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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)

PROFIT WARNING

This announcement is made by Pinestone Capital Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on preliminary assessment of the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2021 (the “**Year**”) and the information currently available, the Company is expected to record a net loss of approximately HK\$4.9 million for the Year as compared to a net loss of HK\$18.8 million for the year ended 31 December 2020, which is primarily attributable to the recognition of impairment losses of approximately HK\$12.5 million in respect of trade and loans receivables relating to the securities-backed lending services for the Year, representing a decrease of approximately HK\$18.8 million or 60.1% compared to the impairment losses on trade and loans receivables of approximately HK\$31.3 million for the year ended 31 December 2020.

The information contained in this announcement is based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the Year, which have neither been reviewed by the audit committee of the Company nor reviewed or audited by the auditors of the Company. The Company is in the process of finalising the results of the Group for the Year. Shareholders and potential investors are advised to refer to the annual results announcement of the Company for the Year which is expected to be published in March 2022.

References are made to (i) the joint announcement (the “**Joint Announcement**”) issued by the Company and Cinese International Development Limited (the “**Offeror**”) dated 30 September 2021 in relation to the Sale and Purchase Agreement (as defined in the Joint Announcement) and the Share Offer (as defined in the Joint Announcement); (ii) the joint announcement issued by the Company and the Offeror dated 21 October 2021 in relation to the delay in despatch of the Composite Document (as defined in the Joint Announcement); (iii) the joint announcements dated 22 November 2021, 22 December 2021, 24 January 2022 and 24 February 2022 in relation to the update on the Share Offer (as defined in the Joint Announcement); and (iv) the Company’s announcement dated 21 March 2022 in relation to the appointment of the Independent Financial Adviser (as defined in the Joint Announcement).

The profit warning (the “**Profit Warning**”) included in this announcement constitutes a profit forecast under Rule 10 of The Code on Takeovers and Mergers of Hong Kong (the “**Takeovers Code**”) issued by the Securities and Futures Commission of Hong Kong and should be reported on by the Company’s financial advisers and auditors in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09(2)(a) of the Listing Rules and pursuant to Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if a profit forecast is published first in an announcement, it must be repeated in full, together with the reports from the Company’s financial advisers and auditors on the said profit forecast, in the next document to be sent to the Shareholders by the Company (the “**Shareholders’ Document**”). However, if the audited annual results of the Company for the Year which fall within the ambit of Rule 10.9 of the Takeovers Code are published prior to the despatch of the next Shareholders’ Document and the relevant results together with the notes to the financial statements are incorporated by reference in the next Shareholders’ Document, the requirements to report on the Statement under Rule 10.4 of the Takeovers Code will no longer apply.

WARNING:

Shareholders and potential investors should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Share Offer as disclosed in the Joint Announcement. Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.

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

Hong Kong, 21 March 2022

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

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.