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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

COMPLETION OF PLACING OF EXISTING SHARES BY CONTROLLING SHAREHOLDER AND RESUMPTION OF TRADING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Reference is also made to the announcement (the “**Announcement**”) of the Company dated 7 September 2022 in relation to the trading halt. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

THE PLACING AGREEMENT

The Board was informed by HCC and SCL, the controlling shareholders of the Company, which are wholly and beneficially owned by Mr. Cheung Yan Leung Henry (the Chairman of the Board and an executive Director) and Mr. Cheung Jonathan (an executive Director), respectively, that each of them has separately entered into the Placing Agreements with the Placing Agent on substantially the same terms on 29 August 2022 (after trading hours).

Pursuant to the Placing Agreements, the Placing Agent had agreed to procure Placee(s) on a best efforts basis to purchase up to 1,082,850,000 existing Shares of the Company, representing approximately 24% of the existing issued share capital of the Company, held by HCC and SCL, at a price of HK\$0.03 per share of the Company during the period from the date of the Placing Agreement and up to (i) 7 September 2022; or (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on or before 7 September 2022, the first day on which dealings resume and the cross-trade could be reported to the Stock Exchange in accordance with its rules, or such other date as HCC, SCL and the Placing Agent might agree in writing. The Placing Agent undertook that it would use its best endeavours to confirm with the Placee(s) that it and its ultimate beneficial owner(s) is/are (i) independent of the Company and its associates; (ii) independent of and not connected with any of the Directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates; and (iii) that it and its ultimate beneficial owner(s) is/are not acting in concert with (as defined under the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission) with any of the persons referred to in (i) and (ii) above.

COMPLETION OF PLACING

The Board was informed by HCC and SCL that the Completion took place on 7 September 2022. All 1,082,853,600 Placing Shares, representing 24% of the existing issued share capital of the Company as at the date of this announcement, were successfully placed by the Placing Agent to the Placees at the price of HK\$0.03 per Placing Share pursuant to the Placing Agreement. To the best of the knowledge, information and belief of the Company, having made all reasonable enquiries, and as confirmed by the Placing Agent, the Placees and their respective ultimate beneficial owners (where applicable) are third parties independent of and not connected with the Company or any of its connected persons.

SHAREHOLDING STRUCTURE AFTER THE PLACING

As at the date of this announcement but before completion of the Placing, HCC held 1,572,000,000 Shares, representing approximately 34.84% of the existing issued share capital of the Company; and SCL held 802,000,000 Shares, representing approximately 17.78% of the existing issues share capital of the Company.

Upon the Completion and as at the date of this announcement, HCC holds 1,291,302,918 Shares, representing 28.62% of the existing issued share capital of the Company. HCC ceases to be a controlling shareholder but remains as a substantial shareholder of the Company and SCL ceases to be a controlling shareholder and no longer a shareholder of the Company.

For illustration purposes only, the table below sets out the shareholding structure of the Company (i) before completion of the Placing; and (ii) upon completion of the Placing assuming that (a) there is no other change to the issued share capital of the Company; and (b) the Placees(s) of the Placing Shares and their respective ultimate beneficial owner(s) are not existing shareholders of the Company:

Shareholders	Before completion of the Placing		Upon completion of the Placing	
	No. of shares ⁽¹⁾	Approx.	No. of shares	Approx.
		%		%
HCC ⁽²⁾	1,572,000,000	34.84	1,291,150,000	28.62
SCL ⁽³⁾	802,000,000	17.78	–	–
Placees	–	–	1,082,850,000	24.00
Other shareholders of the Company	<u>2,137,890,000</u>	<u>47.38</u>	<u>2,137,890,000</u>	<u>47.38</u>
Total	<u>4,511,890,000</u>	<u>100.00</u>	<u>4,511,890,000</u>	<u>100.00</u>

Notes:

- (1) As at the date of this announcement, the Company has an issued share capital of 4,511,890,000 Shares.
- (2) HCC is wholly-owned by Mr. Cheung Yan Leung Henry, who is the Chairman of the Board and an executive Director.
- (3) SCL is wholly-owned by Mr. Cheung Jonathan, who is an executive Director.

The Board does not expect that the Placing will have any adverse effect on the operations of the Company and its subsidiaries or changes to its key management personnel.

TERMINATION OF DEED OF NON-COMPETITION

On 22 May 2015, HCC, Mr. Cheung Yan Leung Henry, SCL and Mr. Cheung Jonathan entered into the Deed of Non-competition in favour of the Company, pursuant to which they undertook to the Company, inter alia, not to carry on, participate or be interested or engaged in or acquire or hold any right or interest, or otherwise be involved in any business which is or may be in competition, whether directly or indirectly, with the business carried on by the Group from time to time. Upon Completion of the Placing, as HCC, Mr. Cheung Yan Leung Henry, SCL and Mr. Cheung Jonathan are no longer controlling shareholders of the Company, they will no longer be bound by the Deed of Non-competition. The Board believes that the change in controlling shareholders of the Company and the cessation of operation of the Deed of Non-competition will have no effect on the financial position and operations of the Group.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was halted at the request of the Company with effect from 1:00 p.m. on 7 September 2022 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the shares on the Stock Exchange with effect from 9 a.m. on 8 September 2022.

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

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Pinestone Capital Limited (鼎石資本有限公司), a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board (Stock Code: 0804)
“Completion”	the completion of the Placing
“Deed of Non-Competition”	Deed of Non-competition dated 22 May 2015 entered into by HCC, Mr. Cheung Yan Leung Henry, SCL and Mr. Cheung Jonathan in favour of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HCC”	HCC & Co Limited, a limited liability company incorporated in the British Virgin Islands, and is wholly and beneficially owned by Mr. Cheung Yan Leung Henry, being the Chairman of the Board and an executive Director, who is the sole director and sole ultimate beneficial shareholder of HCC
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange
“Placee(s)”	any independent person(s) or entity(ies) procured by the Placing Agent or its sub-placing agent(s) to subscribe for any of the Placing Shares under the Placing Agreements
“Placing”	the best-effort placing of up to 1,082,850,000 Placing Shares on the terms and subject to the conditions set out in the Placing Agreements
“Placing Agent”	Silverbricks Securities Company Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement I”	the agreement entered into between the Placing Agent and HCC dated 29 August 2022 in relation to the placing of up to 280,850,000 Placing Shares
“Placing Agreement II”	the agreement entered into between the Placing Agent and SCL dated 29 August 2022 in relation to the placing of up to 802,000,000 Placing Shares
“Placing Agreements”	collectively, the Placing Agreement I and the Placing Agreement II
“Placing Shares”	a maximum of 1,082,850,000 existing Shares to be placed under the Placing
“SCL”	Snail Capital Limited, a limited liability company incorporated in the British Virgin Islands, and is wholly and beneficially owned by Mr. Cheung Jonathan, being an executive Director, is the sole director and sole ultimate beneficial shareholder of SCL

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.001 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 7 September 2022

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