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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)**

## **DISCLOSEABLE TRANSACTION – PROVISION OF FINANCIAL ASSISTANCE**

### **PROVISION OF FINANCIAL ASSISTANCE**

The Board is pleased to announce that on 21 September 2022 (after trading hours of the Stock Exchange), the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower pursuant to which the Lender has conditionally agreed to grant to the Borrower the Loan in the amount of HK\$20,000,000 which is interest bearing at 15% per annum for a term of 12 months from the date of the Loan Agreement.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of the Loan granted to the Borrower exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

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### **THE LOAN AGREEMENT**

|                |                                                                                                                                                                                                                                                                                                              |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date:          | 21 September 2022                                                                                                                                                                                                                                                                                            |
| Lender:        | Pinestone Capital Group Limited                                                                                                                                                                                                                                                                              |
| Borrower:      | World Universal Culture Limited (宏寰文化傳播有限公司),<br>an Independent Third Party                                                                                                                                                                                                                                  |
| Guarantors:    | Guarantor A and Guarantor B                                                                                                                                                                                                                                                                                  |
| Loan amount:   | HK\$20,000,000                                                                                                                                                                                                                                                                                               |
| Interest rate: | 15% per annum                                                                                                                                                                                                                                                                                                |
| Term:          | The Loan shall be granted to the Borrower for a period of 12<br>months from the date of the Loan Agreement                                                                                                                                                                                                   |
| Maturity date: | Maturity date falls on 20 September 2023                                                                                                                                                                                                                                                                     |
| Repayment:     | The Borrower shall pay interest accrued on the outstanding<br>balance of the Loan on a monthly basis and shall repay the<br>total outstanding balance of the Loan together with any<br>outstanding interest accrued thereon on the Maturity Date,<br>being the 12 months from the date of the Loan Agreement |

The Borrower may prepay to the Lender all outstanding balance of the Loan together with interest accrued by giving prior three months written notice to the Lender

The Lender may request the Borrower to repay all outstanding balance of the Loan together with interest accrued by giving prior three months written notice to the Borrower

Purpose of the Loan: The Loan shall be used by the Borrower exclusively for the development of the businesses of the Borrower, including but not limited to film investment, production and distribution

Security: (i) a share charge (the “**Share Charge**”) over the entire issued shares in the Borrower made by the Guarantors in favour of the Lender; and

(ii) a guarantee and indemnity given or to be given by the Guarantors

## **INFORMATION ON THE COUNTERPARTIES**

### **The Borrower**

The Borrower is a limited company incorporated in Hong Kong which is primarily engaging in film investment, production and distribution. It is also engaging in artists management and pop-music concert financing. As at the date of this announcement, the Borrower is directly wholly-owned by the Guarantor A.

### **The Guarantor A**

The Guarantor A is a limited company incorporated in British Virgin Islands and its principal business is investment holding. As at the date of this announcement, the Guarantor A is directly wholly-owned by the Guarantor B.

### **The Guarantor B**

The Guarantor B is a limited company incorporated in Hong Kong and its principal business is investment holding. As at the date of this announcement, the Guarantor B is directly wholly-owned by Mr. Yeung Wai Tin.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Borrower, the Guarantors and their ultimate beneficial owner are Independent Third Parties.

## **INFORMATION OF THE GROUP AND THE LENDER**

The Group is principally engaged in (i) securities brokerage; (ii) securities-backed lending; (iii) placing and underwriting; and (iv) other money lending services.

The Lender is an indirect wholly-owned subsidiary of the Company and is a company incorporated in Hong Kong with limited liability. It is a holder of money lender licence under the Money Lenders Ordinance. The grant of the Loan is carried out as part of the ordinary and usual course of business of the Lender.

## **INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN AGREEMENT**

The advance in respect of the Loan Agreement was made based on (i) the Group's credit assessment on the financial strength and repayment ability of the Borrower; (ii) the value of the security provided by the Borrower; and (iii) the financial strength and repayment ability of the Guarantors.

After taking into account the factors as disclosed above in assessing the risk of the advance and the result of the due diligence of the Borrower, the Group considers that the risk involved in the advance to the Borrower is acceptable to the Group.

## **FUNDING OF THE FINANCIAL ASSISTANCE**

The Group will finance the Loan by internal resources of the Group.

## **REASONS AND BENEFITS FOR ENTERING INTO THE LOAN AGREEMENT**

The terms of the Loan Agreement (including the interest rate) are negotiated on an arm's length basis between the Lender and the Borrower on normal commercial terms with reference to the prevailing market practice. Taking into account the financial background and repayment ability of the Borrower and the Guarantors, the Directors are of view that a stable revenue and cashflow stream from interest income for the Group is expected to be generated from the Loan. The Directors consider and believe that the terms of the Loan Agreement are fair and reasonable and the entering into of the Loan Agreement is in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Loan as provided under the Loan Agreement constitutes a financial assistance provided by the Lender within the meaning of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of the Loan granted to the Borrower exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings:

|                       |                                                                                                                                                                                                          |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”               | the board of Directors of the Company                                                                                                                                                                    |
| “Borrower”            | World Universal Culture Limited (宏寰文化傳播有限公司), a company incorporated under the laws of Hong Kong which is wholly-owned by the Guarantor A                                                                |
| “Business Day(s)”     | a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which commercial banks are generally open for business in Hong Kong                                                              |
| “Company”             | Pinestone Capital Limited (鼎石資本有限公司), a company incorporated in the Caymans Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 804) |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules                                                                                                                                                   |
| “Director(s)”         | director(s) of the Company                                                                                                                                                                               |
| “Group”               | the Company and its subsidiaries                                                                                                                                                                         |

|                                |                                                                                                                                                                                                         |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Guarantor A”                  | Billion Cheer Limited (振億有限公司), a company incorporated in British Virgin Islands with limited liability, one of the guarantors under the Loan Agreement and is directly wholly-owned by the Guarantor B |
| “Guarantor B”                  | Raderwo Limited (雷禾有限公司), a company incorporated in Hong Kong with limited liability, one of the guarantors under the Loan Agreement and is directly wholly-owned by Mr. Yeung Wai Tin                  |
| “Guarantors”                   | being the Guarantor A and the Guarantor B                                                                                                                                                               |
| “HK\$”                         | Hong Kong dollar, the lawful currency of Hong Kong                                                                                                                                                      |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the People’s Republic of China                                                                                                                           |
| “Independent Third Party(ies)” | parties which are not connected persons of the Company (as defined in Listing Rules) and are independent of and not connected with the Company and its connected persons                                |
| “Lender”                       | Pinestone Capital Group Limited (鼎石資本集團有限公司), a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company                                                 |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                     |
| “Loan”                         | a loan in the amount of HK\$20,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement                                                                                |
| “Loan Agreement”               | the loan agreement dated 21 September 2022 entered into between the Lender and the Borrower in relation to the grant of the Loan                                                                        |

|                           |                                                                                                                                     |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| “Maturity Date”           | being the 12 months from the date of the Loan Agreement                                                                             |
| “Money Lenders Ordinance” | the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| “Shareholder(s)”          | holder(s) of Share(s)                                                                                                               |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited                                                                                             |
| “%”                       | percentage                                                                                                                          |

By order of the Board  
**Pinestone Capital Limited**  
**Cheung Yan Leung Henry**  
*Chairman*

Hong Kong, 21 September 2022

*As at the date of this announcement, the Board comprises Mr. Cheung Yan Leung Henry and Mr. Lee Chun Tung as executive Directors; Mr. Yau Tung Shing as non-executive Director; and Mr. Yeung King Wah, Mr. Lai Tze Leung George, Mr. So Stephen Hon Cheung, Mr. Lau Kelly and Mr. Wong Chun Peng Stewart as independent non-executive Directors.*

# *For identification purpose only.*