

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **PINE TECHNOLOGY HOLDINGS LIMITED**

**松景科技控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1079)**

### **FRAMEWORK AGREEMENT**

#### **THE FRAMEWORK AGREEMENT**

The Board is pleased to announce that after the Stock Exchange trading hours on 6 December 2018, the Company and the Vendor entered into the Framework Agreement in relation to the possible acquisition of approximately 6% equity interest in the Target Company.

Subject to the terms and conditions of the Formal Agreement, the consideration is expected to be approximately HK\$150,000,000, among which HK\$25,000,000 is expected to be satisfied by the Company by cash and the remaining balance to be satisfied by the Company by way of allotment and issue of new Shares to the Vendor (or its nominee) at the price of HK\$0.485 per Share, being the closing price per Share as quoted on the Stock Exchange on the trading day immediately preceding the date of the Framework Agreement.

**The Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares. The Acquisition, if materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Should the Company enter into the Formal Agreement or decide to terminate the Framework Agreement or there be any material development on the Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.**

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

\* *For identification purposes only*

## **THE FRAMEWORK AGREEMENT**

The Board is pleased to announce that after the Stock Exchange trading hours on 6 December 2018, the Company and the Vendor entered into the Framework Agreement in relation to the Acquisition. Details of the Framework Agreement are set out below.

### **Date**

6 December 2018

### **Parties:**

- (i) the Company; and
- (ii) the Vendor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner is an Independent Third Party. As confirmed by the Vendor, as at the date of this announcement, the Vendor and its associates do not hold any Share or other securities in the Company.

### **Assets to be acquired**

Subject to the parties entering into the Formal Agreement, the Vendor shall sell and the Company or its wholly-owned subsidiary shall acquire approximately 6% of the issued share capital in the Target Company.

### **Consideration**

The consideration for the Acquisition will be subject to further negotiation between the parties to the Framework Agreement and is expected to be approximately HK\$150,000,000, among which HK\$25,000,000 is expected to be satisfied by the Company by cash and the remaining balance to be satisfied by the Company by way of allotment and issue of new Shares to the Vendor (or its nominee) at the price of HK\$0.485 per Share, being the closing price per Share as quoted on the Stock Exchange on the trading day immediately preceding the date of the Framework Agreement.

### **Due diligence**

Upon the signing of the Framework Agreement, the Company shall be entitled to conduct due diligence review as it may consider appropriate on the assets, liabilities, operations, legal compliance and affairs of the Target Group for a period of three (3) months from the date of the Framework Agreement (or such longer period as the parties to the Framework Agreement may agree). The Vendor shall provide and procure the Target Group and its agent(s) to provide such assistance to the Company, its adviser(s) and/or agent(s) in connection with the due diligence review on the Target Group.

## **Exclusivity period**

The Vendor agreed that it will not and will procure that the Target Company, and/or its directors, officers, employees, representatives and agents will not, directly or indirectly, for a period of three (3) months from the date of the Framework Agreement, (i) solicit, initiate or encourage enquiries or offers from; (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 Company with respect to the sale or other disposition of 6% equity interest in or the sale, subscription, or allotment of any part thereof of the Target Company.

The parties to the Framework Agreement shall negotiate in good faith towards one another in ensuring the Formal Agreement be entered into as soon as possible and in any event, on or before the date falling three (3) months from the date of the Framework Agreement, or such later date as the parties to the Framework Agreement may agree.

## **Conditions precedent**

It is expected that Completion is conditional upon, among other things,

- (i) if necessary, the passing by the Shareholders at a special general meeting of the Company to be convened and held of ordinary resolution(s) to approve the Formal Agreement and the transactions contemplated thereunder, including but not limited to, the allotment and issue of new Shares pursuant to the Formal Agreement;
- (ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of and permission to deal in, the new Shares to be issued pursuant to the Formal Agreement;
- (iii) the Company having completed the due diligence review on the Target Group, the results of which being satisfactory to the Company;
- (iv) the WFOE and the PRC Company having executed the relevant control agreement(s);
- (v) the Vendor and/or its group having completed the Reorganisation and all necessary approvals, consents, authorisation, registration and filings in connection with the Reorganisation having been obtained from the relevant PRC government and regulator(s);
- (vi) a legal opinion having been issued by the PRC legal adviser appointed by the Company in the form and substance to the satisfaction of the Company, on the matters relating to the WFOE and the PRC Company;
- (vii) the obtaining of a valuation report (in form and substance satisfactory to the Company) issued by an independent professional valuer approved by the Company, and the Valuation of which to be not less than HK\$2,500,000,000;

- (viii) the Vendor having increased the issued share capital of the Target Company to HK\$10,000, among which 10,000 issued and fully paid shares are beneficially owned by the Vendor;
- (ix) all necessary approvals, consents, authorisation, registration and filings in connection with the transactions contemplated under the Formal Agreement having been obtained by the Vendor and each member of the Target Group from the PRC government and regulator(s);
- (x) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Formal Agreement and the transactions contemplated thereunder having been obtained;
- (xi) all necessary consents and approvals required to be obtained on the part of the Vendor, the Target Company, the WFOE and/or the PRC Company in respect of the Formal Agreement and the transactions contemplated thereunder having been obtained;
- (xii) the warranties to be given by the Vendor under the Formal Agreement remaining true, accurate and not misleading in all material respects; and
- (xiii) any other conditions agreed by the parties to be included in the Formal Agreement.

### **Legal effect**

The Framework Agreement is non-legally binding save for the provisions relating to, among other things, the issue price for the new Shares to be issued by the Company, due diligence, exclusivity, confidentiality, costs and governing law and jurisdiction of the Framework Agreement.

### **INFORMATION ON THE TARGET GROUP**

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. As at the date of this announcement, the Target Company was beneficially owned as to 100% by the Vendor, which in turn was wholly-owned by Mr. Gao Hong.

The PRC Company is a company established in the PRC with limited liability and is principally engaged in instant messaging platform, paid application store and cloud application platform in the PRC. As at the date of this announcement, the PRC Company had obtained a value-added telecommunications business operating license. As at the date of this announcement, the PRC Company was wholly-owned by Ms. Pan Ying, being the spouse of Mr. Gao Hong.

As part of the corporate reorganisation (the “**Reorganisation**”) to be conducted, the Target Company shall establish the WFOE in the PRC and become the legal and beneficial owner of the entire equity interest in the WFOE. Prior to Completion, the WFOE shall enter into various control agreement(s) with the PRC Company and its shareholder(s), pursuant to which the WFOE shall have effective control over, and shall be entitled to the economic interest and assets of, the PRC Company.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

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; provision of professional information technology high-tech industry services, including but not limited to, e-government solutions research and software development and money lending business.

The Board believes that the Acquisition would allow the Group to further expand the software business in PRC from government sectors to individual and commercial sectors. Upon Completion, the Group will integrate with the Target Company in aspects of products, technology and users. Through the big data, Internet and online-offline integration, the Group aims to improve data accessibility and information sharing, capitalize on mutual strengths and advantages, and build an entirely new consumer ecosystem. Hence, the Board is of the view that the entering into of the Framework Agreement is in the interest of the Group and the Shareholders as a whole.

**The Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares. The Acquisition, if materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Should the Company enter into the Formal Agreement or decide to terminate the Framework Agreement or there be any material development on the Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.**

## DEFINITIONS

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:

“Acquisition”	the possible acquisition by the Company or its wholly-owned subsidiary of approximately 6% equity interest in the Target Company from the Vendor
“Board”	the board of Directors
“Company”	PINE Technology Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 1079)
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Formal Agreement
“connected person”	has the meanings as ascribed under the Listing Rules
“Director(s)”	director(s) of the Company

“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into in relation to the Acquisition
“Framework Agreement”	the framework agreement dated 6 December 2018 entered into between the Company and the Vendor setting out preliminary understanding in relation to the Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“Listing Committee”	has the meaning as ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company”	北京瑞華帷幄網絡科技有限公司 (transliterated as Beijing Ruihua Weiwo Network Technology Company Limited <sup>#</sup> ), a company established in the PRC with limited liability, the entire equity interest of which is beneficially owned by Ms. Pan Ying (潘穎), an Independent Third Party
“Reorganisation”	has the meaning as ascribed to it in the section headed “Information on the Target Group” in this announcement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	DELTA ASIA PE LIMITED, a company incorporated in Hong Kong with limited liability, the entire equity interest of which is beneficially owned by the Vendor
“Target Group”	the Target Company, the WFOE and the PRC Company

“WFOE”	a wholly foreign-owned enterprise to be established in the PRC, the equity interest of which will be wholly and beneficially owned by the Target Company
“Valuation”	the value of 100% equity interest in the Target Company as shown in the valuation report to be issued by an independent professional valuer, such valuation shall be prepared on such bases and assumptions as may be agreed by the Company
“Vendor”	DELTA INVESTMENT HOLDING GROUP LTD, a company incorporated in the British Virgin Islands with limited liability, the equity interest of which is wholly and beneficially owned by Mr. Gao Hong (高宏), an Independent Third Party
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 6 December 2018

*# the English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

*As at the date of this announcement, the executive Directors are Mr. Zhang Sanhuo, Mr. Chiu Hang Tai and Mr. Chan Cheuk Ho and the independent non-executive Directors are Mr. So Stephen Hon Cheung, Mr. Zhou Chunsheng and Mr. Tian Hong.*