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PineStone 鼎石

PINESTONE CAPITAL LIMITED

鼎石資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 804)

INSIDE INFORMATION ADOPTION OF DIVIDEND POLICY

This announcement is made by Pinestone Capital Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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).

The Company announces that the board of directors of the Company (the “**Board**”) has approved and adopted a dividend policy on 20 November 2019 (the “**Dividend Policy**”). The Dividend Policy aims at enhancing transparency of the Company and facilitating the shareholders of the Company (“**Shareholders**”) and investors to make informed investment decisions relating to the Company.

Under the Dividend Policy, the Board may consider declaring and paying dividends to the Shareholders out of the Company’s distributable funds. Such declaration and payment of dividends shall remain to be determined at the sole discretion of the Board, subject to the requirements of all applicable laws and the Bye-laws of the Company.

The Company does not have any pre-determined dividend payout ratio. In deciding whether to propose or declare a dividend and in determining the dividend amount and means of payment, the Board shall take into account the following factors of the Group, among others:

- (a) financial results;
- (b) cash flow situation;

- (c) future operations and earnings;
- (d) capital requirements and expenditure plans;
- (e) interest of shareholders;
- (f) any restrictions on payment of dividends; and
- (g) any other factors that the Board may consider relevant.

Depending on the financial conditions of the Group and the conditions and factors as set out above, dividends may/may not be proposed and/or declared by the Board for a financial year or period as:

1. interim dividend;
2. final dividend;
3. special dividend; and
4. any distribution of net profits that the Board may deem appropriate.

The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.

The Board shall endeavor to strike a balance between providing return to the Shareholders through the payment of dividends whilst retaining adequate reserves as the Group's working capital and for the Group's future growth. There can be no assurance that dividends will be proposed, declared or paid by the Company in any particular amount at any time or from time to time.

The Board will review from time to time the Dividend Policy and may exercise at its absolute and sole discretion to update, amend and/or modify the Dividend Policy at any time as the Board deems fit and necessary.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Yours faithfully,
On behalf of the Board
Pinestone Capital Limited
Mr. Cheung Yan Leung Henry
Chairman

Hong Kong, 20 November 2019

As at the date of this announcement, the Board comprises Mr. Cheung Yan Leung Henry, Mr. Cheung Jonathan as executive Directors and Mr. Yeung King Wah, Mr. Lai Tze Leung George and Mr. So Stephen Hon Cheung as independent non-executive Directors.