

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

PineStone 鼎石

PINESTONE CAPITAL LIMITED

鼎石資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8097)

PROPOSED SHARE SUBDIVISION

PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares of HK\$0.01 each in the share capital of the Company will be subdivided into ten (10) Subdivided Shares of HK\$0.001 each. The Share Subdivision will become effective on 15 March 2016, assuming all the conditions set out under the section headed “Conditions of Share Subdivision” in this announcement are fulfilled before then.

Upon the Share Subdivision becoming effective, the board lot size for trading on the Stock Exchange will remain unchanged with 5,000 Subdivided Shares for each board lot.

GENERAL

An EGM will be convened to consider, and if thought fit, approve the proposed Share Subdivision.

A circular containing, among other things, details of the Share Subdivision in respect of the Subdivided Shares and the procedures for the free exchange of the Existing Share Certificate(s), together with the notice of the EGM and related proxy form, will be despatched to the Shareholders on or before 24 February 2016.

PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares of HK\$0.01 each in the share capital of the Company will be subdivided into ten (10) Subdivided Shares of HK\$0.001 each. The Share Subdivision will become effective on 15 March 2016, assuming all the conditions set out under the section headed “Conditions of Share Subdivision” in this announcement are fulfilled before then.

The Shares are currently traded in board lots of 5,000 Shares. Upon the Share Subdivision becoming effective, the board lot size for trading on the Stock Exchange will remain unchanged with 5,000 Subdivided Shares for each board lot. As it is expected that no odd lot of the Shares will be created as a result of the Share Subdivision, no odd lot arrangement to match the sales and purchases of odd lots will be made.

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM approving the Share Subdivision; and
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares.

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares.

Assuming all the conditions are fulfilled, the Share Subdivision will become effective on the Business Day following the passing of the ordinary resolution at the EGM, which is expected to be held on 14 March 2016.

EFFECT OF THE SHARE SUBDIVISION

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 50,000,000,000 Shares of HK\$0.01 each, of which 480,000,000 Shares are in issue and fully paid or credited as fully paid. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will remain at HK\$500,000,000, but divided into 500,000,000,000 Subdivided Shares of HK\$0.001 each, of which 4,800,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are repurchased or issued prior to the Share Subdivision becoming effective.

As at the date hereof, the Company does not have any outstanding derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any change in the rights of the Shareholders.

EXPECTED EFFECTIVE DATE OF THE SHARE SUBDIVISION

Subject to the above conditions being fulfilled, the Share Subdivision is expected to become effective on 15 March 2016.

EXCHANGE OF SHARE CERTIFICATES

Upon the Share Subdivision becoming effective, the Shareholders may, during the period from 15 March 2016 to 25 April 2016 (both days inclusive), submit their Existing Share Certificate(s) to the Company's branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 182 Queen's Road East, Hong Kong, in exchange for the New Share Certificate(s) free of charge. Thereafter, Existing Share Certificate(s) will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each New Share Certificate issued or each Existing Share Certificate submitted for cancellation, whichever the number of certificates issued or cancelled is higher. It is expected that New Share Certificate(s) will be available for collection within 10 Business Days after the submission of the Existing Share Certificate(s) for exchange. Existing Share Certificate(s) will continue to be good evidence of legal title and may be exchanged for New Share Certificate(s) at any time at the expense of the Shareholders. The New Share Certificate(s) will be blue in colour so as to be distinguished from the Existing Share Certificate(s) which are green in colour.

REASONS FOR THE SHARE SUBDIVISION

Upon the proposed Share Subdivision becoming effective, the nominal value of each Share will decrease and the total number of Shares in issue will increase. The Share Subdivision will result in downward adjustment to the trading price per Share and in turn, the market value per board lot of Shares, which the Board believes will enhance the appeal of the Shares to investors. Based on the closing price of HK\$6.17 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value per board lot of 5,000 Shares is HK\$30,850. The estimated market value per board lot will theoretically be reduced to HK\$3,085 immediately upon the Share Subdivision becoming effective. The Board believes that the increase in number of shares of the Company together with the reduction in the trading price as a result of the Share Subdivision may improve the trading liquidity of the Company's Subdivided Shares. Therefore, the Board considers that the Share Subdivision will enable the Company to attract more investors and broaden its Shareholders base.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders. The Board considers that the Share Subdivision to be fair and reasonable and in the interests of the Company and its Shareholders as a whole.

EXPECTED TIMETABLE

Event	2016 (Hong Kong time)
Circular relating to the Share Subdivision together with the EGM notice and proxy form expected to be despatched	on or before Wednesday, 24 February
Latest time for lodging form of proxy for the EGM (not less than 48 hours prior to the time of the EGM)	11:00 a.m. on Saturday, 12 March
Expected date of the EGM to approve the Share Subdivision	11:00 a.m. on Monday, 14 March
Publication of poll results of the EGM	Monday, 14 March
The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of Share Subdivision” above.	
Effective date of the Share Subdivision	Tuesday, 15 March
First day of free exchange of Existing Share Certificates in green for New Share Certificates in blue for Subdivided Shares	Tuesday, 15 March
Dealing in the Subdivided Shares commences	9:00 a.m. on Tuesday, 15 March
Original counter for trading in the existing Shares in board lots of 5,000 Shares temporarily closes	9:00 a.m. on Tuesday, 15 March
Temporary counter for trading the Subdivided Shares in board lots of 50,000 Subdivided Shares (in the form of Existing Share Certificate in green) opens	9:00 a.m. on Tuesday, 15 March
Original counter for trading in the Subdivided Shares in board lots of 5,000 Subdivided Shares (in the form of New Share Certificate in blue) re-opens	9:00 a.m. on Thursday, 31 March
Parallel trading in the existing Shares and the Subdivided Shares (in the form of Existing Share Certificate in green and New Share Certificate in blue) commences	9:00 a.m. on Thursday, 31 March
Temporary counter for trading in the Subdivided Shares in board lots of 50,000 Subdivided Shares (in the form of Existing Share Certificate in green) closes	4:00 p.m. on Thursday 21 April

Parallel trading in the existing Shares and the Subdivided Shares (in the form of Existing Share Certificate in green and the New Share Certificate in blue) ends 4:00 p.m. on Thursday
21 April

Last day for free exchange of Existing Share Certificate in green for New Share Certificate in blue Monday, 25 April

Further announcement will be made by the Company for changes, if any, in the expected timetable for implementation of the Share Subdivision as well as the associated trading arrangements listed above.

GENERAL

The Company is incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the business of (i) securities brokerage; (ii) securities-backed lending; and (iii) placing and underwriting.

An EGM will be convened to consider and, if though fit, approve the proposed Share Subdivision.

A circular containing, among other things, details of the Share Subdivision in respect of the Subdivided Shares and the procedures for the free exchange of the Existing Share Certificate(s), together with the notice of the EGM and related proxy form, will be despatched to the Shareholders on or before 24 February 2016.

DEFINITIONS

“Board”	the Board of Directors
“Business Day”	any day (other than a Saturday or Sunday or public holiday) on which banks in Hong Kong are generally open for transaction of normal business
“Company”	Pinestone Capital Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“EGM”	extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Subdivision
“Existing Share Certificate(s)”	existing form of certificate(s) of the Shares

“GEM”	the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“New Share Certificate(s)”	form of certificate(s) of the Subdivided Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Subdivision”	the proposed subdivision of each Share into ten (10) Subdivided Shares as described in this announcement
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company upon the Share Subdivision becoming effective
“%”	per cent.

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

Hong Kong, 2 February 2016

As at the date of this 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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the Growth Enterprise Market website at www.hkgem.com on the “Latest Company Announcements” page for seven days from the day of its posting. This announcement will also be published and remains on the Company’s website at www.pinestone.com.hk.