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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: 8097)

VOLUNTARY ANNOUNCEMENT ISSUE OF BONDS

ISSUE OF BONDS

On 22 December 2015 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Company has agreed to issue 5% coupon Bonds in aggregate principal amount of HK\$10,000,000 and the Subscriber has agreed to purchase the Bonds from the Company.

THE SUBSCRIPTION AGREEMENT

Date : 22 December 2015

Issuer : The Company

Subscriber : The Subscriber

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber is a third party independent of the Company and its connected persons.

Principal Amount : HK\$10,000,000

Issue Price : 100% of the principal amount of the Bonds

Conditions precedent to the Subscription Agreement

The issue of the Bonds are conditional upon the following conditions being fulfilled at or before 4:00 p.m. (Hong Kong time) within seven (7) Business Days from the date of the Subscription Agreement (or such later time and date as the Subscriber and the Company shall agree in writing):

- (a) all necessary consents and approvals as may be obtained by the Company and the Subscriber having been obtained in respect of the issue and subscription for the Bonds from the relevant authorities, regulatory bodies, shareholders and/or otherwise; and
- (b) there being no event of default having occurred or occurring.

If any of the above conditions are not fulfilled at or before 4:00 p.m. (Hong Kong time) within seven (7) Business Days from the date of the Subscription Agreement or such later time or date as may be agreed between the Subscriber and the Company in writing, the Subscriber shall be entitled to rescind the Subscription Agreement without liability of any kind, whereupon the Subscription Agreement will cease to be of any force and effect and neither the Company nor the Subscriber shall have any claims against the other.

COMPLETION

The subscription and issue of the Bonds were completed on 22 December 2015.

PRINCIPAL TERMS OF THE BONDS

Principal amount	:	HK\$10,000,000
Denomination	:	HK\$1,000,000
Interests	:	5% per annum, accrued daily on a 365 days basis and payable in arrears annually on each of the anniversary dates of the issuance of the Bond with the last interest payment being paid on the Maturity Date.
Maturity Date	:	the date falling on the second anniversary of the date of issue of the Bond
Early Redemption	:	The Company may at any time before the Maturity Date and from time to time by serving at least three (3) days' prior written notice to the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Bonds (in whole or in part) at 100% of the total amount of such Bonds together with payment of interests accrued up to the date of such early redemption. For the avoidance of doubt, no early redemption may be requested by the Bondholder

- Event of default : If any of the events of default as described in the terms and conditions of the Bonds occurs, the Company shall within ten (10) Business Days of such event occurring give notice to the Bondholder. Within ten (10) Business Days after the Company despatches the notice, a Bondholder may give notice to the Company that the Bonds are immediate due and repayable and, upon such notice being given to the Company, the Bonds will immediately become due and repayable at their principal amount.
- Status of Bonds : The Bonds constitute direct, unsubordinated and unsecured obligations of the Company and rank, and will rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company
- Transferability : The Bonds may be transferrable in the amount of HK\$1,000,000 or integral multiples thereof (or such lesser amount as may represent the entire principal amount thereof). Except with the consent of the Stock Exchange, the Bonds may not be transferred to any connected person of the Company
- Listing : No application will be made for the listing of the Bonds

REASONS FOR THE ISSUE OF THE BONDS AND USE OF PROCEEDS

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

The aggregate principal amount of the Bonds will be HK\$10,000,000. The net proceeds will be utilised for expansion of securities-backed lending services of the Group and as general working capital of the Group. The Board considers that the issue of the Bonds represents a suitable opportunity to strengthen the Group's financial position, the terms of the Subscription Agreement and the relevant conditions stated under the section headed "Principal terms of the Bonds" are on normal commercial terms and are fair and reasonable, and the issue of the Bonds is in the best interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“Board”	the board of Directors
“Bondholder(s)”	the holder(s) of the Bonds
“Bonds”	the two-year 5% coupon unlisted bonds issued by the Company in an aggregate principal amount of HK\$10,000,000 pursuant to the Subscription Agreement
“Business Day(s)”	any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Pinestone Capital Limited, a limited liability company incorporated in the Cayman Islands and listed on the Growth Enterprise Market of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Maturity Date”	has the meaning ascribed to it under the section headed “Principal terms of the Bonds” in this announcement
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Xiong Weiqin, an independent third party who agreed to subscribe for the Bonds pursuant to the Subscription Agreement

“Subscription Agreement” the subscription agreement dated 22 December 2015 between the Company and the Subscriber in relation to the subscription of the Bonds

“%” per cent.

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

Hong Kong, 22 December 2015

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.