



PINE TECHNOLOGY
HOLDINGS LIMITED
松景科技控股有限公司*

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 1079

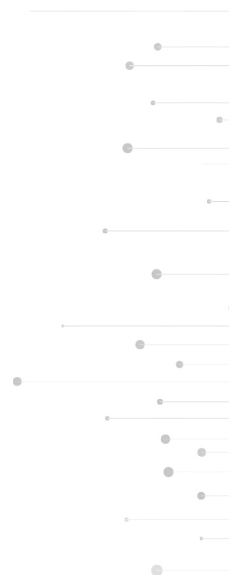
INTERIM
REPORT | 2022
中期報告



* For identification purpose only
僅供識別

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Zhang Sanhuo

(Chairman and Chief Executive Officer)

Mr. Chan Cheuk Ho

Independent non-executive Directors

Mr. So Stephen Hon Cheung

Mr. Zhou Chunsheng

Mr. Tian Hong

Company Secretary

Mr. Chan Cheuk Ho

Authorised Representatives

Mr. Zhang Sanhuo

Mr. Chan Cheuk Ho

Audit Committee

Mr. So Stephen Hon Cheung *(Chairman)*

Mr. Zhou Chunsheng

Mr. Tian Hong

Remuneration Committee

Mr. So Stephen Hon Cheung *(Chairman)*

Mr. Zhang Sanhuo

Mr. Zhou Chunsheng

Mr. Tian Hong

Nomination Committee

Mr. Zhang Sanhuo *(Chairman)*

Mr. So Stephen Hon Cheung

Mr. Zhou Chunsheng

Mr. Tian Hong

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and Principal Place of Business

Unit B, 12/F., Central 88

88–98 Des Voeux Road Central

Central

Hong Kong

Principal Bankers

Bank of Communications (Hong Kong) Limited

Bank of China Guangdong Branch

Industrial and Commercial Bank of China

(Guangdong Provincial Branch)

Principal Share Registrar and Transfer Agent

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Secretaries Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

Independent Auditors

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Legal Adviser

As to Hong Kong Law:

Michael Li & Co Solicitors

Stock Code

1079

Website of the Company

<https://www.irasia.com/listco/hk/pine>

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Director(s)**”) of PINE Technology Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 31 December 2021 (the “**Period**”) together with the comparative figures for the corresponding period of the financial year ended 30 June 2021 and the relevant explanatory notes.

BUSINESS REVIEW

During the Period, the global economic environment remained affected by the 2019 Novel Coronavirus Disease (the “**COVID-19**”) pandemic, and many major economies were still affected by different levels of social distancing, lockdown and quarantine measures to contain the COVID-19 pandemic. The Group adopted a cautious and prudent approach to the business in response to different kinds of changes that emerged in the global markets. Thus, the business activities of the Company were generally slowed down during the Period.

OUTLOOK

The COVID-19 pandemic rages on in an unpredictable way. The management expects that the business of the Group will face much more unknown challenges. The Group will make steady progress in accordance with its business plans and its actual operational conditions, so as to facilitate effective implementation of the business objectives of the Company and bring benefits from it.

Apart from the above, the Group will actively explore investment opportunities related to technology to diversify the business, thereby creating long-term value for shareholders of the Company and the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Review of results

For the Period, the Group's revenue was approximately US\$5,258,000, representing approximately 39% decrease compared to that of approximately US\$8,652,000 in the corresponding period last year. Because of the further tightening on cost control, gross profit margin improved to approximately 44% as compared to approximately 29% in the corresponding period last year.

Operating expenses, including selling and distribution expenses and general and administrative expenses, decreased by approximately US\$2,272,000, or approximately 48%, from approximately US\$4,694,000 in the corresponding period last year to approximately US\$2,422,000 during the Period. The decline of the operating expenses was mainly resulted from further tightened control on general and administrative spending throughout the Period.

The Group's loss before income tax decreased by approximately 84% to approximately US\$188,000 for the Period (for the six months ended 31 December 2020: approximately US\$1,173,000).

Loss attributable to owners of the Company amounted to approximately US\$487,000 for the Period, representing a significant decrease of approximately 64% compared to approximately US\$1,340,000 for the corresponding period last year.

Basic loss per share attributable to owners of the Company for the Period improved to approximately US0.04 cents compared to approximately US0.1 cents for the corresponding period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Segment Information

Group's brand products

During the Period, there was no segment revenue as compared to that of approximately US\$2,000 in the corresponding period last year. There was no segment loss as compared to a loss of approximately US\$1,527,000 in the corresponding period last year.

Other brand products

During the Period, there was no segment revenue as compared to that of approximately US\$4,294,000 in the corresponding period last year. There was no segment loss as compared to a loss of approximately US\$403,000 in the corresponding period last year.

Money lending service

During the Period, the segment's revenue was approximately US\$789,000, representing approximately 37% increase compared to that of approximately US\$574,000 in the corresponding period last year. The segment's profit was approximately US\$761,000, representing approximately 46% decrease compared to that of approximately US\$1,404,000 in the corresponding period last year.

Trading business

There was no revenue generated from this segment during the Period and the corresponding period last year. The segment's loss was approximately US\$4,000, representing a decrease of approximately 33% as compared to a loss of approximately US\$6,000 in the corresponding period last year.

Computer software and hardware and system development service

During the Period, the segment's revenue was approximately US\$4,469,000, representing approximately 18% increase compared to that of approximately US\$3,782,000 in the corresponding period last year. The segment's profit was approximately US\$224,000, representing a decrease of approximately 64% as compared to a profit of approximately US\$621,000 in the corresponding period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CHARGE ON GROUP ASSETS

During the Period, the Group continued to maintain a healthy liquidity position. The Group generally finances its operations with internally generated resources and banking facilities. The Group's cash and bank balances increased from approximately US\$4,784,000 as at 30 June 2021 to approximately US\$8,700,000 as at 31 December 2021. Bank borrowings increased from approximately US\$1,497,000 as at 30 June 2021 to approximately US\$1,833,000 as at 31 December 2021.

As at 31 December 2021, no trade and other receivables were pledged to secure general banking facilities granted to the Group (30 June 2021: approximately US\$185,000).

The Group has total current assets of approximately US\$21,428,000 as at 31 December 2021 and approximately US\$20,484,000 as at 30 June 2021. The Group's total current liabilities amounted to approximately US\$4,805,000 as at 31 December 2021 and approximately US\$3,959,000 as at 30 June 2021.

The Group's current ratio, defined as total current assets over total current liabilities, decreased from 5.2 as at 30 June 2021 to 4.5 as at 31 December 2021.

As at 31 December 2021, the gearing ratio of the Group based on total liabilities over total assets was approximately 15.8% (30 June 2021: approximately 15.7%).

The Group continued to maintain a healthy financial and cash position. The Company did not carry out any fund raising activities by issuing new shares of the Company during the first six months of this financial year.

TREASURY POLICIES

The Group financed its operations by internally generated cash flows and banking facilities provided by its bankers. The Group continues to maintain a prudent approach in managing its financial requirements.

SHARE CAPITAL AND CAPITAL STRUCTURE OF THE COMPANY

As at 31 December 2021, the Company had 1,326,701,739 ordinary shares (the "Shares") of HK\$0.1 each in issue (30 June 2021: 1,326,701,739 Shares).

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

The Group carried on its trading transactions mainly in United States dollars, Hong Kong dollars, Canadian dollars and Renminbi. It is the Group's policy to continue maintaining the balance of its sales and purchases in the same currency. The Group did not have any hedging arrangement on foreign exchange. The Directors are of the view that the transactional exposure of the Group in currencies other than the functional currencies is maintained at an acceptable level.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS AND/OR DISPOSALS

There was no significant investment held by the Group, nor were there any material acquisitions and/or disposals of subsidiaries, associates and joint ventures during the Period.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any plan for material investments or capital assets as at 31 December 2021.

EMPLOYEES AND REMUNERATION POLICY

The Group ensured that its employees are remunerated according to the prevailing manpower market conditions, individual performance, qualification, experience and the remuneration policies, which are reviewed on a regular basis.

As at 31 December 2021, the Group had 117 employees, representing approximately 9% increase from 107 employees as at 30 June 2021, at market remuneration with employee benefits such as medical coverage, insurance plan, retirement benefits schemes, discretionary bonus and employee share option scheme. Staff cost, including Directors' emoluments, was approximately US\$1,897,000 for the Period as compared with that of approximately US\$3,968,000 for the corresponding period last year.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2021 (30 June 2021: Nil).

INTERIM DIVIDEND

The Directors do not recommend an interim dividend for the Period (six months ended 31 December 2020: Nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2021, the interests and short positions of the Directors and the Company's chief executive in the shares, underlying shares and debentures of the Company or 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")) which were required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (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 (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long positions:

Ordinary shares of HK\$0.10 each (the "Share(s)") of the Company

Name of Company	Name of Director	Nature of Interest	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
PINE Technology Holdings Limited	Zhang Sanhuo	Controlled corporation	714,163,680 (Note 1)	53.83%

Note:

- These underlying Shares are beneficially owned by and registered in the name of Sage Global Holdings Limited ("Sage Global"), which is a company incorporated in the British Virgin Islands ("BVI") and its entire issued share capital is wholly and beneficially owned by South Pearl Ventures Limited ("South Pearl"), and South Pearl is in turn wholly and beneficially owned by Mr. Zhang Sanhuo, an executive Director, the chairman (the "Chairman") and chief executive officer of the Company (the "Chief Executive Officer"). As at 31 December 2021, all the issued Shares held by Sage Global were pledged as security for facilities granted to Sage Global.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Long positions in the underlying Shares:

Name of Director	Nature of Interest	Number of underlying Shares held	Approximate percentage of the issued share capital of the Company
Mr. Zhang Sanhuo	Beneficial owner	16,860,000 (Note 1)	1.27%
Mr. Chan Cheuk Ho	Beneficial owner	19,260,000 (Note 2)	1.45%

Notes:

1. These underlying Shares are held by Mr. Zhang Sanhuo, an executive Director, the Chairman and Chief Executive Officer, as share options of the Company which entitle him to subscribe for 6,000,000 Shares at an exercise price of HK\$0.83 per Share and 10,860,000 shares at an exercise price of HK\$0.46 per Share.
2. These underlying Shares are held by Mr. Chan Cheuk Ho, an executive Director, as share options of the Company which entitle him to subscribe for 6,000,000 Shares at an exercise price of HK\$0.83 per Share and 13,260,000 shares at an exercise price of HK\$0.46 per Share.

Save as disclosed above, as at 31 December 2021, none of the Directors or the Company's chief executive or their respective associates, had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified 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 (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

Save for the interests of certain Directors as disclosed under the section headed "Directors' and chief Executive's interests and short position in shares, underlying shares and debentures", according to the register of interests maintained by the Company pursuant to section 336 of the SFO and as far as the Directors are aware, as at 31 December 2021, the following persons or corporations (other than a Director or chief executive of the Company) had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group or in any options in respect of such capital:

Name of company	Name of substantial shareholder	Capacity	Number of issued Shares held	Position	Approximate percentage of the issued share capital of the company	
PINE Technology Holdings Limited	Sage Global	Beneficial owner	714,163,680 (Note 1)	Long	53.83%	
			714,163,680 (Note 1)	Short	53.83%	
	South Pearl	Controlled corporation	714,163,680 (Note 1)	Long	53.83%	
			714,163,680 (Note 1)	Short	53.83%	
	Hammer Capital Private Investments Limited	Person having a security interest in shares	714,163,680 (Note 2)	Long	53.83%	
	Cheung Siu Fai	Controlled corporation	714,163,680 (Note 2)	Long	53.83%	
	Tsang Ling Kay Rodney	Controlled corporation	714,163,680 (Note 2)	Long	53.83%	
	PINE Technology (BVI) Limited (Note 3)	Simply Perfect Group Limited (" Simply Perfect ")	Beneficial owner	1,725 (Note 4)	Long	15%

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES (Continued)

Notes:

1. Sage Global beneficially owns 714,163,680 Shares. Sage Global is wholly and beneficially owned by South Pearl. South Pearl is in turn wholly and beneficially owned by Mr. Zhang Sanhuo, an executive Director, the Chairman and Chief Executive Officer. As at 31 December 2021, all the Shares held by Sage Global were pledged as security for facilities granted to Sage Global.
2. Hammer Capital Private Investments Limited, a company incorporated in the BVI with limited liability, is owned as to 50% by Mr. Cheung Siu Fai and 50% by Mr. Tsang Ling Kay Rodney, respectively.
3. PINE Technology (BVI) Limited is a subsidiary of the Company and is owned as to 85% by the Company and 15% by Simply Perfect.
4. The shares are beneficially owned by and registered in the name of Simply Perfect which was incorporated in the BVI and 74% of its share capital is beneficially owned by Mr. Chiu Hang Tai, a former executive Director who has resigned from his position with effect from 2 December 2020. Mr. Chiu Hang Tai is deemed to be interested in the shares held by Simply Perfect by virtue of the SFO.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2021.

OTHER INFORMATION

SHARE OPTION SCHEME

The share option scheme (the “**Share Option Scheme**”) was adopted by the Company pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 22 November 2013 for the purpose of providing incentives or reward to the Directors, eligible employees or any persons who have contributed or may contribute to the Group. The Share Option Scheme was amended pursuant to the resolution passed by the Shareholders on 15 November 2018 and the Directors considered that the amendment to the Share Option Scheme was in line with Rule 17.04(1) of the Listing Rules. Please refer to the circular of the Company dated 16 October 2018 and the announcement of the Company dated 15 November 2018 for further information in relation to the amendment to the Share Option Scheme. Unless otherwise cancelled or amended, the Share Option Scheme will expire on 21 November 2023.

Share options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1 per share option. A share option may be exercised in accordance with the terms of the Share Option Scheme at any time during the respective effective period of the Share Option Scheme to be notified by the Board which shall not be later than 10 years from the date of grant.

As disclosed in the announcement of the Company dated 12 December 2018, there were 80,140,000 share options granted to certain grantees (the “**Grantees**”) which included the Directors with an exercise price HK\$0.46 per share pursuant to the Share Option Scheme (the “**Share Options 2018**”). The exercise price of HK\$0.46 per share was the highest of: (i) the closing price of HK\$0.45 per share as quoted in the Stock Exchange’s daily quotation sheet on the date of grant; (ii) the average closing price of approximately HK\$0.46 per share as quoted in the Stock Exchange’s daily quotation sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of HK\$0.10 per share.



OTHER INFORMATION

SHARE OPTION SCHEME (Continued)

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding share options) in any 12-month period must not exceed 1 per cent of the Shares in issue.

The subscription price shall be determined by the Board at its absolute discretion, provided that it shall be not less than the highest of:

- (1) the closing price of the Shares on the Stock Exchange (as stated in the Stock Exchange's daily quotations sheet) on the offer date, which must be a business day;
- (2) the average closing price of the Shares on the Stock Exchange (as stated in the Stock Exchange's daily quotations sheets) for the five business days immediately preceding the offer date; and
- (3) the nominal value of a Share on the offer date.

On 28 November 2019, an ordinary resolution was duly passed by the Shareholders at an annual general meeting of the Company, approving, inter alia, the refreshment of the scheme mandate limit under the Share Option Scheme. Upon the refreshment of the scheme mandate limit, the Company may grant share options entitling holders thereof to subscribe for up to a maximum number of 132,670,173 Shares, representing approximately 10% of the number of issued Shares as at the date of the annual general meeting. Please refer to the circular of the Company dated 29 October 2019 and the announcement of the Company dated 28 November 2019 for further details of the refreshment of the scheme mandate limit.

OTHER INFORMATION

SHARE OPTION SCHEME (Continued)

Details of the share options outstanding under the Share Option Scheme at the beginning and at the end of the Period to subscribe for the shares in the Company are as follows:

Granted to	Position(s) held in the Company	Date of grant	Validity period (both dates inclusive)	Exercisable period (both dates inclusive)	Exercise price HK\$	Number of share options outstanding as at 1 July 2021	Number of share options outstanding as at 31 December 2021
Mr. Zhang Sanhuo	Chairman and Chief Executive Officer	22.9.2017	22.9.2017 to 21.9.2027	33.33% 22.9.2017 to 21.9.2027; 33.33% 22.9.2018 to 21.9.2027; and 33.34% 22.9.2019 to 21.9.2027	0.83	6,000,000	6,000,000
		12.12.2018	12.12.2018 to 11.12.2028	50% 12.12.2018 to 11.12.2028; and 50% 12.12.2019 to 11.12.2028	0.46	10,860,000	10,860,000

OTHER INFORMATION

SHARE OPTION SCHEME (Continued)

Granted to	Position(s) held in the Company	Date of grant	Validity period (both dates inclusive)	Exercisable period (both dates inclusive)	Exercise price HK\$	Number of share options outstanding as at 1 July 2021	Number of share options outstanding as at 31 December 2021
Mr. Chan Cheuk Ho	Executive Director	22.9.2017	22.9.2017 to 21.9.2027	33.33% 22.9.2017 to 21.9.2027; 33.33% 22.9.2018 to 21.9.2027; and 33.34% 22.9.2019 to 21.9.2027	0.83	6,000,000	6,000,000
		12.12.2018	12.12.2018 to 11.12.2028	50% 12.12.2018 to 11.12.2028; and 50% 12.12.2019 to 11.12.2028	0.46	13,260,000	13,260,000
Other grantees	Consultants	12.12.2018	12.12.2018 to 11.12.2028	50% 12.12.2018 to 11.12.2028; and 50% 12.12.2019 to 11.12.2028	0.46	36,520,000	36,520,000
Total						72,640,000	72,640,000

OTHER INFORMATION

SHARE OPTION SCHEME (Continued)

The total number of Shares available for issue under the Refreshed Scheme Mandate Limit of the Share Option Scheme is 132,670,173 Shares representing approximately 10% of the Company's issued share capital as at the date of this interim report.

Save as disclosed above, no share option was granted, exercised, cancelled or lapsed under the Share Option Scheme during the six months ended 31 December 2021.

For the six months ended 31 December 2021, the Group has not recognized any share-based payment expense in the condensed consolidated statement of profit or loss and other comprehensive income (31 December 2020: Nil).

PROFIT GUARANTEE

Pursuant to the sale and purchase agreement dated 9 July 2018 (as amended and supplemented by a supplemental agreement thereto dated 13 July 2018) entered into amongst Talent Crest Limited, a wholly-owned subsidiary of the Company, as purchaser, Harmonious Miles Limited, as vendor, and Mr. Wu Chung Man Ronnie, as guarantor, in relation to the acquisition of the entire equity interest of Eternal Abundant Limited (together with its subsidiaries, the "**Eternal Abundant Group**"), the vendor has warranted and guaranteed to the purchaser that the audited consolidated profit after tax as shown in the audited consolidated accounts of the Eternal Abundant Group for the 12-month period commencing from the date falling on the second anniversary of the completion date of the said acquisition (i.e. 23 July 2018) (the "**3rd Profit Guarantee Period**") shall not be less than HK\$16.5 million (the "**3rd Guaranteed Profit**").

As disclosed in the announcement of the Company dated 12 November 2021, the audited consolidated profit after tax of the Eternal Abundant Group for the 3rd Profit Guarantee Period was not less than HK\$16.5 million. Therefore, the 3rd Guaranteed Profit has been met.

OTHER INFORMATION

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles as set out with the code provisions in the Corporate Governance Code previously contained in Appendix 14 to the Listing Rules (the “**Old CG Code**”). On 1 January 2022, the amendments to the Corporate Governance Code (the “**New CG Code**”) came into effect and the requirements under the New CG Code will apply to corporate governance reports for financial year commencing on or after 1 January 2022. Throughout the Period, the Company has complied with all the code provisions as set out in the Old CG Code, save and except for code provisions A.2.1 and A.4.2 of the Old CG Code (equivalent to C.2.1 and B.2.2 of the New CG Code), details of which are explained below.

Pursuant to the code provision A.2.1 of the Old CG Code (equivalent to C.2.1 of the New CG Code), the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

As Mr. Zhang Sanhuo is the Chairman and the Chief Executive Officer of the Company from 3 January 2018, it constituted a deviation from code provision A.2.1 of the Old CG Code (equivalent to C.2.1 of the New CG Code) since 3 January 2018. The positions of the Chairman and Chief Executive Officer are held by Mr. Zhang Sanhuo who has extensive knowledge about the management. The Company believes that this structure is conducive to strong and consistent leadership, enabling the Company to formulate and implement strategies efficiently and effectively. Under the supervision of the Board and its independent non-executive Directors, a balancing mechanism exists so that the interests of the Shareholders are adequately and fairly represented. The Company considers that there is no imminent need to change this structure.

Under code provision A.4.2 of the Old CG Code (equivalent to B.2.2 of the New CG Code), every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Under the bye-laws 111 and 114 of the bye-laws (the “**Bye-laws**”) of the Company, one-third of the Directors, with the exception of Chairman or Deputy Chairman, Managing Director or joint Managing Director, are subject to retirement by rotation and re-election at annual general meeting of the Company. New Directors appointed by the Board to fill a casual vacancy during any year are required to retire and submit themselves for election at the first general meeting immediately following their appointments. Notwithstanding the provisions of the Bye-laws, the Company intends to comply with the code provision A.4.2 of the Old CG Code (equivalent to B.2.2 of the New CG Code) by way of having one-third of all the Directors, including those appointed for a specific term, subject to retirement by rotation at each annual general meeting at least once every three years.

OTHER INFORMATION

CHANGES IN DIRECTORS' INFORMATION

Save as disclosed below, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Period and up to the date of this report:

Name of Directors	Details of changes
Mr. Chan Cheuk Ho (<i>executive Director</i>)	Appointed as an independent non-executive director of EPS Creative Health Technology Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3860), with effect from 9 July 2021

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following enquiry by the Company, that they have complied with the required standards as set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 9 November 1999 with written terms of reference amended and became effective on 9 January 2019. The Audit Committee comprised the three independent non-executive Directors, namely Mr. So Stephen Hon Cheung (chairman of the Audit Committee), Mr. Zhou Chunsheng and Mr. Tian Hong. The Audit Committee together with the management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed the auditing, risk management, internal controls and financial reporting matters (including a review of the Group’s unaudited condensed consolidated interim financial statements for the Period).

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the 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
Zhang Sanhuo
Chairman

Hong Kong, 22 February 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2021

	Notes	For the six months ended	
		2021	2020
		US\$'000	US\$'000
		(Unaudited)	(Unaudited)
Revenue	3	5,258	8,652
Cost of sales		<u>(2,961)</u>	<u>(6,179)</u>
Gross profit		2,297	2,473
Other income		35	162
Other (losses)/gain, net		(11)	978
Selling and distribution expenses		(162)	(170)
General and administrative expenses		(2,260)	(4,524)
Finance costs		<u>(87)</u>	<u>(92)</u>
Loss before income tax	4	(188)	(1,173)
Income tax expense	5	<u>(4)</u>	<u>(39)</u>
Loss for the period		<u>(192)</u>	<u>(1,212)</u>
Other comprehensive income			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>95</u>	<u>485</u>
Total comprehensive loss for the period		<u>(97)</u>	<u>(727)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Continued)

For the six months ended 31 December 2021

	For the six months ended	
	31 December	
	2021	2020
Notes	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to:		
Owners of the Company	(487)	(1,340)
Non-controlling interests	295	128
	<u>(192)</u>	<u>(1,212)</u>
Total comprehensive (loss)/income for		
the period attributable to:		
Owners of the Company	(394)	(913)
Non-controlling interests	297	186
	<u>(97)</u>	<u>(727)</u>
Loss per share		
	7	
Basic and diluted (US cents)	<u>(0.04)</u>	<u>(0.10)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

		31 December 2021 US\$'000 (Unaudited)	30 June 2021 US\$'000 (Audited)
Non-current assets			
Property, plant and equipment		309	391
Right-of-use assets		183	282
Goodwill		7,985	7,985
Intangible assets		9,643	10,380
Rental deposits		–	94
		<u>18,120</u>	<u>19,132</u>
Current assets			
Trade and other receivables	8	2,216	4,729
Loan receivables	9	9,534	10,539
Contract assets and contract costs		978	431
Tax recoverable		–	1
Bank balances and cash		8,700	4,784
		<u>21,428</u>	<u>20,484</u>
Current liabilities			
Trade and other payables	10	1,796	1,852
Contract liabilities		531	677
Tax payable		451	349
Lease liabilities		194	200
Bank borrowings		1,833	881
		<u>4,805</u>	<u>3,959</u>
Net current assets		<u>16,623</u>	<u>16,525</u>
Total assets less current liabilities		<u>34,743</u>	<u>35,657</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 31 December 2021

	31 December 2021 US\$'000 (Unaudited)	30 June 2021 US\$'000 (Audited)
	<i>Notes</i>	
Non-current liabilities		
Lease liabilities	–	91
Bank borrowings	–	616
Deferred tax liabilities	<u>1,447</u>	<u>1,557</u>
	<u>1,447</u>	<u>2,264</u>
NET ASSETS	<u>33,296</u>	<u>33,393</u>
Capital and reserves		
Share capital	17,045	17,045
Reserves	<u>9,093</u>	<u>9,489</u>
Equity attributable to owners of the Company	<u>26,138</u>	<u>26,534</u>
Non-controlling interests	<u>7,158</u>	<u>6,859</u>
TOTAL EQUITY	<u>33,296</u>	<u>33,393</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2021

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital	Share premium	Surplus account	Exchange reserve	Share options reserve	Accumulated losses			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
			(Note)						
Balance at 1 July 2020 (audited)	17,045	58,306	2,954	(27)	2,436	(51,882)	28,832	6,403	35,235
Loss for the period	-	-	-	-	-	(1,340)	(1,340)	128	(1,212)
Other comprehensive income for the period	-	-	-	427	-	-	427	58	485
Total comprehensive income/(loss) for the period	-	-	-	427	-	(1,340)	(913)	186	(727)
Balance at 31 December 2020 (unaudited)	17,045	58,306	2,954	400	2,436	(53,222)	27,919	6,589	34,508
Balance at 1 July 2021 (audited)	17,045	58,306	2,954	199	2,436	(54,406)	26,534	6,859	33,393
Loss for the period	-	-	-	-	-	(487)	(487)	295	(192)
Other comprehensive income for the period	-	-	-	91	-	-	91	4	95
Total comprehensive income/(loss) for the period	-	-	-	91	-	(487)	(396)	299	(97)
Balance at 31 December 2021 (unaudited)	17,045	58,306	2,954	290	2,436	(54,893)	26,138	7,158	33,296

Note: Surplus account of the Group represents the difference between the nominal amount of the share capital issued by the Company and the aggregate of the nominal amount of the issued share capital and other reserve accounts of Pine Technology (BVI) Limited, the subsidiary which was acquired by the Company pursuant to the reorganisation of the Group in previous years.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2021

	For the six months ended	
	31 December	
	2021	2020
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	3,760	(2,547)
Net cash used in investing activities	(9)	–
Net cash generated from financing activities	123	4,502
Net increase in cash and cash equivalents	3,874	1,955
Cash and cash equivalents at 1 July	4,784	4,252
Effect of foreign exchange rate changes	42	205
Cash and cash equivalents at 31 December	8,700	6,412

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

I. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability under the Companies Law of Bermuda and its shares are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of the Company’s head office and principal place of business in Hong Kong is Unit B, 12/F., Central 88, 88–98 Des Voeux Road Central, Central, Hong Kong.

The principal activities of the Group are the manufacturing and sales of high-quality computer components, consumer electronic products and others, provision of money lending service, trading business, and computer software and hardware and system development service. The Company is an investment holding company.

The condensed consolidated interim financial statements are presented in United States dollars (“**US\$**”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and with Hong Kong Accounting Standards (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 30 June 2021.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the Period are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2021.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Adoption of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the Period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on or after 1 July 2021. HKFRSs comprise Hong Kong Financial Reporting Standards; HKAS; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the six months ended 31 December 2021 and prior periods.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

The Group’s operating segments, based on information reported to the board of Directors (being the chief operating decision maker (“**CODM**”)), for the purposes of resources allocation and performance assessment are as follows:

Group’s brand products	–	manufacture and sales of market video graphics cards and other computer components under the Group’s brand name
Other brand products	–	distribution of other manufacturers’ computer components and consumer electronic products and others
Money lending service	–	money lending service in Hong Kong
Trading business	–	trading of chemical products in the People’s Republic of China (the “ PRC ”)
Computer software and hardware and system development service	–	provision of computer software and hardware and system development service in the PRC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION (Continued)

For management purpose, the Group is organised into business units based on their products and services. The management of the Group monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss which in certain respects, as explained in the table below, is measured differently from the operating profit or loss in the condensed consolidated statement of profit or loss.

For the purposes of monitoring segment performance and allocating resources between segments, the CODM also reviews other segment information.

An analysis of the Group's unaudited revenue and results for the Period and its comparatives are as follows:

2021

	Group's brand products US\$'000 (Unaudited)	Other brand products US\$'000 (Unaudited)	Money lending service US\$'000 (Unaudited)	Trading business US\$'000 (Unaudited)	Computer software and hardware and system development service US\$'000 (Unaudited)	Consolidated US\$'000 (Unaudited)
REVENUE	<u>-</u>	<u>-</u>	<u>789</u>	<u>-</u>	<u>4,469</u>	<u>5,258</u>
SEGMENT RESULT	<u>-</u>	<u>-</u>	<u>761</u>	<u>(4)</u>	<u>224</u>	<u>981</u>
Interest income						1
Unallocated corporate expenses						(1,122)
Finance costs						<u>(48)</u>
Loss before income tax						<u>(188)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION (Continued)

2020

	Group's brand products US\$'000 (Unaudited)	Other brand products US\$'000 (Unaudited)	Money lending service US\$'000 (Unaudited)	Trading business US\$'000 (Unaudited)	Computer software and hardware and system development service US\$'000 (Unaudited)	Consolidated US\$'000 (Unaudited)
REVENUE	<u>2</u>	<u>4,294</u>	<u>574</u>	<u>–</u>	<u>3,782</u>	<u>8,652</u>
SEGMENT RESULT	<u>(1,527)</u>	<u>(403)</u>	<u>1,404</u>	<u>(6)</u>	<u>621</u>	<u>89</u>
Interest income						<u>1</u>
Unallocated corporate expenses						<u>(1,186)</u>
Finance costs						<u>(77)</u>
Loss before income tax						<u>(1,173)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. LOSS BEFORE INCOME TAX

	For the six months ended	
	31 December	
	2021	2020
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Loss before income tax has been arrived at after charging/(crediting):		
Amortisation of intangible assets	741	741
Depreciation and amortisation	188	203
Reversal of impairment loss on trade receivable	-	(206)
	<u> </u>	<u> </u>

5. INCOME TAX EXPENSE

	For the six months ended	
	31 December	
	2021	2020
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
The charge/(credit) comprises:		
Hong Kong Profits Tax	-	1
The PRC enterprise income tax	114	161
Other jurisdictions	-	10
	<u> </u>	<u> </u>
	114	172
Deferred tax	(110)	(133)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	4	39
	<u> </u>	<u> </u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. INCOME TAX EXPENSE (Continued)

For the Period and prior periods, Hong Kong Profits Tax is calculated under two-tier profits tax rate regime. First HK\$2 million of estimated assessable profits is taxed at a rate of 8.25% and the remaining estimated assessable profits is taxed at 16.5%. The Group has selected one of the Hong Kong subsidiaries to apply the two-tier profits tax rate.

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% from 1 January 2008 onwards.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

6. DIVIDEND

No dividend was paid or proposed for the Period (six months ended 31 December 2020: Nil). The Directors do not recommend a dividend in respect of the Period (six months ended 31 December 2020: Nil).

7. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the Period attributable to owners of the Company of approximately US\$487,000 (six months ended 31 December 2020: approximately US\$1,340,000) and the weighted average number of ordinary shares of 1,326,702,000 (six months ended 31 December 2020: 1,326,702,000) in issue during the Period.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the Period (six months ended 31 December 2020: anti-dilutive).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8. TRADE AND OTHER RECEIVABLES

The Group allows a credit period of 1 to 180 days (30 June 2021: 1 to 180 days) to its trade customers. The aged analysis of trade receivables, net of allowance for doubtful debt, presented based on the invoice date at the end of the reporting period is as follows:

	31 December	30 June
	2021	2021
	US\$'000	US\$'000
	(Unaudited)	(Audited)
1 to 30 days	–	1,515
31 to 60 days	–	20
61 to 90 days	95	56
Over 90 days	725	1,436
	<hr/>	<hr/>
Trade receivables, net	820	3,027
Deposits, prepayments and other receivables	1,396	1,702
	<hr/>	<hr/>
	2,216	4,729
	<hr/> <hr/>	<hr/> <hr/>

No trade and other receivables were pledged to secure general banking facilities granted to the Group (30 June 2021: approximately US\$185,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

9. LOAN RECEIVABLES

	31 December 2021 US\$'000 (Unaudited)	30 June 2021 US\$'000 (Audited)
Fixed-rate loan receivables	<u>9,534</u>	<u>10,539</u>

Unsecured loan receivables carry fixed-rate interest ranging from 8% to 12% per annum (30 June 2021: 12% per annum) and with maturity of 180 to 365 days (30 June 2021: 365 days). All amounts of principal will be receivable on respective maturity dates.

Before accepting any new borrower, the Group carries out research on the creditability of the new borrower, assesses the potential customer's credit quality and defines loan terms with the borrower. The credit of the borrowers granted with loans is reviewed once a year.

There were no loan receivables past due at the end of the reporting period. The Group reviews the recoverable amount of each individual loan receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amount. Accordingly, the Directors believe that there is no allowance or impairment required.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period, and other payables:

	31 December	30 June
	2021	2021
	US\$'000	US\$'000
	(Unaudited)	(Audited)
1 to 30 days	661	239
31 to 60 days	216	–
Over 60 days	91	455
	<hr/>	<hr/>
Trade payables	968	694
Accruals and other payables	828	1,158
	<hr/>	<hr/>
	1,796	1,852
	<hr/> <hr/>	<hr/> <hr/>

The average credit period on purchase of goods is 30 to 60 days (30 June 2021: 30 to 60 days).

PINE TECHNOLOGY HOLDINGS LIMITED

松景科技控股有限公司*

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

(於百慕達註冊成立之有限公司)

STOCK CODE 股份代號 1079

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