate of RMB1.0 to HK\$1.12.

* *For identification purposes only*