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**Cinese International
Development Limited**
富盈國際發展有限公司

*(Incorporated in the British Virgin Islands with
limited liability)*

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)

JOINT ANNOUNCEMENT

**(1) THE SALE AND PURCHASE AGREEMENT IN RELATION TO
APPROXIMATELY 50.18% OF THE ISSUED SHARE CAPITAL OF
PINESTONE CAPITAL LIMITED; AND**

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER
BY CCB INTERNATIONAL CAPITAL LIMITED
FOR AND ON BEHALF OF
CINESE INTERNATIONAL DEVELOPMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
PINESTONE CAPITAL LIMITED
(OTHER THAN THOSE OWNED AND/OR AGREED TO BE ACQUIRED
BY CINESE INTERNATIONAL DEVELOPMENT LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to Cinese International Development Limited



Financial adviser to Pinestone Capital Limited



THE SALE AND PURCHASE AGREEMENT

On 30 September 2021 (after trading hours), the Vendors and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares (1,462,000,000 Shares of which are from the First Vendor and 802,000,000 Shares of which are from the Second Vendor, respectively), representing approximately 50.18% of the total issued share capital of the Company as at the date of this joint announcement, at a total cash consideration of HK\$179,625,760, being HK\$0.07934 per Sale Share, free from all Encumbrances and with all rights attaching thereto from and after Completion including the right to receive all dividends and distributions declared, made or paid, the record date of which falls on or after the Completion Date.

The Completion is conditional upon the fulfilment (or waiver, as may be applicable) of a number of conditions as set out in the sub-section headed “Closing Conditions of the Sale and Purchase Agreement” under the section headed “The Sale and Purchase Agreement” of this joint announcement. Subject to the Closing Conditions being satisfied or waived (as the case may be), Completion shall take place on the Completion Date or such other time as the parties to the Sale and Purchase Agreement may agree.

SPECIAL DIVIDENDS

The Company intends to declare and distribute the Special Dividends as contemplated under the Closing Conditions in such amount as to be determined and approved by the Board at a Board meeting which will be held in due course. Further announcement will be made to update the Shareholders in such regard as and when appropriate.

If the Special Dividends are declared, the record date of which shall fall on a date before the Completion Date and the actual payment of such Special Dividends may be made upon or after Completion. The Special Dividends, if declared, will be distributed based on the shareholding information on the record date, which shall fall on a date before the Completion Date. **Any Shareholder who is registered as a member of the Company on the record date and subsequently sells its/his/her Shares or accepts the Share Offer would still be entitled to the Special Dividends, if declared. Any Shareholder who is registered as a member of the Company after the record date would not be entitled to the Special Dividends.**

Notwithstanding the Shareholders who being registered as a member of the Company on the record date are entitled to the Special Dividends, if declared, the Offeror, in establishing the Offer Price, will not deduct the net Special Dividends from the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Purchaser has agreed that it shall not be entitled to the Special Dividends.

In accordance with note 9 to Rule 4 of the Takeovers Code, the declaration and payment of the Special Dividends constitute a frustrating action under Rule 4 of the Takeovers Code which further provides that such frustrating action is subject to approval by the Shareholders. As per note 1 to Rule 4 of the Takeovers Code, the requirement of the Shareholders' meeting may be waived by the Executive if the Offeror has agreed. Given that the Offeror has agreed to the Special Dividends by entering into the Sale and Purchase Agreement, the Company will apply to the Executive to waive the Shareholders' meeting requirement on the Special Dividends. If the Executive grants such waiver, no Shareholders' meeting will be held to approve the Special Dividends. Further information on the above will be included in the Composite Document.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

As of the date of this joint announcement, none of the Offeror, the ultimate beneficial owners of the Offeror, and the parties acting in concert with any of them is interested in any Shares, other than the Sale Shares under the Sale and Purchase Agreement. Upon Completion, the Offeror will own a total of 2,264,000,000 Shares, representing approximately 50.18% of the entire issued share capital of the Company. Under Rule 26.1 of the Takeovers Code, upon Completion, the Offeror will be required to make an unconditional mandatory cash offer for all the issued Shares, other than those Shares already owned by and/or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 4,511,890,000 Shares in issue. The Company does not have any outstanding convertible securities, warrants, options, or derivatives in issue as at the date of this joint announcement which may confer any rights to subscribe for, convert or exchange into Shares.

PRINCIPAL TERMS OF THE SHARE OFFER

Upon Completion, CCB International Capital Limited, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Share Offer to acquire all the Offer Shares on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.07934

The Offer Price of HK\$0.07934 is equal to the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. The Offer Price will not be affected by the downward adjustment of the Consideration, if any, as stipulated in the section headed “The Sale and Purchase Agreement — Consideration” in this joint announcement. The Offeror believes that the Offer Price is fair and commercially attractive to the Offer Shareholders.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from any liens, claims and encumbrances together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document. The Company does not have any dividend and/or other distribution and/or other return of capital that is announced, declared or unpaid in respect of the Shares as at the date of this joint announcement. Save for the Special Dividends, the Company also has no other plan to make any distribution or declare dividends before the close of the Share Offer.

The Offeror will not increase the Offer Price. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

The Share Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

Total consideration of the Share Offer

As at the date of this joint announcement, there are 4,511,890,000 Shares in issue. On the basis of the Offer Price being HK\$0.07934, the total issued share capital of the Company would be valued at approximately HK\$357,973,353. Excluding the Sale Shares and the First Vendor Remaining Shares, and assuming no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Share Offer, 2,137,890,000 Shares will be subject to the Share Offer. On the basis of full acceptance of the Share Offer, the maximum cash consideration payable by the Offeror under the Share Offer would be HK\$169,620,192.6, based on the Offer Price.

FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR

The Offeror intends to finance and satisfy the Consideration and the Share Offer with the internal resources of the Offeror.

CCB International Capital Limited, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy (i) the amounts of funds required for the Completion; and (ii) the consideration payable by the Offeror upon full acceptance of the Share Offer (excluding the First Vendor Remaining Shares).

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee will be formed in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders in respect of the Share Offer, as to whether the Share Offer is fair and reasonable and as to the acceptance of the Share Offer. The Independent Board Committee is expected to comprise of all the independent non-executive Directors, being Mr. Yeung King Wah, Mr. Lai Tze Leung George and Mr. So Stephen Hon Cheung.

The Independent Financial Adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee in respect of the Share Offer, as to whether the terms of the Share Offer are fair and reasonable, and as to the acceptance of the Share Offer pursuant to Rule 2.1 of the Takeovers Code. A further announcement will be made by the Company as soon as practicable after the Independent Financial Adviser has been appointed. The letter of advice from the Independent Financial Adviser as to whether the Share Offer is fair and reasonable, and as to the acceptance of the Share Offer will be set out in the Composite Document to be despatched to the Shareholders.

POSTING OF THE COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the offeree board circular into the Composite Document which contains amongst others, details of the Share Offer, accompanied by the relevant form of acceptance and transfer, and incorporating the recommendation from the Independent Board Committee and the advice letter from the Independent Financial Adviser in respect of the Share Offer. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be posted within 21 days of the date of this joint announcement or such later date as the Executive may approve in accordance with the Takeovers Code.

As the making of the Share Offer is conditional upon Completion (which in turn is conditional upon satisfaction of the Closing Conditions, including but not limited to the obtaining of the formal approval from the SFC for the change of substantial shareholders of Pinestone Securities), an application will be made by the Offeror to seek for the Executive's consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to a date falling within seven days of the Completion which in any event shall be no later than 29 July 2022 or such other date as the Executive may approve.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

WARNING

The Share Offer will only be made if Completion takes place. Completion is conditional upon the fulfillment or waiver (where applicable) of the Closing Conditions. Accordingly, the Share Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Offeror that, among others, the Offeror and the Vendors had entered into the Sale and Purchase Agreement on 30 September 2021 (after trading hours). The principal terms of the Sale and Purchase Agreement are summarized below:

Date : 30 September 2021 (after trading hours)

Parties : The Offeror;
The First Vendor;
The First Vendor Warrantor;
The Second Vendor; and
The Second Vendor Warrantor.

Subject matter of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the First Vendor and the Second Vendor have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Shares (1,462,000,000 Shares of which are from the First Vendor and 802,000,000 Shares of which are from the Second Vendor, respectively), representing approximately 50.18% of the total issued share capital of the Company as at the date of this joint announcement, free from all Encumbrances and with all rights attaching thereto from and after Completion including the right to receive all dividends and distributions declared, made or paid, the record date of which falls on or after the Completion Date.

Consideration

The Consideration is HK\$179,625,760, which is equivalent to HK\$0.07934 per Sale Share, of which HK\$115,995,080 and HK\$63,630,680 are payable to the First Vendor and the Second Vendor, respectively, subject to adjustments.

The Consideration has been agreed between the Purchaser and the Vendors after arm's length negotiations and having taken into account, among others, (i) the Company's historical share prices performance traded on the Stock Exchange; and (ii) the historical financial performance of the Group.

The Consideration shall be payable by the Purchaser in the following manners (or any other payment and/or settlement arrangements as the parties to the Sale and Purchase Agreement may agree in writing):

- (a) as to HK\$5,000,000 (the "**Deposit**") by wire transfer in immediately available funds to the Escrow Account within five Business Days upon the execution of the Sale and Purchase Agreement; and
- (b) upon Completion, (i) the Vendors and the Purchaser shall instruct the Escrow Agent to release and transfer the Deposit from the Escrow Account, on a pro rata basis based on the number of the Sale Shares held by each Vendor, to the respective designated bank accounts of the First Vendor and the Second Vendor; and (ii) as to the remaining balance of HK\$174,625,760 (the "**Remaining Balance**") shall, after deducting the amount equivalent to the Shortfall (as defined below), if any, be payable on a pro rata basis based on the number of the Sale Shares held by each Vendor in immediately available funds to the respective accounts of the respective designated CCASS Participants of the First Vendor and the Second Vendor by the Purchaser on the Completion Date.

The Vendors and the Purchaser shall jointly upon the Completion Accounts Date instruct the Agreed Accounting Firm to review (or, if so agreed by the parties to the Sale and Purchase Agreement, audit) the Completion Accounts and such review shall be completed within 21 days of the Completion Accounts Date.

In the event that the Vendors are not able to cause or procure the Group to deposit a total of HK\$40 million in the relevant designated bank accounts of the Group (the “**Designated Accounts**”) upon Completion and produce evidence showing such aggregate balances and/or the Cash and cash equivalents of the Group upon Completion as shown in the Completion Accounts (the “**Completion CCE**”) is less than HK\$40 million (the “**Agreed Minimum CCE**”), the Purchaser shall withhold the part of the Remaining Balance which is equivalent to such shortfall (the “**Shortfall**”) and the Vendors shall procure, and the Purchaser shall provide such cooperation as may be necessary, the Group to collect any receivables of the Group up to an amount equal to the Shortfall and deposit such proceeds (the “**Collected Proceeds**”) into the Designated Accounts within 45 days from Completion (the “**Prescribed Time**”). Upon the expiry of the Prescribed Time, the Vendors and the Purchaser shall jointly instruct the Agreed Accounting Firm to review (or, if so agreed by the parties to the Sale and Purchase Agreement, audit) the Designated Accounts (the “**Further Review**”) and such review shall be completed within 21 days of the date of instruction for the Further Review.

Where the Group still fails to deposit the amount of not less than the Shortfall into the Designated Accounts within the Prescribed Time (or, upon the completion of the Further Review, it is found that the Vendors have yet to make up the Shortfall by the Prescribed Time), the Consideration shall be adjusted on a dollar-for-dollar basis as follows for any shortfall, and the Purchaser shall be entitled to retain the respective portion of the Remaining Balance:

$$\text{New Consideration} = \text{original Consideration} - (A - B)$$

$$\text{Where original Consideration} = \text{HK\$179,625,760};$$

$$A = \text{Agreed Minimum CCE}; \text{ and}$$

$$B = \text{Completion CCE plus the Collected Proceeds, if any.}$$

Notwithstanding the above, where the Completion CCE upon Completion as shown on the Completion Accounts is not less than the Agreed Minimum CCE, but after such Completion Accounts being reviewed by the Agreed Accounting Firm, the Completion CCE is found to be lower than the Agreed Minimum CCE, the Purchaser may at its sole discretion, (i) request the Vendors to procure the Group to deposit an amount up to the Shortfall into the Designated Accounts within the Prescribed Time (which shall be subject to the same mechanism of the Further Review as abovementioned), failing which, (ii) adjust the Consideration. In the case of (ii), the Vendors shall respectively deliver cashier orders in the amount equivalent to the Shortfall to the Purchaser on a pro rata basis.

The mechanism of such downward adjustment of the Consideration is applied in the Sale and Purchase Agreement to ensure that the Vendors will be responsible for the Shortfall. As such, if the Agreed Minimum CCE shown in the Completion Accounts is equal to or more than HK\$40 million or where the Vendors have made up for the Shortfall within the Prescribed Time, subject to the review (or, if so agreed by the parties to the Sale and Purchase Agreement, audit) of the Agreed Accounting Firm, the initial Consideration will not be subject to any adjustment. The abovementioned adjustment mechanism will not affect the Completion.

Closing Conditions of the Sale and Purchase Agreement

Completion of the Sale and Purchase Agreement is subject to the following conditions being fulfilled and (where applicable) remaining satisfied or waived by the Purchaser as at Completion:

- (A) the Executive confirming in writing that they have no further comment on this joint announcement pursuant to Rule 3.5 of the Takeovers Code and the publication of this joint announcement on the Stock Exchange's website;
- (B) no written notification or indication being received on or before the Completion Date from the Executive or the Stock Exchange to the effect that the listing and/or trading of the Shares on the main board of the Stock Exchange will or may be withdrawn or suspended (excluding any suspension for the purpose of obtaining clearance from the Executive or the Stock Exchange on the announcements in respect of the transactions contemplated by the Sale and Purchase Agreement or suspension due to the Company's failure to maintain the minimum public float requirement as a result of the Share Offer) or objected to (or conditions will or may be attached thereto) as a result of Completion or in connection with the terms of or any transaction contemplated by the Sale and Purchase Agreement (including, but not limited to, in connection with an allegation that the Company is no longer suitable for listing);

- (C) the approval in writing from the SFC (which shall be unconditional, or shall attach to it only customary conditions) allowing the change of substantial shareholders of Pinestone Securities as a result of Completion in accordance with the requirements under the SFO;
- (D) the licences granted and issued to at least two Responsible Officers and Pinestone Securities for the regulated activities under the SFO remaining valid, subsisting and all necessary actions to ensure the compliance with the conditions imposed on such licences (where appropriate) having been taken and such licences not having been revoked, terminated or suspended on or before the Completion Date;
- (E) the then existing money lender licence held by Pinestone Capital Group Limited remaining valid and not having been revoked and the renewal application having been made to the relevant government authority, if applicable and permitted;
- (F) no written order or judgement (which has been stayed, removed or withdrawn) of any competent regulatory authority having been issued, made or petition presented or resolution passed for the winding up of the Company, Pinestone Securities and Pinestone Capital Group Limited;
- (G) no written notice, investigation, order, judgment, action or proceeding of any governmental authority (including the Stock Exchange and the SFC) having been served, issued or made to the Vendors or their ultimate beneficial owners or the Directors which restrains, prohibits or makes unlawful the sale of the Sale Shares or which is likely to materially and adversely affect (i) the right of the Offeror to own the legal and beneficial title to the Sale Shares, free from Encumbrances or (ii) the continued listing and trading of the Shares (including the Sale Shares) on the Stock Exchange as of the Completion Date;
- (H) the warranties given by the Covenantors under the Sale and Purchase Agreement remaining true, accurate and not misleading; and
- (I) the Special Dividends having been declared.

If the above conditions are not fulfilled or waived on or before the Long Stop Date, the Sale and Purchase Agreement shall lapse and be of no further effect except certain clauses as specified therein and no party to the Sale and Purchase Agreement shall have any claim against or liability to the other parties, save in respect of any antecedent breaches of the Sale and Purchase Agreement. Closing Conditions (A), (C) and (G) are not waivable by any party to the Sale and Purchase Agreement. Apart from such, and except Closing Condition (I), (i) the Purchaser may at its absolute discretion at any time waive by notice in writing to the Vendors any of the Closing Conditions; and (ii) the Vendors are not entitled to waive any Closing Conditions under the Sale and Purchase Agreement.

If the Sale and Purchase Agreement is terminated or lapses, the Vendors and the Purchaser shall jointly instruct the Escrow Agent to refund the Deposit to the Purchaser.

Immediately following Completion, the Purchaser will be interested in a total of 2,264,000,000 Shares, representing approximately 50.18% of the entire issued share capital of the Company as at the date of this joint announcement. An application will be made by the Offeror to the SFC for the change of substantial shareholders of Pinestone Securities as soon as possible after the entering of the Sale and Purchase Agreement. Subject to the review by the SFC, the Offeror expects that the formal approval by the SFC may be granted within six months following the relevant application.

As at the date of this joint announcement, save for Closing Condition (A), all remaining Closing Conditions are yet to be satisfied.

Completion

Subject to the Closing Conditions being satisfied or waived (as the case may be), Completion shall take place on the Completion Date or such other time as the parties to the Sale and Purchase Agreement may agree.

SPECIAL DIVIDENDS

The Company intends to declare and distribute the Special Dividends as contemplated under the Closing Conditions in such amount as to be determined and approved by the Board at a Board meeting which will be held in due course. Further announcement will be made to update the Shareholders in such regard as and when appropriate.

If the Special Dividends are declared, the record date of which shall fall on a date before the Completion Date and the actual payment of such Special Dividends may be made upon or after Completion. The Special Dividends, if declared, will be distributed based on the shareholding information on the record date, which shall fall on a date before the Completion Date. **Any Shareholder who is registered as a member of the Company on the record date and subsequently sells its/his/her Shares or accepts the Share Offer would still be entitled to the Special Dividends, if declared. Any Shareholder who is registered as a member of the Company after the record date would not be entitled to the Special Dividends.**

Notwithstanding the Shareholders who being registered as a member of the Company on the record date are entitled to the Special Dividends, if declared, the Offeror, in establishing the Offer Price, will not deduct the net Special Dividends from the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Purchaser has agreed that it shall not be entitled to the Special Dividends.

In accordance with note 9 to Rule 4 of the Takeovers Code, the declaration and payment of the Special Dividends constitute a frustrating action under Rule 4 of the Takeovers Code which further provides that such frustrating action is subject to approval by the Shareholders. As per note 1 to Rule 4 of the Takeovers Code, the requirement of the Shareholders' meeting may be waived by the Executive if the Offeror has agreed. Given that the Offeror has agreed to the Special Dividends by entering into the Sale and Purchase Agreement, the Company will apply to the Executive to waive the Shareholders' meeting requirement on the Special Dividends. If the Executive grants such waiver, no Shareholders' meeting will be held to approve the Special Dividends. Further information on the above will be included in the Composite Document.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

As of the date of this joint announcement, none of the Offeror, the ultimate beneficial owners of the Offeror, and the parties acting in concert with any of them is interested in any Shares, other than the Sale Shares under the Sale and Purchase Agreement. Upon Completion, the Offeror will own a total of 2,264,000,000 Shares, representing approximately 50.18% of the entire issued share capital of the Company. Under Rule 26.1 of the Takeovers Code, upon Completion, the Offeror will be required to make an unconditional mandatory cash offer for all the issued Shares, other than those Shares already owned by and/or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 4,511,890,000 Shares in issue. The Company does not have any outstanding convertible securities, warrants, options, or derivatives in issue as at the date of this joint announcement which may confer any rights to subscribe for, convert or exchange into Shares.

WARNING

The Share Offer will only be made if Completion takes place. Completion is conditional upon the fulfillment or waiver (where applicable) of the Closing Conditions. Accordingly, the Share Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

PRINCIPAL TERMS OF THE SHARE OFFER

Upon Completion, CCB International Capital Limited, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Share Offer to acquire all the Offer Shares on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.07934

The Offer Price of HK\$0.07934 is equal to the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. The Offer Price will not be affected by the downward adjustment of the Consideration, if any, as stipulated in the section headed “The Sale and Purchase Agreement — Consideration” in this joint announcement. The Offeror believes that the Offer Price is fair and commercially attractive to the Offer Shareholders.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from any liens, claims and encumbrances together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document. The Company does not have any dividend and/or other distribution and/or other return of capital that is announced, declared or unpaid in respect of the Shares as at the date of this joint announcement. Save for the Special Dividends, the Company also has no other plan to make any distribution or declare dividends before the close of the Share Offer.

The Offeror will not increase the Offer Price. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

The Share Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

Undertaking not to accept the Share Offer

Each of the First Vendor and the First Vendor Warrantor unconditionally and irrevocably undertakes to the Purchaser that the First Vendor will not, and the First Vendor Warrantor will procure the First Vendor not to, (i) accept the Share Offer in respect of the First Vendor Remaining Shares; and (ii) directly or indirectly, sell, give, transfer, assign or dispose of or otherwise create any Encumbrance on the First Vendor Remaining Shares in any manner during the period commencing on the date of the Sale and Purchase Agreement and ending on the date on the close of the Share Offer. Such undertaking will lapse on the closing date of the Share Offer.

Comparison of value

The Offer Price of HK\$0.07934 is equal to the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement represents:

- (i) a premium of approximately 11.75% over the closing price of HK\$0.071 per Share as quoted on the Stock Exchange on 30 September 2021, being the Last Trading Day;
- (ii) a premium of approximately 14.32% over the average closing price of approximately HK\$0.0694 per Share based on the daily closing prices as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 15.66% over the average closing price of approximately HK\$0.0686 per Share based on the daily closing prices as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 17.42% over the average closing price of approximately HK\$0.06757 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;

- (v) a premium of approximately 82.03% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.04359 per Share as at 31 December 2020, calculated by dividing the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$196,656,000 as at 31 December 2020 by 4,511,890,000 Shares in issue as at the date of this joint announcement; and
- (vi) a premium of approximately 77.84% over the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$0.04461 per Share as at 30 June 2021, calculated by dividing the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$201,288,000 as at 30 June 2021 by 4,511,890,000 Shares in issue as at the date of this joint announcement.

Highest and lowest closing prices of the Shares

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately prior to and including the Last Trading Day were HK\$0.072 per share on 28 and 29 September 2021 and HK\$0.03 per Share on 20 May 2021, respectively.

Total consideration of the Share Offer

As at the date of this joint announcement, there are 4,511,890,000 Shares in issue. On the basis of the Offer Price being HK\$0.07934, the total issued share capital of the Company would be valued at approximately HK\$357,973,353. Excluding the Sale Shares and the First Vendor Remaining Shares, and assuming no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Share Offer, 2,137,890,000 Shares will be subject to the Share Offer. On the basis of full acceptance of the Share Offer, the maximum cash consideration payable by the Offeror under the Share Offer would be HK\$169,620,192.6, based on the Offer Price.

FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR

The Offeror intends to finance and satisfy the Consideration and the Share Offer with the internal resources of the Offeror.

CCB International Capital Limited, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy (i) the amounts of funds required for the Completion; and (ii) the consideration payable by the Offeror upon full acceptance of the Share Offer (excluding the First Vendor Remaining Shares).

Effects of accepting the Share Offer and Overseas Shareholders

The Offeror intends to make available the Share Offer to all Shareholders, including those who are residents outside Hong Kong, to the extent practicable.

By accepting the Share Offer, the Shareholders will sell their Shares to the Offeror free from all liens, claims, encumbrances and all third party rights and with all rights attached thereto as at the date on which the Share Offer is made or subsequently becoming attached to them, including the right to receive all dividends declared, paid or made, if any, on or after the date on which the Composite Document is posted. The making of the Share Offer to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Share Offer to satisfy themselves as to full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in respect of such jurisdictions). Any acceptance by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with.

Acceptance of the Share Offer would be irrevocable and would not be capable of being withdrawn, subject to the provision of the Takeovers Code.

In the event that the despatch of the Composite Document to the Overseas Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's consent, the Composite Document may not be despatched to such Overseas Shareholders while all material information in the Composite Document shall still be made available to such Overseas Shareholders to the extent practicable. The Offeror will apply for waiver from the Executive regarding the issuance of the Composite Document to particular overseas shareholders pursuant to Note 3 to Rule 8 of the Takeovers Code at such time (where appropriate). Relevant Overseas Shareholders may still decide to accept the Share Offer. Any acceptance in such connection will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty payable by the Shareholders on acceptance of the Share Offer calculated at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror, whichever is higher, will be deducted from the amounts payable by the Offeror to such person on acceptance of the Share Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Share Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of the Share Offer will be made as soon as possible but in any event within seven Business Days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Share Offer are received. Relevant documents evidencing title in respect of such acceptances must be received by the Offeror (or its agent) to render each such acceptance of the Share Offer complete and valid in accordance with Note 1 to Rule 30.2 of the Takeovers Code.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer. None of the Offeror, the Company, CCB International Capital Limited, Grand Moore Capital Limited, and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Share Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer.

DEALING AND INTERESTS IN THE SECURITIES OF THE COMPANY

The Offeror confirms that, as at the date of this joint announcement:

- (i) the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them do not own or have control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) save as the undertaking not to accept the Share Offer by the First Vendor and the First Warrantor in respect of the First Vendor Remaining Shares, the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them have not received any irrevocable commitment to accept or not to accept the Share Offer;
- (iii) there is no agreement or arrangement in relation to outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and any person acting in concert with any one of them;
- (iv) there are no conditions to which the Share Offer is subject;
- (v) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror which may be material to the Share Offer;
- (vi) other than the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Share Offer;
- (vii) there are no Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which the Offeror, its ultimate beneficial owners and any parties acting in concert with any one of them have borrowed or lent;

- (viii) there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Vendors and/or any parties acting in concert with it in connection with the sale and purchase of the Sale Shares, save for the Consideration to be paid by the Offeror to the Vendors;
- (ix) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and/or parties acting in concert with it on one hand, and the Vendors and/or parties acting in concert with it on the other hand;
- (x) save as disclosed in this joint announcement, there is no understanding, arrangement, agreement or special deal between (1) any Shareholder; and (2)(a) the Offeror and/or any parties acting in concert with it, or (b) the Company, its subsidiaries or associated companies; and
- (xi) none of the Offeror and its ultimate beneficial owners and any parties acting in concert with any one of them had acquired any voting right in the Company during the six-month period prior to the date of this joint announcement and up to the date of this joint announcement.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability. The Shares are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding. The Group is a Hong Kong based financial institution providing a wide range of bespoke financial services including (i) securities brokerage, (ii) securities-backed lending and (iii) placing and underwriting services.

Set out below is a summary of (i) the audited financial information of the Group for each of the two financial years ended 31 December 2019 and 2020 as extracted from the annual report of the Company for the year ended 31 December 2020; and (ii) the unaudited financial information of the Group for the six-month periods ended 30 June 2020 and 2021 as extracted from the interim reports of the Company for the six months ended 30 June 2020 and 2021:

	For the year ended 31 December		For the six months ended 30 June	
	2019	2020	2020	2021
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	25,917	31,808	17,813	12,836
Profit/(loss) before taxation	9,622	(19,311)	4,626	5,772
Profit/(loss) for the year or period (where appropriate)	7,231	(18,828)	3,667	4,632

	As at 31 December		As at 30 June	
	2019	2020	2020	2021
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Total assets	253,944	228,302	238,126	206,985
Total liabilities	12,619	31,646	18,975	5,697
Net assets	241,325	196,656	219,151	201,288

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion but before the Share Offer:

Shareholders	Nature of Interest	Immediately before Completion		Immediately after Completion but before the Share Offer is made	
		Approximate		Approximate	
		No. of Shares	%	No. of Shares	%
The Offeror	Beneficial owner	–	–	2,264,000,000	50.18
The First Vendor ^(Note 1)	Beneficial owner	1,572,000,000	34.84	110,000,000	2.44
The Second Vendor ^(Note 2)	Beneficial owner	802,000,000	17.78	–	–
Public Shareholders	Beneficial owner	2,137,890,000	47.38	2,137,890,000	47.38
Total		4,511,890,000	100	4,511,890,000	100

Notes:

- The First Vendor is directly wholly-owned by the First Vendor Warrantor, Mr. Cheung Yan Leung Henry. By virtue of the SFO, the First Vendor Warrantor is deemed to be interested in the 1,572,000,000 Shares held by the First Vendor.
- The Second Vendor is directly wholly-owned by the Second Vendor Warrantor, Mr. Jonathan Cheung. By virtue of the SFO, the Second Vendor Warrantor is deemed to be interested in the 802,000,000 Shares held by the Second Vendor.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability on 31 March 2021, the shares of which are owned as to 69% by Cinese International Investments Limited (富盈國際投資有限公司), an investment holding company (which is wholly-owned by Cinese International Holdings Limited (富盈國際控股有限公司), an investment holding company, which in turn is wholly-owned by Mr. Liu Xuebin (劉學斌)), 15% by Zheng Xuan Investment Limited (正軒投資有限公司), an investment holding company (which is wholly-owned by Mr. Liu Jiexuan (劉杰軒)), 7% by Beaulink Investment Limited (璧合灣區投資有限公司), an investment holding company (which is wholly-owned by Ms. Liu Yanhuan (劉燕歡)), 5% by LMTZ Investment Limited (聯民拓展投資有限公司), an investment holding company (which is wholly-owned by Ms. Wang Miaochan (王妙嬋)), 3% by Fruitful Enterprise Holdings Limited (雋逸控股有限公司), an investment holding company (which is wholly-owned by Ms. Kou Chung Yin Mariana (高頌妍)) and 1% by Hin Cheng Company Limited (軒程有限公司), an investment holding company (which is wholly-owned by Ms. Ng Mun Ying (伍滿英)).

The Offeror and its ultimate beneficial owners are Independent Third Parties.

As of the date of this joint announcement and before Completion, none of the Offeror, its respective ultimate beneficial owners, its directors (being Mr. Liu Xuebin, Mr. Liu Jiexuan, Ms. Liu Yanhuan and Ms. Wang Miaochan), and the parties acting in concert with any of them is interested in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, other than the Sale Shares.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

The intention of the Offeror is that the Company's existing principal activities will be maintained and continued after completion of the Share Offer. The Offeror confirms that there is no intention to further expand and/or divest the existing businesses of the Company during the Offer Period should appropriate opportunities arise. The Offeror will conduct a review of the existing principal businesses and the financial position of the Group following the close of the Share Offer for the purpose of formulating business plans and strategies for the future development and expansion of the Group's principal business, that is, provision of financial services, including by leveraging the expertise and the existing business network of the Group, the Offeror and its ultimate beneficial owners. The Offeror believes that, relying on the hands-on experience in enterprise management and the extensive business network of the ultimate beneficial owners of the Offeror accumulated from the management experience in various business fields, including premium private education business in China, particularly in the Greater Bay Area, overseas education service for domestic university students, tourism hotel management and real estate development, the customer base of the Group would be broadened and the Group's ability in exploring further business opportunities in the Group's existing field of business would be enhanced.

Subject to the results of the abovementioned business review to be conducted following the close of the Share Offer, the Offeror has no plan nor any intention of injecting any of its assets into the Company. In addition, the Offeror has no intention to discontinue the employment of any employees of the Group (save for the proposed change to the Board as set out in the section headed “Proposed change of the Board composition” below) nor dispose of any of the assets (including fixed assets) of the Group other than those in its ordinary and usual course of business.

Proposed change of the Board composition

The Board is currently made up of two executive Directors and three independent non-executive Directors. The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code, the Listing Rules or other applicable regulations.

As at the date of this joint announcement, the Offeror has not decided on the future composition of the Board and is in the process of identifying any suitable candidates as members of the Board. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate.

Public float and maintaining the listing status of the Company

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the closing of Share Offer.

Pursuant to the Listing Rules, if, at the closing of the Share Offer, less than the minimum prescribed percentage of public float applicable to the Company, being 25.0% of the issued share capital of the Company, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares. Therefore, it should be noted that upon closing of the Share Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. Each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Share Offer.

GENERAL

Establishment of the Independent Board Committee

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee will be formed in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders in respect of the Share Offer, as to whether the Share Offer is fair and reasonable and as to the acceptance of the Share Offer. The Independent Board Committee is expected to comprise of all the independent non-executive Directors, being Mr. Yeung King Wah, Mr. Lai Tze Leung George and Mr. So Stephen Hon Cheung.

Appointment of Independent Financial Adviser

The Independent Financial Adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee in respect of the Share Offer, as to whether the terms of the Share Offer are fair and reasonable, and as to the acceptance of the Share Offer pursuant to Rule 2.1 of the Takeovers Code. A further announcement will be made by the Company as soon as practicable after the Independent Financial Adviser has been appointed. The letter of advice from the Independent Financial Adviser as to whether the Share Offer is fair and reasonable, and as to the acceptance of the Share Offer will be set out in the Composite Document to be despatched to the Shareholders.

Posting of the Composite Document

The Offeror and the Company intend to combine the offer document and the offeree board circular into the Composite Document which contains amongst others, details of the Share Offer, accompanied by the relevant form of acceptance and transfer, and incorporating the recommendation from the Independent Board Committee and the advice letter from the Independent Financial Adviser in respect of the Share Offer. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be posted within 21 days of the date of this joint announcement or such later date as the Executive may approve in accordance with the Takeovers Code.

As the making of the Share Offer is conditional upon Completion (which in turn is conditional upon satisfaction of the Closing Conditions, including but not limited to the obtaining of the formal approval from the SFC for the change of substantial shareholders of Pinestone Securities), an application will be made by the Offeror to seek for the Executive's consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to a date falling within seven days of the Completion which in any event shall be no later than 29 July 2022 or such other date as the Executive may approve.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

Dealing disclosure

For the purposes of the Takeovers Code, the Share Offer Period has commenced on the date of this joint announcement.

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Those who deal in relevant securities should therefore appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

WARNING

The Share Offer will only be made if Completion takes place. Completion is conditional upon the fulfilment or waiver (where applicable) of the Closing Conditions. Accordingly, the Share Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Agreed Accounting Firm”	BDO Limited or such accounting firm as agreed by the Vendors and the Purchaser to be appointed jointly by them for the purpose of review (or, if so agreed by the Vendors and the Purchaser, audit) of the Completion Accounts
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above or on which a “black” rainstorm warning is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“BVI”	British Virgin Islands

“Cash and cash equivalents”	in relation to the Group, all cash and any presently existing or hereafter arising deposit account balances, as shown in the accounts being prepared and reviewed (or, as the case may be, audited) in accordance with the Sale and Purchase Agreement, such amount as shown in the Completion Accounts
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant”	a person admitted for the time being by HKSCC as a participant of CCASS
“CCB International Capital Limited” or “CCBIC”	CCB International Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror
“Closing Conditions”	the conditions precedent to Completion set out in the Sale and Purchase Agreement
“Company”	Pinestone Capital Limited (鼎石資本有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Accounts”	the Company’s unaudited consolidated statement of financial position showing its Cash and cash equivalents at consolidated level as at the Completion Date (or such other date as may be agreed between the parties to the Sale and Purchase Agreement in writing)
“Completion Accounts Date”	the Completion Date (or such other date as may be agreed between the Vendors and the Purchaser in writing)

“Completion Date”	the fifteenth (15th) Business Day after the fulfilment (or waiver) of the Closing Conditions (other than the Closing Conditions (B), (D), (E), (F), (G) and (H) which shall be satisfied on the Completion Date) (or such other date as may be agreed between the parties to the Sale and Purchase Agreement in writing)
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Share Offer in compliance with the Takeovers Code
“Consideration”	the consideration in the sum of HK\$179,625,760 payable by the Offeror to the Vendors for the acquisition of the Sale Shares
“Covenantors”	Mr. Cheung Yan Leung Henry and Mr. Cheung Jonathan
“Director”	the director(s) of the Company
“Encumbrance”	any mortgage, charge, pledge, lien, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets, securities or rights of whatsoever nature and includes any agreement or arrangement for any of the same
“Escrow Account”	the designated bank account of the Escrow Agent
“Escrow Agent”	Lego Securities Limited, the escrow agent jointly appointed by the Vendors and the Purchaser to hold the Deposit pursuant to the Sale and Purchase Agreement
“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director

“First Vendor”	HCC & Co Limited, a company incorporated in the BVI with limited liability and is wholly-owned by the First Vendor Warrantor
“First Vendor Remaining Shares”	110,000,000 Shares held by the First Vendor and indirectly owned by Mr. Cheung Yan Leung Henry upon Completion, representing approximately 2.44% of the issued share capital of the Company as at the date of this joint announcement
“First Vendor Warrantor”	Mr. Cheung Yan Leung Henry, an executive Director and the Chairman of the Company
“Grand Moore Capital Limited”	Grand Moore Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, to be established for the purpose of advising and giving a recommendation to the Offer Shareholders in respect of the Share Offer and in particular as to whether the Share Offer is fair and reasonable and as to acceptance of the Share Offer
“Independent Financial Adviser”	the independent financial adviser to be appointed for the purpose of advising the Independent Board Committee in respect of the Share Offer, as to whether the Share Offer is fair and reasonable, and as to the acceptance of the Share Offer

“Independent Third Party(ies)”	a person/persons, or in the case of a company/companies, the company/companies or its/their ultimate beneficial owner(s), who is/are independent of and not connected with the Group and their respective connected persons and their respective ultimate beneficial owner(s) or their respective associates
“Last Trading Day”	30 September 2021, being the last trading day on which the Shares were traded on the Stock Exchange before the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5:00 p.m., on 30 June 2022 (or such later date as may be agreed in writing by the parties to the Sale and Purchase Agreement)
“Main Board”	the main board maintained and operated by the Stock Exchange
“Offeror” and/or “Purchaser”	Cinese International Development Limited (富盈國際發展有限公司), a company incorporated in the BVI with limited liability
“Offer Price”	HK\$0.07934 per Offer Share in respect of the Share Offer
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror and/or parties acting in concert with it
“Offer Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Overseas Shareholders”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong

“Pinestone Securities”	Pinestone Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO and is an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Responsible Officer”	a responsible officer of Pinestone Securities as approved by the SFC under the SFO
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 September 2021 and entered into, among others, the Vendors and the Purchaser in relation to the acquisition of 2,264,000,000 Shares
“Sale Share(s)”	2,264,000,000 Shares, representing approximately 50.18% of the total issued share capital of the Company as at the date of this joint announcement
“Second Vendor”	Snail Capital Limited, a company incorporated in the BVI with limited liability and is wholly-owned by the Second Vendor Warrantor
“Second Vendor Warrantor”	Mr. Jonathan Cheung, an executive Director
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the unconditional mandatory cash offer to be made by CCB International Capital Limited for and on behalf of the Offeror for the Offer Shares in accordance with the Takeovers Code
“Share Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from the date of this joint announcement, and ending on the date of the close of the Share Offer, or such other time or date to which the Offeror may decide to extend the Share Offer in accordance with the Takeovers Code

“Share(s)”	ordinary share(s) of HK\$0.001 each in the issued share capital of the Company
“Shareholder(s)”	holders of the Shares
“Special Dividends”	any special dividends to be declared, paid or made by the Company pursuant to applicable laws, rules, codes and regulations after the date of the Sale and Purchase Agreement and with record date determining the entitlements to the Special Dividends falling before the Completion Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendors”	the First Vendor and the Second Vendor

By order of the board of directors of
Cinese International Development Limited
富盈國際發展有限公司
Mr. Liu Xuebin
Director

By order of the board of directors of
Pinestone Capital Limited
鼎石資本有限公司
Mr. Cheung Yan Leung Henry
Chairman

Hong Kong, 30 September 2021

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

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those opinions expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Mr. Liu Xuebin, Mr. Liu Jiexuan, Ms. Liu Yanhuan and Ms. Wang MiaoChan are the directors of the Offeror. In addition, as at the date of this joint announcement, Mr. Liu Xuebin is the director of each of Cinese International Investments Limited and Cinese International Holdings Limited as well as their respective ultimate beneficial owner; Mr. Liu Jiexuan is the director of Zheng Xuan Investment Limited and its ultimate beneficial owner; Ms. Liu Yanhuan is the director of Beaulink Investment Limited and its ultimate beneficial owner; Ms. Wang MiaoChan is the director of LMTZ Investment Limited and its ultimate beneficial owner; Ms. Kou Chung Yin Mariana is the director of Fruitful Enterprise Holdings Limited and its ultimate beneficial owner; and Ms. Ng Mun Ying is the director of Hin Cheng Company Limited and its ultimate beneficial owner. The directors of (i) the Offeror, (ii) each of the corporate shareholders, direct or indirect, of the Offeror, and the ultimate beneficial owners of the Offeror as abovementioned jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Group or the Vendors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those opinions expressed by the Company or the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.