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PINE TECHNOLOGY HOLDINGS LIMITED

松景科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8013)

OPEN OFFER OF NEW SHARES ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON RECORD DATE AND RESUMPTION OF TRADING

OPEN OFFER

The Company proposes to raise approximately HK\$88.8 million, before expenses, by an open offer of a total of 341,393,000 Offer Shares at a subscription price of HK\$0.26 per Offer Share, payable in full on application, on the basis of one Offer Share for every two existing Shares held on the Record Date. The Open Offer will not be extended to the Excluded Shareholders. Qualifying Shareholders are entitled to subscribe for up to the Offer Shares pro rata to their existing shareholdings on the above basis. No Qualifying Shareholder is entitled to apply for any Offer Shares in excess to his/her/its entitlement.

As at the date of this announcement, the Company has 10,000,000 outstanding and vested Share Options which are exercisable on or before the Record Date and would entitle holders thereof to subscribe for an aggregate of 10,000,000 Shares. Save as disclosed above, the Company does not have any other outstanding derivatives, options, warrants and conversion rights or similar rights or securities in issue which are convertible or exchangeable into Shares or Offer Shares. The holders of the outstanding and vested Share Options have undertaken with the Company not to exercise the Share Options on or before the Record Date.

The Open Offer is not underwritten. Based on the number of Shares in issue as at the date of this announcement, a total of 341,393,000 Offer Shares will be issued if all Qualifying Shareholders take up their entitlement under the Open Offer. The Substantial Shareholders have undertaken to the Company that they will subscribe in full for 193,925,366 Offer Shares to which they are entitled under the Open Offer based on the number of Shares held by them as at the date of this announcement.

If the maximum number of the Offer Shares is subscribed for, the net proceeds of the Open Offer (after deduction of the relevant expenses) are estimated to be approximately HK\$88.2 million. If only the Substantial Shareholders subscribe in full for their entitled Offer Shares, the net proceeds of the Open Offer (after deduction of the relevant expenses) are estimated to be approximately HK\$49.8 million. The net proceeds of the Open Offer will be used for reduction of the indebtedness of the Group and for general working capital purpose.

Shareholders should note that the Open Offer is not underwritten. Subject to the fulfillment of the conditions of the Open Offer, the Open Offer will proceed regardless of the ultimate subscription level. Based on the undertakings from the Substantial Shareholders, it is anticipated that at least 193,925,366 Offer Shares will be taken up. If any of the conditions of the Open Offer (details are set out in the section headed “Conditions of the Open Offer”) is not fulfilled, the Open Offer will not proceed. **Accordingly, the Open Offer may or may not proceed and the Shareholders and potential investors are advised to exercise caution when dealing in the Shares and consult their professional advisers if they are in any doubt about their positions.**

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfer of Shares must be lodged for registration with the branch share registrar of the Company in Hong Kong by 4:30 p.m. on Thursday, 17 April 2008. The register of members of the Company will be closed from Friday, 18 April 2008 to Monday, 21 April 2008, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer.

The Company will send the Prospectus Documents to the Qualifying Shareholders and, the Prospectus, for information only, to the Excluded Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 3 April 2008 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in Shares with effect from 9:30 a.m. on 7 April 2008.

OPEN OFFER

Issue Statistics

Basis of the Open Offer	:	One Offer Share for every two existing Shares held on the Record Date and payable in full on application
Number of Shares in issue	:	682,786,000 Shares as at the date of this announcement

Number of Offer Shares : a total of 341,393,000 Offer Shares based on the number of Shares in issue as at the date of this announcement (as the holders of the outstanding and vested Share Options have undertaken with the Company not to exercise the Share Options on or before the Record Date)

Subscription Price : HK\$0.26 per Offer Share payable in full on application

As at the date of this announcement, the Company has 10,000,000 outstanding and vested Share Options which would entitle holders thereof to subscribe for an aggregate of 10,000,000 Shares. The holders of the outstanding and vested Share Options have undertaken with the Company not to exercise the Share Options on or before the Record Date. Save as disclosed above, the Company does not have any other outstanding derivatives, options, warrants and conversion rights or similar rights or securities in issue which are convertible or exchangeable into Shares or Offer Shares.

Subscription Price

The Subscription Price of HK\$0.26 per Offer Share will be payable in full upon application for the Offer Shares. The Subscription Price represents:

1. a discount of approximately 25% to the closing price of HK\$0.345 per Share as quoted on the Stock Exchange on 2 April 2008, being the last trading day of the Shares on the Stock Exchange prior to the suspension of the trading in the Shares;
2. a discount of approximately 24% to the average of the closing prices of HK\$0.344 per Share quoted on the Stock Exchange for the five trading days up to and including 2 April 2008;
3. a discount of approximately 22% to the average of the closing prices of HK\$0.332 per Share quoted on the Stock Exchange for the 10 trading days up to and including 2 April 2008; and
4. a discount of approximately 18% to the theoretical ex-rights price of HK\$0.317 based on the closing price of HK\$0.345 per Share as quoted on the Stock Exchange on 2 April 2008.

The Subscription Price was determined by the Company based on the recent market prices of the Shares. As the Qualifying Shareholders are offered a chance to subscribe for the Offer Shares at a discount and to maintain their respective pro-rata shareholdings in the Company; and the Open Offer will help improve the financial and working capital position of the Group, the Directors (including the independent non-executive Directors) consider the terms of the Open Offer to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Open Offer is not underwritten. The Company will set out in the Prospectus, inter alia, the information required under Rules 10.36 and 10.37 of the GEM Listing Rules.

The Substantial Shareholders have undertaken to the Company that they will subscribe in full for 193,925,366 Offer Shares to which they are entitled under the Open Offer based on the number of Shares held by them as at the date of this announcement. The number of Offer Shares which may be issued depends on the level of acceptances under the Open Offer. Nevertheless, the Open Offer will proceed regardless of the ultimate subscription level and there is no minimum subscription amount that must be raised by the Open Offer in order for the Open Offer to proceed.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will despatch the Prospectus Documents to the Qualifying Shareholders only.

To qualify for the Open Offer, the Shareholders must be registered as members of the Company as at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as members on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant Share certificates) with the Company's branch share registrar transfer office in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Thursday, 17 April 2008.

The invitation to apply for the Offer Shares to be made to the Qualifying Shareholders will not be transferable or capable of renunciation and there will not be any trading in nil-paid entitlements of the Offer Shares on the Stock Exchange. Any Offer Shares not taken up by the relevant Qualifying Shareholders (and the Offer Shares to which the Excluded Shareholders would otherwise have been entitled to under the Open Offer) will not be available for subscription by other Qualifying Shareholders by way of excess application.

Closure of register of members

The register of members of the Company will be closed from Friday, 18 April 2008 to Monday, 21 April 2008, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer. No transfer of Shares will be registered during this period.

Rights of the Overseas Shareholders and the Excluded Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda. The Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders, if any. To determine the identities of the Excluded Shareholders and in compliance with the relevant GEM Listing Rules, the Company will make necessary enquiries regarding the legal restrictions, if any, under the laws of the relevant jurisdictions and will only exclude the Excluded Shareholders for the Open Offer if it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place after making relevant enquiries pursuant to Rule 17.41 of the GEM Listing Rules. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Excluded Shareholders as soon as practicable. The Company will not send any Application Forms to the Excluded Shareholders.

No application for excess Offer Shares

No Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to his/her/its entitlement. Any Offer Shares not taken up by the Qualifying Shareholders, and the Offer Shares to which the Excluded Shareholders would otherwise have been entitled to under the Open Offer, will not be available for subscription by other Qualifying Shareholders by way of excess application.

Status of the Offer Shares

The Offer Shares (when allotted and fully paid) will rank pari passu with the Shares in issue in all respects on the date of allotment and issue of the Offer Shares. Holders of fully paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Share certificates for the fully paid Offer Shares

Subject to the fulfillment of the conditions of the Open Offer as set out in the section headed “Conditions of the Open Offer” below, every Qualifying Shareholder will receive one share certificate for all fully paid Offer Shares he/she/it subscribes and the share certificates are expected to be posted on or before Wednesday, 21 May 2008 to those Shareholders who have accepted and paid for the Offer Shares by ordinary post at their own risks.

Fractions of Offer Shares

Fractional entitlements of Offer Shares will not be allotted. Each Qualifying Shareholder’s entitlement under the Open Offer will be rounded down for the purposes of calculating entitlements.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares on GEM will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Conditions of the Open Offer

Completion of the Open Offer is conditional upon:

1. the delivery to the Stock Exchange for authorization and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Board (and all other documents required to be attached thereto) not later than 5:00 p.m. on the date of dispatching the Prospectus Documents and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance;

2. if necessary, the filing with the Registrar of Companies in Bermuda, one copy of each of the Prospectus Documents duly signed by one director of the Company (for and on behalf of all the Directors) as having been approved by a resolution of the board of Directors (and all documents required thereto) and otherwise in compliance with the Companies Act 1981 of Bermuda (as amended) on or before the date of dispatching the Prospectus Documents;
3. the posting of the Prospectus Documents to the Qualifying Shareholders and the posting to the Excluded Shareholders, if any, of a copy of the Prospectus stamped “For Information Only” on or before the date of dispatching the Prospectus Documents; and
4. the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment), and not having revoked, the approval for the listing of, and permission to deal in, the Offer Shares,

In the event that any of the above conditions is not fulfilled on or before 16 June 2008, the Open Offer will lapse and not proceed.

WARNING OF RISKS OF DEALING IN SHARES

The Shareholders should note that the Shares will be dealt with on an ex-entitlement basis commencing from Wednesday, 16 April 2008 and that dealings in such Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in such Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled will accordingly bear the risks that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and consult their professional advisers if they are in any doubt about their positions.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE OPEN OFFER

	As at the date		Immediately following completion of the Open Offer on the assumption as set out in Note 1		Immediately following completion of the Open Offer on the assumption as set out in Note 2	
	Number	Approximate	Number	Approximate	Number	Approximate
	of Shares	%	of Shares	%	of Shares	%
Alliance Express Group Limited ³	131,000,000	19.2	196,500,000	19.2	196,500,000	22.4
Concept Express Investments Limited ⁴	122,760,000	18.0	184,140,000	18.0	184,140,000	21.0
Chiu Samson Hang Chin	103,324,732	15.1	154,987,098	15.1	154,987,098	17.7
Chiu Hang Tat	30,766,000	4.5	46,149,000	4.5	46,149,000	5.3
Public Shareholders	<u>294,935,268</u>	<u>43.2</u>	<u>442,402,902</u>	<u>43.2</u>	<u>294,935,268</u>	<u>33.6</u>
Total	<u><u>682,786,000</u></u>	<u><u>100</u></u>	<u><u>1,024,179,000</u></u>	<u><u>100</u></u>	<u><u>876,711,366</u></u>	<u><u>100</u></u>

Notes:

1. Assuming all Shareholders take up their respective entitlements to the Offer Shares under the Open Offer.
2. Assuming none of the Shareholders (save for the Substantial Shareholders who have undertaken to subscribe for, or procure the subscription for their respective pro-rata entitlements to Offer Shares in full under the Open Offer) takes up his entitlement to the Offer Shares under the Open Offer.
3. Alliance Express Group Limited is beneficially owned by Mr. Chiu Hang Tai, the chief executive officer and chairman of the Company.
4. Concept Express Investments Limited is beneficially owned as to 47.82% by the estate of Mr. Chiu Kwong Chi (who passed away on 25 June 2005) and as to 26.09% 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, Mr. Chiu Hang Tat and Mr. Chiu Hang Tai. Mr. Chiu Samson Hang Chin is the deputy chairman and an executive Director of the Company.

Based on the present shareholding of the Company set out above and to the best information of the Company, the Company is not aware of any Shareholders who would, as a result of taking up the Offer Shares to which they are entitled under the Open Offer, incur an obligation to make a general offer under the Code on Takeovers and Mergers.

FUNDS RAISED DURING THE PAST 12 MONTHS

During the past 12 months, the Company has not raised any fund by way of issuance of new Shares.

REASONS FOR THE OPEN OFFER

The Group is principally engaged in the design, development, manufacture and distribution of high-quality computer components.

The Board (including the independent non-executive Directors) considers that the Open Offer represents an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position. Moreover, the Board (including the independent non-executive Directors) is of the view that it is in the interests of the Company and its Shareholders as a whole to raise capital through the Open Offer since it would allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and participate in the future growth and development of the Group.

USE OF PROCEEDS

Based on the shareholding structure of the Company as at the date of this announcement and assuming there is no change to the shareholding of the Company from the date of this announcement to the Record Date, the maximum net proceeds from the Open Offer (after deduction of the relevant expenses) are estimated to amount to approximately HK\$88.2 million. It is intended that not less than HK\$40 million of the net proceeds of the Open Offer would be applied towards reduction of the indebtedness of the Group and the rest for general working capital purpose.

The Substantial Shareholders have undertaken to the Company that they will subscribe in full for the Offer Shares to which they are respectively entitled under the Open Offer. As at the date of this announcement, the Substantial Shareholders hold 387,850,732 Shares in aggregate. If they continue to hold the same number of Shares on the Record Date, they will together be entitled to subscribe for 193,925,366 Offer Shares under the Open Offer and the Company will raise at least aggregate net proceeds (after deduction of the relevant expenses) of approximately HK\$49.8 million, representing the aggregate Subscription Price of such Offer Shares to which the Substantial Shareholders are entitled under the Open Offer. The Company estimates that such proceeds will be sufficient for the intended repayment to reduce the indebtedness of the Group and any further subscription of the Offer Shares will help strengthen the financial and working capital position of the Group. If all Shareholders subscribe for their entitled Offer Shares under the Open Offer, the net proceeds (after deduction of the relevant expenses) are estimated to be approximately HK\$88.2 million.

EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

2008

Last day of dealings in Shares on a cum-entitlement basis Tuesday, 15 April

First day of dealings in Shares on an ex-entitlement basis Wednesday, 16 April

Latest time and date for lodging transfers of Shares

to qualify for the Open Offer 4:30 p.m. on Thursday, 17 April

Register of members of the Company closes (both dates inclusive) Friday 18 April to
Monday 21 April

Record Date Monday, 21 April

Register of members re-opens Tuesday, 22 April

Despatch of the Prospectus Documents Thursday, 24 April

Final Acceptance and Payment Date 4:00 p.m. on Wednesday, 14 May

Announcement of results of the Open Offer on the GEM website Wednesday, 21 May

Certificates for the Offer Shares to be dispatched on or before Wednesday, 21 May

Dealings in fully-paid Offer Shares commence on Friday, 23 May

Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced by the Company as and when appropriate.

ADJUSTMENTS IN RELATION TO THE SHARE OPTION SCHEME

Pursuant to the terms of the Share Option Scheme, the exercise price and number of Shares which may fall to be issued upon exercise of the outstanding Share Options will be adjusted in accordance with the Share Option Scheme upon the Open Offer becoming unconditional. The Company will instruct its auditors or an independent financial adviser to certify in writing the adjustments that ought to be made to the outstanding Share Options pursuant to the Share Option Scheme and in compliance with the GEM Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005, and disclosed the details of such adjustments (if any) in accordance with the provisions of the Shares Option Scheme.

GENERAL

The Company will send the Prospectus Documents to the Qualifying Shareholders and, the Prospectus, for information only, to the Excluded Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 3 April 2008 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in Shares with effect from 9:30 a.m. on 7 April 2008.

TERMS USED IN THIS ANNOUNCEMENT

“Application Form(s)”	the application form(s) to be used by the Qualifying Shareholders in connection with the Open Offer
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	PINE Technology Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on GEM
“Directors”	directors of the Company
“Excluded Shareholder(s)”	those Overseas Shareholders, where the Directors, based on the legal opinions provided by the Company’s legal advisers, consider it necessary or expedient to exclude any such Overseas Shareholder on account either of legal restrictions under the laws of the place of his/her/its registered address or the requirement of the relevant regulatory body or stock exchange in that place
“Final Acceptance and Payment Date”	4:00 p.m. on Wednesday, 14 May 2008 or such other date as may be determined by the Company and described as the latest date for acceptance and payment of the Offer Shares in the Prospectus

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Offer Share(s)”	new Share(s) to be issued pursuant to the Open Offer
“Open Offer”	the proposed offer of the Offer Shares on the basis of one Offer Share for every two existing Shares held by the Qualifying Shareholders on the Record Date
“Overseas Shareholders”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“Prospectus”	a prospectus containing details of the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form in relation to the Open Offer
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	21 April 2008 or on such other date as the Company may determine, being the record date for determining entitlement to the Open Offer
“Share Option Scheme”	the share option scheme of the Company adopted by the shareholders of the Company pursuant to a resolution passed on 16 April 2003 and as amended from time to time
“Share Options”	outstanding share options granted by the Company pursuant to the Share Option Scheme
“Share(s)”	existing ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.26 per Offer Share
“Substantial Shareholders”	collectively Alliance Express Group Limited, Concept Express Investments Limited, Mr. Chiu Samson Hang Chin and Mr. Chiu Hang Tat all acting in concert beneficially held 387,850,732 Shares in aggregate as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 3 April 2008

As at the date of this announcement, 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. Xu Jian Hua.

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: (1) the information contained in this announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the day of its posting and on the Company’s website at www.pinegroup.com.

* *for identification purposes only*