



GRAPHICS OF MASTERS

VISUAL COMPUTING

PINE TECHNOLOGY HOLDINGS LIMITED 2009 1ST QUARTERLY REPORT

PLUM
FLOWER PUNCH
GAMING



BRIDGE
SMASHING
PRODUCTIVITY



HUA
KING'S FIST
3D DESIGN



EAGLE
CLAY
PHOTOS



STANDING
FIVE-FORM
MOVIES




STOCK CODE 08013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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This report, for which the directors of PINE Technology Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to PINE Technology Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS FOR THE THREE-MONTH PERIOD

- Revenue reported at approximately US\$100,448,000 for the three-month period ended 30 September 2008.
- Net profit attained at approximately US\$513,000 for the three-month period ended 30 September 2008.

FIRST QUARTERLY RESULTS

The board of the directors (the “Directors”) of PINE Technology Holdings Limited (the “Company”) is pleased to present the unaudited results of the Company and its subsidiaries (collectively, the “Group”) for the three months (the “Three-Month Period”) ended 30 September 2008 together with the comparative unaudited figures for the corresponding three-month period in 2007 as follows:

		Three months ended	
		30 September	
		2008	2007
	Notes	US\$'000	US\$'000
Turnover	2	100,448	125,683
Cost of sales		<u>(90,494)</u>	<u>(114,550)</u>
Gross profit		9,954	11,133
Other income		65	368
Selling and distribution expenses		(1,994)	(2,649)
General and administrative expenses		(6,832)	(6,719)
Finance costs		<u>(529)</u>	<u>(1,162)</u>
Profit before taxation		664	971
Taxation	3	<u>(151)</u>	<u>(235)</u>
Profit for the period		<u>513</u>	<u>736</u>
Earnings per share (US cents)	4		
– Basic		<u>0.055</u>	<u>0.106</u>
– Diluted		<u>0.055</u>	<u>0.104</u>

Notes:

1. Basis of Presentation

The unaudited consolidated results of the Group have been prepared in accordance with accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of GEM Listing Rules. They have also been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

The principal accounting policies used in the unaudited consolidated results are consistent with those used in the Group's annual financial statements for the year ended 30 June 2008.

2. Turnover

An analysis of the Group's turnover by type of products sold for the Three-Month Period is as follows:

	Three months ended	
	30 September	
	2008	2007
	US\$'000	US\$'000
Manufacture and sale of products under the Group's brand names	71,021	88,443
Distribution of other manufacturers' products	<u>29,427</u>	<u>37,240</u>
	<u>100,448</u>	<u>125,683</u>

3. Taxation

	Three months ended	
	30 September	
	2008	2007
	US\$'000	US\$'000
The charge comprises:		
– Hong Kong Profits Tax	–	–
– Taxation arising in other jurisdictions	<u>151</u>	<u>235</u>
	<u>151</u>	<u>235</u>

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit for the Three-Month Period.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

4. Earnings per share

The calculation of the basic earnings per share for the Three-Month Period, and the corresponding three-month period in 2007, and diluted earnings per share for the Three-Month Period and the corresponding three-month period in 2007, are based on the following data:

	Three months ended 30 September	
	2008 US\$'000	2007 US\$'000
Earnings for the purposes of basic and diluted earnings per share	<u>513</u>	<u>736</u>
	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	930,935	696,442
Effect of dilutive potential ordinary shares: – Share Options	<u>2,120</u>	<u>13,601</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>933,055</u>	<u>710,043</u>

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the period ended 30 September 2008 and 30 September 2007 has been adjusted for the right issue on 23 May 2008.

5. Share premium and reserves

	Share premium account US\$'000	Surplus account US\$'000	Exchange reserve US\$'000	Capital reserve US\$'000	Investments revaluation reserve US\$'000	Share option reserve US\$'000	Accum- ulated profits US\$'000	Total US\$'000
Balance at 1 July 2007	22,215	2,954	1,621	63	1,898	55	23,808	52,614
Exchange differences on translation of overseas operations	–	–	354	–	–	–	–	354
Deficit on revaluation on available-for-sale investments	–	–	–	–	(925)	–	–	(925)
Transfer to profit or loss on sale of available-for-sale investments	–	–	–	–	(167)	–	–	(167)
Recognition of share-based payment	–	–	–	–	–	38	–	38
Profit for the period	–	–	–	–	–	–	736	736
Balance at 30 September 2007	<u>22,215</u>	<u>2,954</u>	<u>1,975</u>	<u>63</u>	<u>806</u>	<u>93</u>	<u>24,544</u>	<u>52,650</u>
Balance at 1 July 2008	27,210	2,954	2,801	63	248	243	30,124	63,643
Exchange differences on translation of overseas operations	–	–	(7)	–	–	–	–	(7)
Deficit on revaluation on available-for-sale investments	–	–	–	–	(83)	–	–	(83)
Recognition of share-based payment	–	–	–	–	–	(115)	–	(115)
Profit for the period	–	–	–	–	–	–	513	513
Balance at 30 September 2008	<u>27,210</u>	<u>2,954</u>	<u>2,794</u>	<u>63</u>	<u>165</u>	<u>128</u>	<u>30,637</u>	<u>63,951</u>

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Three-Month Period.

The Group has not declared any dividends for the corresponding three-month period in 2007.

CHAIRMAN'S STATEMENT

QUARTERLY PERFORMANCE

Since the beginning of 2008, the global economy started to show signs of weakness. The situation has taken a nose dive in the last quarter from bad to worse.

The Group is not immune to this "credit tsunami of the century". In the quarter ended September 30, 2008, our revenue totaled US\$100,448,000. Compared to the same period last year, this is a reduction of 20% from US\$125,683,000. The net profit after tax dropped to US\$513,000, a reduction of 30%.

To face this challenging macro environment, we have refined our sales strategy by rolling out more cost-centric models and we are focusing more on the less-price-sensitive "Performance Series" of our graphics card. This allows us to sustain a profit margin of 10% in the reported period. At the same time, we have reduced the overhead by US\$1,175,000, a reduction of 11% from the same period last year.

BUSINESS OUTLOOK

The Group has long been diversifying our business globally. Our business spans over 3 global regions: APMEA, Europe, America, and over 30 countries. Such diversity allows us to reduce the exposure, should the financial crisis impact any particular country drastically.

With this said, we fully expect that this financial crisis will be prolonged for at least a few more quarters. We are taking a conservative and prudent stance and are prepared to ride through the storm. Actions have been taken to reduce the capital expenditure and tighten the cost control – especially in the area of selling and distribution expenses, general and administrative expenses, and financial cost. Our target is to reduce the total cost by 15%. At the same time, we are also working to reduce the days of the receivables and shorten the inventory turns.

On behalf of the Board of Directors, I would like to extend my gratitude and sincere appreciation to our business partners and shareholders for their continuing support. Most importantly, I would like to thank the whole team, whose painstaking efforts and dedication allow the Group to continue to succeed during this challenging time.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARE CAPITAL AND OPTIONS

As at 30 September 2008, the interests of the directors and the chief executive of the Company and their respective associates in the share capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) which require notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 or 345 of Part XV of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

A) Ordinary Shares of HK\$0.1 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
Chiu Hang Tai	Held by controlled corporation (Note)	196,500,000	21.11%
Chiu Samson Hang Chin	Beneficial owner	154,987,098	16.65%

Note: These shares are beneficially owned by and registered in the name of Alliance Express Group Limited. Mr. Chiu Hang Tai beneficially owns the entire issued share capital of Alliance Express Group Limited.

In addition to the above, Mr. Chiu Hang Tai and Madam Leung Sin Mei, spouse of Mr. Chiu Hang Tai, both beneficially owned 600,000 non-voting deferred shares in Pineview Industries Limited, a subsidiary of the Company as at 30 September 2008. The non-voting deferred shares practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the subsidiary. On winding up, the holders of the deferred shares are entitled to distribution out of the remaining assets of the subsidiary only after the distribution of HK\$1,000 million, as specified in the Articles of Association of the subsidiary, to holders of ordinary shares.

Saved as disclosed above, and other than certain nominee shares in subsidiaries held by directors in trust for the Company's subsidiaries as at 30 September 2008, none of the directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

B) Share Options

Pursuant to the share option schemes of the Company adopted on 16 April 2003 (the “Scheme”), the directors and employees of the Company and its subsidiaries may be granted share options to subscribe for shares of HK\$0.10 each in the Company.

As at 30 September 2008, the following directors of the Company were granted share options to subscribe for shares in the Company, details of share options granted under the Scheme are as follows:

Name of director	Date of grant	Exercisable period (both dates inclusive)	Exercise price per share HK\$	Number of Share options at 30 Sep 2008
Chiu Hang Tai	28.9.2004	1.11.2004 to 31.10.2009	0.150	3,968,800
	5.10.2007	5.10.2009 to 4.10.2012	0.464	2,976,600
Chiu Samson Hang Chin	28.9.2004	1.11.2004 to 31.10.2009	0.150	3,968,800
	30.3.2007	1.1.2009 to 31.12.2011	0.250	2,678,940
	5.10.2007	5.10.2009 to 4.10.2012	0.464	1,984,400

SUBSTANTIAL SHAREHOLDERS

So far as the directors and chief executive of the Company are aware of, as at 30 September 2008, the following person (not being a director or a chief executive of the Company), was interested in 5% or more in the issued share capital of the Company:

Name of shareholder	Capacity	Number of issued ordinary shares held (long positions)	Percentage of the issued share capital of the Company
Alliance Express Group Limited	Beneficial owner (Note 1)	196,500,000	21.11%
Concept Express Investments Limited	Beneficial owner (Note 2)	184,140,000	19.78%
The estate of Mr. Chiu Kwong Chi	Held by controlled corporations (Note 2)	184,140,000	19.78%

Notes:

1. These shares are beneficially owned by and registered in the name of Alliance Express Group Limited. Alliance Express Group Limited is incorporated in the British Virgin Islands ("BVI") and its entire issued share capital is beneficially owned by Mr. Chiu Hang Tai.
2. These shares are beneficially owned by and registered in the name of Concept Express Investments Limited. Concept Express Investments Limited is incorporated in the BVI and its entire issued share capital is beneficially owned as to 47.82 per cent. by the estate of Mr. Chiu Kwong Chi and as to 26.09 per cent. by each of Mr. Chiu Hang Tung and Ms. Chiu Man Wah. Mr. Chiu Kwong Chi is the father of Mr. Chiu Hang Tung, Ms. Chiu Man Wah, Mr. Chiu Samson Hang Chin and Mr. Chiu Hang Tai.

Saved as disclosed above, the directors are not aware of any person who, as at 30 September 2008, had an interest or short position in the Shares which would fall to be disclosed under Division 2 and 3 of Part XV of the SFO, or was interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company.

COMPETING INTERESTS

None of the directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The audit committee comprised the three independent non-executive directors, namely Messrs. Li Chi Chung, So Stephen Hon Cheung and Chung Wai Ming with terms of reference in compliance with the GEM Listing Rules. The audit committee has reviewed the draft of this report and has provided advice and comments thereon.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Three-Month Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

By order of the Board
PINE Technology Holdings Limited
Chiu Hang Tai
Chairman

Hong Kong, 12 November 2008

As at the date of this report, executive directors are Mr. Chiu Hang Tai and Mr. Chiu Samson Hang Chin. Independent non-executive directors are Mr. Li Chi Chung, Mr. So Stephen Hon Cheung and Mr. Chung Wai Ming.



Umgreifen:
Daumen außen!
Wie bei 17!

doppelt
Handballen abwehr
gegen Stock
wie bei 16!
Daumen innen!
gleiten!



Umgreifen:
Daumen außen!

Daumen innen!



Hüfte erst
beim
Absetzen
drehen!

Stampschritt
und Abwehr
oben



E-III!



Gleitschritt
rechten Fuß fest
ganz vansetzen!

doppelter
Gedan-barai

Überschritt nach links
und Juji-uke

Handkantenabwehr



drei Kal
Shoki-Uchi wie
in der Jion



Handballen abwehr
(Daumen innen!)

Das Umgreifen nach 16
wird bei Nakayama (JKA)
nicht gelehrt. Dort wird
direkt nach 16 zugreifen
und herausziehen
wie bei 18. Bitte nachhand

