

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)

**ANNOUNCEMENT OF UNAUDITED THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE
STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors of Pinestone Capital Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company, 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.

UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

The board of directors (the “**Board**”) of the Company is pleased to announce that the unaudited condensed consolidated third quarterly results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the three months and the nine months ended 30 September 2015, together with the comparative unaudited figures for the corresponding periods in 2014, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2015

	Three months ended		Nine months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	12,665	8,098	28,684	20,576
Other income	20	2	72	6
Employee benefit expenses	(1,103)	(689)	(3,066)	(2,191)
Depreciation	(52)	(51)	(155)	(153)
Other operating expenses	(1,246)	(859)	(10,810)	(2,121)
Finance costs	(19)	–	(63)	–
PROFIT BEFORE INCOME TAX	10,265	6,501	14,662	16,117
Income tax expense	(1,837)	(1,080)	(4,031)	(2,682)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	8,428	5,421	10,631	13,435
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	–	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,428	5,421	10,631	13,435
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
EARNINGS PER SHARE				
Basic and diluted	1.76	1.51	2.60	3.73

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2015

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserves <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
Nine months ended 30 September 2014 (unaudited)					
At 1 January 2014	–	–	–	8,842	8,842
Profit for the period	–	–	–	13,435	13,435
Other comprehensive income for the period	–	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	–	–	–	13,435	13,435
Transaction with owners:					
Issue of shares	1,000	–	–	–	1,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2014	<u>1,000</u>	<u>–</u>	<u>–</u>	<u>22,277</u>	<u>23,277</u>
Nine months ended 30 September 2015 (unaudited)					
At 1 January 2015	1,000	–	–	30,059	31,059
Profit for the period	–	–	–	10,631	10,631
Other comprehensive income for the period	–	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	–	–	–	10,631	10,631
Transactions with owners:					
Dividend approved in respect of 2014 (<i>note 7</i>)	–	–	–	(30,000)	(30,000)
Re-organisation	(1,000)	105,307	(4,866)	–	99,441
Issue of ordinary shares by way of placing Capitalisation	1,200	58,800	–	–	60,000
Share issuance expenses	3,600	(3,600)	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	–	(3,687)	–	–	(3,687)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,800	156,820	(4,866)	(30,000)	125,754
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2015	<u>4,800</u>	<u>156,820</u>	<u>(4,866)</u>	<u>10,690</u>	<u>167,444</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 14 January 2015. The address of its registered office is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at Unit 1506, 15th Floor, Wheelock House, 20 Pedder Street, Central, Hong Kong. The Company was listed on GEM of the Stock Exchange on 12 June 2015.

The Group is principally engaged in provision of securities brokerage services, securities-backed lending services as well as placing and underwriting services.

The condensed consolidated financial information are unaudited, but have been reviewed by the Audit Committee of the Company. The unaudited condensed consolidated results were approved for issue on 12 November 2015.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Except as for the adoption of new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which are effective for the Group’s financial year beginning 1 January 2015, the accounting policies applied in preparing this unaudited condensed consolidated financial information for the nine months ended 30 September 2015 are consistent with those of the annual financial statements for the year ended 31 December 2014 set out in the prospectus issued by the Company on 29 May 2015, as described in those annual financial statements. The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014.

The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective.

The unaudited condensed consolidated financial information has been prepared under the historical cost basis. These unaudited condensed consolidated results are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. REVENUE

The Group is principally engaged in provision of securities brokerage services, securities-backed lending services as well as placing and underwriting services. Breakdown of the Group's revenue, which is also the Group's turnover, is set out as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Commission income from securities brokerage services	2,183	2,557	7,721	6,241
Interest income from securities backed lending services	6,880	5,041	17,209	13,329
Handling fee	82	142	126	188
Income from placing and underwriting services	3,519	356	3,590	814
Others	1	2	38	4
	<u>12,665</u>	<u>8,098</u>	<u>28,684</u>	<u>20,576</u>

4. OTHER INCOME

	Three months ended		Nine months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank interest income	<u>20</u>	<u>2</u>	<u>72</u>	<u>6</u>

5. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging:

	Three months ended		Nine months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Auditor's remuneration	69	45	162	137
Listing expenses	166	–	8,347	–
Operating lease charges in respect of building	<u>341</u>	<u>341</u>	<u>1,023</u>	<u>979</u>

6. INCOME TAX EXPENSE

The amount of income tax in the condensed consolidated statement of comprehensive income represents:

	Three months ended 30 September		Nine months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Current tax – Hong Kong Profits Tax	<u>1,837</u>	<u>1,080</u>	<u>4,031</u>	<u>2,682</u>

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the respective periods.

There was no over or under-provision in respect of prior periods for the respective periods.

7. DIVIDEND

The Board does not recommend the payment of any interim dividend for the nine months ended 30 September 2015 (30 September 2014: Nil).

The final dividend for the year ended 31 December 2014 represented final dividend proposed by the directors of Pinestone Capital Group Limited and Pinestone Investment Group Limited totalling HK\$30,000,000. The dividend was approved by the shareholders and was settled by cash payments of HK\$8,300,000 and HK\$21,700,000 on 30 April 2015 and 8 May 2015 respectively.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the earnings attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period.

The calculation of basic and diluted earnings per share is based on:

	Three months ended 30 September		Nine months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<u>Earnings</u> Profit for the period attributable to owners of the Company	<u>8,428</u>	<u>5,421</u>	<u>10,631</u>	<u>13,435</u>
	Number of shares (thousands)			
<u>Shares</u> Weighted average number of ordinary shares in issue during the period	<u>480,000</u>	<u>360,000</u>	<u>408,791</u>	<u>360,000</u>

The weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share for the periods of has been determined on the assumption that the capitalisation issue have been effective on 1 January 2014.

Diluted earnings per share is the same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the periods.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in providing bespoke services encompassing securities brokerage, securities-backed lending and placing and underwriting businesses. Since the Company's successful listing on GEM of the Stock Exchange on 12 June 2015 (the "**Listing**") by way of placing (the "**Placing**"), there has been no significant change in the business operations of the Group.

Securities Brokerage

During the nine months ended 30 September 2015, our securities brokerage business had continued to expand, recording an approximately 14.9% increase in transaction volume to HK\$3,250 million during the period (transaction volume for the nine months ended 30 September 2014: HK\$2,829 million) which was attributable to the vibrant investing environment in the first nine months of 2015.

Securities-backed Lending

On the other hand, the growth in our securities-backed lending business during the period under review was mainly attributable to our margin financing activities, which benefited from the expansion of our loan portfolio. In particular, we recorded an average month-end margin finance loan balance of approximately HK\$130.1 million for the nine months ended 30 September 2015 compared to approximately HK\$87.9 million for the corresponding period in 2014. In August 2015, the Group had deployed a loan of HK\$5.0 million under its money lender licence.

Placing and Underwriting Business

In general, the Group acts as placing agent or underwriter (in leading capacity as well as sub-placing agent/sub-underwriter) for equity and debt securities listed on the main board and GEM of the Stock Exchange.

During the period under review, the Group had participated in a number of placing activities, two of which, we acted as placing agent in July and August 2015. The placing amount involved for these two placings were HK\$152 million and HK\$325 million respectively.

OUTLOOK

The Group has continued to expand as compared to corresponding period in 2014. However, as the recent market become more uncertain and volatile, we are seeing a decrease in trading activity due to deteriorating market sentiment and risk appetite as compared to earlier this year. The decrease is in line with the general stock market as a whole. Amidst a volatile market, business and trading activities may slow down and impact the demand on our services. The management of the Group will continue to monitor the market condition and be prepared to adjust our market positioning and strategies accordingly in order to maximise shareholders' return.

FINANCIAL REVIEW

Revenue

	Nine months ended	
	30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Commission income from securities brokerage services	7,721	6,241
Interest income from securities-backed lending services	17,209	13,329
Income from placing and underwriting services	3,590	814
Others	164	192
	<hr/>	<hr/>
	28,684	20,576
	<hr/>	<hr/>

Total revenue for the nine months ended 30 September 2015 was approximately HK\$28.7 million (2014: HK\$20.6 million) representing an increase of approximately HK\$8.1 million or 39.4% compared to the same period in 2014. Such growth was mainly attributable to an increase in HK\$1.5 million in commission income from securities brokerage services and increase in interest income from securities-backed lending services of HK\$3.9 million. The increase in commission income from brokerage services was due to increase in trading volume for the nine months in 2015 as compared with the respective period in 2014. The increase in interest income from securities-backed lending services was mainly contributed by our margin financing activities, the growth of which is due to the proceeds from the Placing attributable to the increase in loan portfolio up to HK\$162.2 million as at 30 September 2015 (as at 30 September 2014: HK\$109.5 million). During the period under review, the money lending business provided approximately HK\$0.1 million contribution to the financial result of the Group. The placing and underwriting commission had also increased by 341.0% from HK\$0.8 million for the nine months ended 30 September 2014 to HK\$3.6 million for the nine months ended 30 September 2015 due to two substantial placing transactions undertaken by the Group during the period under review.

Employee benefits expenses

For the nine months ended 30 September 2015, the Group recorded approximately HK\$3.1 million employee benefit expenses, representing an increase of approximately 39.9% from the corresponding period in 2014. Employee benefits expenses include staff salaries and allowances and benefits, directors' emoluments and contribution to defined contribution retirement scheme. The increment was due to the commencement of directors' emoluments to executive directors in 2015, increase in number of staff and general salaries increment in the nine months of 2015.

Other operating expenses

At approximately HK\$10.8 million, other operating expenses represented 76.7% of the total expenses during the nine months ended 30 September 2015 (30 September 2014: 47.5%). The increase in other operating expenses were attributable to one-off listing expense of approximately HK\$8.3 million incurred in relation to the Listing (excluding expenses incurred in relation to issue of new shares being accounted for as deduction from equity) accounting for 59.2% of total expenses for the nine months ended 30 September 2015 (30 September 2014: Nil).

Listing expenses

The total listing expenses incurred in the nine months ended 30 September 2015 was approximately HK\$12.0 million. The approximately HK\$166,000 listing expenses recognised in the three months ended 30 September 2015 relates to final payment of professional and legal fees in respect of the Listing. After excluding the expenses directly attributable to the issue of new shares of approximately HK\$3.7 million, the remaining listing expenses of approximately HK\$8.3 million had been recognised in profit or loss.

CAPITAL STRUCTURE

The Group has a bank borrowing of approximately HK\$5 million as at 30 September 2015 (31 December 2014: Nil). During the period under review, the Group's operations, capital expenditure and other capital requirements were funded by internal resources, credit facilities from banks and net proceeds raised from the Placing.

The Directors are of the view that as at the date hereof, the Group's financial resources are sufficient to support its business and operations. Notwithstanding this, the Group may consider other financing activities when appropriate opportunities arise under favourable market conditions.

CONTINGENT LIABILITIES

As at 30 September 2015 and 31 December 2014, the Group did not have any material contingent liabilities.

As at 30 September 2015, the Company has provided guarantee to a bank for a banking facility granted to Pinestone Securities Limited. The Group had opted to terminate this facility upon maturity in October 2015.

SIGNIFICANT INVESTMENTS

The Group did not acquire or hold any significant investment during the period under review.

PLEDGE OF ASSETS

As at 30 September 2015, a HK\$10.0 million time deposit is subject to a charge for the overdraft facility granted by a bank to the Group for daily operation (31 December 2014: Nil). As at 30 September 2015, the Group has drawn down HK\$5.0 million under such facility.

CAPITAL COMMITMENTS

As at 30 September 2015 and 31 December 2014, the Group did not have any significant capital commitments.

USE OF PROCEEDS FROM THE PLACING

The net proceeds from the Placing are estimated to be approximately HK\$45.0 million.

Up to the date of this report approximately HK\$36.0 million has been deployed for the expansion of securities-back lending services for margin financing and HK\$5.0 million for money lending. Balance of net proceeds has been placed with an authorised financial institution in Hong Kong.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2015, the Directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules:

Long positions in the shares of the Company:

Name of directors	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital of the Company (%)
	Personal	Corporate	Total	
Henry Cheung (<i>Note 1</i>)	–	252,000,000	252,000,000	52.5
Jonathan Cheung (<i>Note 2</i>)	–	108,000,000	108,000,000	22.5

Notes:

1. The interests disclosed includes 252,000,000 Shares of the Company beneficially held by HCC & Co. Limited (“HCC”), which is wholly owned by Mr. Henry Cheung.
2. The interests disclosed includes 108,000,000 Shares of the Company beneficially held by Snail Capital Limited (“SCL”), which is wholly owned by Mr. Jonathan Cheung.

Save as disclosed above, as at 30 September 2015, none of the Directors and chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' Interests in shares and underlying shares" above and "Share Option Scheme" below, at no time during the period for the nine months ended 30 September 2015 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors and chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2015, the following persons (not being the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the shares of the Company:

Name of shareholders	Capacity and nature of interest	Notes	Number of the shares interested	Approximate percentage of the total issued share capital of the Company (%)
HCC	Directly beneficially owned	1	252,000,000	52.5
SCL	Directly beneficially owned	2	108,000,000	22.5

Notes:

1. HCC is 100% owned by Mr. Henry Cheung, who is the beneficial owner of 252,000,000 shares in the Company. Mr. Henry Cheung owned 52.5% of the issued shares of the Company.
2. SCL is 100% owned by Mr. Jonathan Cheung, who is the beneficial owner of 108,000,000 shares in the Company. Mr. Jonathan Cheung owned 22.5% of the issued shares of the Company.

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at 30 September 2015, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Share Option Scheme was adopted by the shareholders of the Company and was effective on 22 May 2015. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. As at 30 September 2015, no share option was outstanding under the Share Option Scheme.

During the period from 22 May 2015 to 30 September 2015, no share options were granted by the Company.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed shares of the Company from the date of listing on 12 June 2015 to the end of the reporting period, being 30 September 2015.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Corporate Governance Practices

The Company is committed to maintaining a high standard of corporate governance practices. In this regard, the Company has established and implemented the corporate governance guidelines containing principles and the code provisions of Corporate Governance Code (“CG Code”) set out in Appendix 15 of the GEM Listing Rules to ensure the decision making processes and business operations are regulated in a proper manner. In particular, the Group has adopted our own corporate governance guidelines which provides general guidance standards of audit for Directors, employees, the Company and its subsidiaries.

In accordance to the requirements of the GEM Listing Rules, the Company has established an audit committee, a remuneration committee and a nomination committee with specific written terms of reference. The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightening regulatory requirements and to meet the rising expectations of shareholders and prospective investors.

During the period from the date of Listing (the “**Listing Date**”) up to the date of this announcement, the Company has met all the code provisions of the CG Code set out in Appendix 15 of the GEM Listing Rules.

Audit Committee

The Company has established an audit committee (the “**Audit Committee**”) with specific written terms of reference formulated in accordance with the requirements of the GEM Listing Rules. The primary duties of our audit committee are mainly (i) to make recommendations to the Board on the appointment and removal of external auditors; (ii) to review and supervise the financial statements and material advice in respect of financial reporting; (iii) to oversee internal control procedures and corporate governance of our Company; (iv) to supervise internal control systems of our Group; and (v) to monitor any continuing connected transactions.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2015, and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the “**Required Standard of Dealing**”).

Having made specific enquiries of all the Directors, each of them have confirmed that they have complied with the Required Standard of Dealings throughout the period from the Listing Date to the date of this announcement. The Company has not been notified of any incident of non-compliance during such period.

INTEREST OF THE COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Altus Capital Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company as at 30 September 2015 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

BOARD OF DIRECTORS

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Cheung Yan Leung Henry

Mr. Jonathan Cheung

Independent Non-executive Directors:

Mr. Yeung King Wah

Mr. Lai Tze Leung George

Mr. So Stephen Hon Cheung

By Order of the Board of
PINESTONE CAPITAL LIMITED
Cheung Yan Leung Henry
Chairman

Hong Kong, 12 November 2015

This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Listed Company Information" page for at least seven days from the day of its publication and posting and will be published and remains on the website of the Company at <http://www.pinestone.com.hk>.