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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: 1079)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Director(s)**”) of PINE Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) presents the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2024 (the “**Year**”) and the audited consolidated statement of financial position of the Group as at 30 June 2024 together with the comparative figures for the year ended 30 June 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations			
Revenue	2	234,832	46,993
Cost of sales		(232,005)	(48,261)
Gross profit/(loss)		2,827	(1,268)
Other income		34	605
Other gains and losses, net	3	274	(6,854)
Gain/(loss) on disposal of subsidiaries	12	57,411	(1,183)
Impairment loss on goodwill		–	(18,289)
Impairment loss on intangible assets		–	(58,007)
Selling and distribution expenses		(1,001)	(2,547)
General and administrative expenses		(13,819)	(30,038)

* *For identification purposes only*

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Operating profit/(loss)		45,726	(117,581)
Finance costs		<u>(106)</u>	<u>(204)</u>
Profit/(loss) before taxation		45,620	(117,785)
Income tax (expense)/credit	4	<u>(601)</u>	<u>10,298</u>
Profit/(loss) for the year from continuing operations	6	45,019	(107,487)
Discontinued operation	5		
Loss for the year from discontinued operation		<u>–</u>	<u>(102)</u>
Profit/(loss) for the year		<u>45,019</u>	<u>(107,589)</u>
Other comprehensive income/(expense):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		377	(2,256)
Foreign currency translation reserve reclassified to profit or loss upon disposal of subsidiaries		<u>1,346</u>	<u>–</u>
Total other comprehensive income/(expense) for the year		<u>1,723</u>	<u>(2,256)</u>
Total comprehensive income/(expense) for the year		<u>46,742</u>	<u>(109,845)</u>
Profit/(loss) for the year attributable to:			
Owners of the Company			
– From continuing operations		45,641	(103,123)
– From discontinued operation		<u>–</u>	<u>(102)</u>
		45,641	(103,225)
Non-controlling interests			
– From continuing operations		<u>(622)</u>	<u>(4,364)</u>
		<u>45,019</u>	<u>(107,589)</u>

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Total comprehensive income/(expense) for the year attributable to:			
Owners of the Company			
– From continuing operations		47,379	(105,524)
– From discontinued operation		<u>–</u>	<u>(102)</u>
		47,379	(105,626)
Non-controlling interests			
– From continuing operations		<u>(637)</u>	<u>(4,219)</u>
		<u>46,742</u>	<u>(109,845)</u>
Earnings/(loss) per share from continuing and discontinued operations			
Basic and diluted (<i>HK\$</i>)	7	<u>0.034</u>	<u>(0.078)</u>
Earnings/(loss) per share from continuing operations			
Basic and diluted (<i>HK\$</i>)	7	<u>0.034</u>	<u>(0.078)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024 HK\$'000	As at 30 June 2023 HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		224	108
Right-of-use assets		462	1,474
Goodwill		–	–
Intangible assets		2,672	6
Rental deposits	8	–	537
		<u>3,358</u>	<u>2,125</u>
Current assets			
Inventories		–	19
Trade and other receivables	8	3,190	6,314
Contract costs		–	408
Tax recoverable		260	631
Bank balances and cash		83,646	98,109
		<u>87,096</u>	<u>105,481</u>
Current liabilities			
Trade and other payables	9	1,374	16,008
Contract liabilities		1,864	496
Loan from a director		124	286
Tax payable		227	2,566
Lease liabilities		476	1,023
Bank borrowings		–	521
		<u>4,065</u>	<u>20,900</u>
Net current assets		<u>83,031</u>	<u>84,581</u>
Total assets less current liabilities		<u>86,389</u>	<u>86,706</u>

		As at 30 June 2024	As at 30 June 2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		–	476
Bank borrowings		–	846
		<u>–</u>	<u>1,322</u>
NET ASSETS		<u>86,389</u>	<u>85,384</u>
Capital and reserves			
Share capital	10	132,670	132,670
Reserves		(49,014)	(96,393)
		<u>83,656</u>	<u>36,277</u>
Equity attributable to owners of the Company		83,656	36,277
Non-controlling interests		2,733	49,107
		<u>86,389</u>	<u>85,384</u>
TOTAL EQUITY		<u>86,389</u>	<u>85,384</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. BASIS OF PREPARATION AND ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and by the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong). The consolidated financial statements have been prepared on the historical cost basis.

(b) Adoption of new and revised HKFRSs

In the current year, 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 1 July 2023 for the preparation of the consolidated financial statements. The adoption of these new and revised HKFRSs in the current year 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 current year and prior years.

The Group has not early 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.

2. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purpose of resources allocation and assessment of segment performance focuses on the sales of brands of products provided by the Group’s operating divisions. The Group is currently organised into four operating divisions, which are the sales of Group’s brand products; sales of other brand products; trading business; and provision of computer software and hardware and system development service. These four operating divisions form the basis of internal reports about components of the Group that are regularly reviewed by the CODM for the purpose of resources allocation and performance assessment. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group’s reportable and operating segments under HKFRS 8 *Operating Segments* 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
Trading business	– trading business 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

The Group's revenue is analysed as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Sales of other brand products	190,982	105
Sales of plastic products through trading business	42,163	35,568
Provision for computer software and hardware and system development service	<u>1,687</u>	<u>11,320</u>
Revenue from contract with customers	<u><u>234,832</u></u>	<u><u>46,993</u></u>

Disaggregation of revenue from contracts with customers:

For the year ended 30 June 2024 and 2023

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Major products/services		
Sales of computer components	190,982	105
Sales of plastic products through trading business	42,163	35,568
Provision for computer software and hardware and system development service	<u>1,687</u>	<u>11,320</u>
Total	<u><u>234,832</u></u>	<u><u>46,993</u></u>
Timing of revenue recognition		
At a point in time	233,498	35,673
Over time	<u>1,334</u>	<u>11,320</u>
Total	<u><u>234,832</u></u>	<u><u>46,993</u></u>

Sales of Group's brand products and other brand products

The Group manufactures and sells market video graphics cards, other computer components, consumer electronic products and others under the Group's brand products and other brand products. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

The products are sold with volume discounts based on aggregate sales over a 12 months period, if any. Revenue from these sales is recognised based on the prices specified in the contracts, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the volume discounts, using the expected value method. A contract liability is recognised for the expected volume discounts payable to customers in relation to the sales made.

Sales to customers are normally made with credit terms from 90 to 180 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sales of plastic products through trading business

The Group sells plastic products through trading business. Sales are recognised when control of the product is transferred, being when the products are delivered to a customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

The customers pay the contract prices to the Group according to the payment schedules as stipulated in the contracts.

Provision for computer software and hardware and system development service

The Group provides computer software and hardware and system development service to the customers. When the progress towards complete satisfaction of the performance obligations of computer software and hardware and system development service contract can be measured reasonably, revenue from the contract and the contract costs are recognised using the percentage of completion method, measured by reference to the surveys of work performed. This method provides the most reliable estimate of the percentage of completion.

When the progress towards complete satisfaction of the performance obligations of computer software and hardware and system development service contract cannot be measured reasonably, revenue is recognised only to the extent of contract costs incurred that is expected to be recoverable.

The customers pay the contract prices to the Group according to the payment schedules as stipulated in the contracts. If the service rendered by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the service rendered, a contract liability is recognised.

Some system integration contracts include multiple deliverables, such as the installation of hardware and software. If the installation is simple, does not include an integration service and could be performed by another party, it is accounted for as a separate performance obligation.

If a contract includes the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

The contract price is allocated to the performance obligations based on the relative stand-alone selling prices of the performance obligations. The stand-alone selling prices are determined by applying the expected cost plus a margin approach.

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 30 June 2024

	Group's brand products <i>HK\$'000</i>	Other brand products <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Computer software and hardware and system development service <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE					
External sales	–	190,982	42,163	1,687	234,832
	–	190,982	42,163	1,687	234,832
SEGMENT RESULTS	(112)	1,799	245	(1,094)	838
Interest income					34
Gain on disposal of subsidiaries (Note 12)					57,411
Unallocated corporate expenses					(12,557)
Finance costs					(106)
Profit before income tax from continuing operations					45,620

For the year ended 30 June 2023

	Group's brand products <i>HK\$'000</i>	Other brand products <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Computer software and hardware and system development service <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE					
External sales	–	105	35,568	11,320	46,993
	–	105	35,568	11,320	46,993
SEGMENT RESULTS	(801)	(27)	274	(98,266)	(98,820)
Interest income					51
Loss on disposal of subsidiaries (Note 12)					(1,183)
Unallocated corporate expenses					(17,629)
Finance costs					(204)
Loss before income tax from continuing operations					(117,785)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents gross loss incurred by or gross profit generated from each segment, net of selling and distribution costs and administration costs directly attributable to each segment without allocation of interest income, corporate expenses, finance costs and gain/loss on disposal of subsidiaries. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

No segment assets and liabilities in the measure of the Group's reporting are presented as the information is not reported to the CODM for the purposes of resources allocation and performance assessment.

For the year ended 30 June 2024

	Group's brand products HK\$'000	Other brand products HK\$'000	Trading business HK\$'000	Computer software and hardware and system development service HK\$'000	Consolidated HK\$'000
Amortisation of intangible assets	–	–	–	57	57
Depreciation of right-of-use assets	1,014	–	–	–	1,014
Depreciation of property, plant and equipment	75	–	–	12	87
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

For the year ended 30 June 2023

	Group's brand products HK\$'000	Other brand products HK\$'000	Trading business HK\$'000	Computer software and hardware and system development service HK\$'000	Consolidated HK\$'000
Impairment loss on goodwill	–	–	–	18,289	18,289
Impairment loss on intangible assets	–	–	–	58,007	58,007
Amortisation of intangible assets	–	–	–	11,466	11,466
Depreciation of right-of-use assets	1,225	–	–	–	1,225
Depreciation of property, plant and equipment	–	–	–	733	733
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Geographical information

The Group's revenue from continuing operations from external customers mainly derives from customers located in the PRC and Hong Kong, and information about its non-current assets excluded financial instruments by geographical location of the assets are detailed as below:

	Revenue by external customers		Non-current assets	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PRC	234,810	46,888	2,672	108
Hong Kong	22	105	686	1,480
	<u>234,832</u>	<u>46,993</u>	<u>3,358</u>	<u>1,588</u>

Information about major customers

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Sales of other brand products		
– Customer A	128,677	–
Sales of plastic products through trading business:		
– Customer B*	15,113	28,854
	<u>143,790</u>	<u>28,854</u>

* This customer did not contribute over 10% of the Group's revenue for the year ended 30 June 2024, the figure shown was for comparative purpose only.

3. OTHER GAINS AND LOSSES, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations		
Foreign exchange gain/(loss), net	274	(6,100)
Write-off of property, plant and equipment	–	(616)
Others	–	(138)
	<u>274</u>	<u>(6,854)</u>

4. INCOME TAX EXPENSE/(CREDIT)

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations		
Current tax		
Hong Kong Profits Tax	–	100
The PRC enterprise income tax	<u>519</u>	<u>23</u>
	519	123
Under-provision in respect of prior years		
PRC Enterprise Income Tax	<u>82</u>	–
	82	–
Deferred tax	<u>–</u>	<u>(10,421)</u>
Income tax expense/(credit)	<u>601</u>	<u>(10,298)</u>

For the years ended 30 June 2024 and 2023, Hong Kong Profits Tax is calculated under two-tier profit tax rate regime. First HK\$2 millions 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 have selected one of the Hong Kong subsidiaries to apply the two-tier profits tax rate.

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.

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

5. DISCONTINUED OPERATION

During the prior year, the Company’s subsidiary did not renew its money lender license which expired on 29 September 2022 and ceased to be a licensed money lender in Hong Kong. Therefore, the Group classified the results of the money lending business as discontinued operation and the comparative information for the corresponding period in 2022 has been restated.

The financial results of the money lending business for the Year have been presented separately as a single line item in the consolidated statement of the profit or loss and other comprehensive income for the prior year.

For details concerning the discontinued operation, please refer to the announcement published by the Company on 9 September 2022.

The loss for the prior year from discontinued operation is set out below. The comparative figures in the consolidated statement of profit or loss and the other comprehensive income have been restated to represent the money lending business as a discontinued operation.

	2023 HK\$'000
General and administrative expenses	(102)
Loss for the year	(102)

6. PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS

The Group's profit/(loss) for the year from continuing operations is stated after charging/(crediting) the following:

	2024 HK\$'000	2023 HK\$'000
Amortisation on intangible assets:		
Trademarks	–	1
Customer relationship	–	11,465
Patents	57	–
Auditor's remuneration	850	960
Depreciation of property, plant and equipment	87	733
Depreciation of right-of-use assets	1,014	1,225
Staff costs (including directors' remuneration)		
Salaries, bonus and allowances	9,063	20,828
Retirement benefits scheme contributions	540	1,402
	<u>9,603</u>	<u>22,230</u>
Interest income on bank deposits	(34)	(51)
Short-term lease expenses	37	242

7. EARNINGS/(LOSS) PER SHARE

From continuing and discontinued operations

Basic and diluted profit per share is HK\$0.034 per share (2023: loss per share is HK\$0.078 per share) for the Year from continuing and discontinued operations, based on the profit of approximately HK\$45,641,000 (2023: loss of approximately HK\$103,225,000) for the Year from continuing and discontinued operations attributable to owners of the Company divided by the weighted average number of approximately 1,326,702,000 (2023: 1,326,702,000) ordinary shares in issue during the Year.

From continuing operations

Basic and diluted profit per share is HK\$0.034 per share (2023: loss per share is HK\$0.078 per share) for the Year from continuing operations, based on the profit of approximately HK\$45,641,000 (2023: loss of approximately HK\$103,123,000) for the Year from continuing operations attributable to owners of the Company divided by the weighted average number of approximately 1,326,702,000 (2023: 1,326,702,000) ordinary shares in issue during the Year.

From a discontinued operation

Basic and diluted loss per share for the Year from a discontinued operation is Nil (2023: HK\$0.00008 per share), based on the loss of approximately Nil (2023: HK\$102,000) for the Year from a discontinued operation attributable to owners of the Company divided by the weighted average number of approximately 1,326,702,000 (2023: 1,326,702,000) ordinary shares in issue during the Year.

The effects of all potential ordinary shares are anti-dilutive for the years ended 30 June 2024 and 2023.

8. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current		
Trade receivables	193	3,479
Less: allowance for doubtful debts	—	—
	<u>193</u>	<u>3,479</u>
Trade receivables, net	193	3,479
	<u>193</u>	<u>3,479</u>
Deposits, prepayments and other receivables	2,997	2,835
	<u>2,997</u>	<u>2,835</u>
	<u>3,190</u>	<u>6,314</u>
Non-current		
Rental deposits	—	537
	<u>—</u>	<u>537</u>
	<u>3,190</u>	<u>6,851</u>

The Group allows a credit period of 1 to 180 days (2023: 1 to 180 days) to its trade customers. The aged analysis of trade receivables, net of allowances for doubtful debt, presented based on invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1 to 30 days	193	757
31 to 60 days	—	764
Over 90 days	—	1,958
	<u>193</u>	<u>3,479</u>

Reconciliation of loss allowance for trade receivables:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At beginning of year	—	234
Amount written-off	—	(226)
Exchange adjustments	—	(8)
	<u>—</u>	<u>(8)</u>
At end of year	<u>—</u>	<u>—</u>

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. The expected credit losses are measured based on individual assessment, taking into account the past due status of debtors, adjusted as appropriate to reflect account condition and estimates of future conditions.

During the Year, the Group had no impairment loss or reversal of impairment loss (2023: Nil) for trade receivables upon the settlement of balance.

9. 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 year, accruals and other payables:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1 to 30 days	–	772
Over 90 days	–	5,819
	<hr/>	<hr/>
Trade payables	–	6,591
Accruals and other payables	1,374	9,417
	<hr/>	<hr/>
	1,374	16,008
	<hr/> <hr/>	<hr/> <hr/>

The average credit period on purchases of goods is 30 to 60 days (2023: 30 to 60 days).

10. SHARE CAPITAL

	Number of shares	Amounts <i>HK\$'000</i>
Ordinary shares of HK\$0.1 each:		
Authorised		
At 1 July 2022, 30 June 2023 and 30 June 2024	2,000,000,000	200,000
	<hr/>	<hr/>
Issued and fully paid		
At 1 July 2022, 30 June 2023 and 30 June 2024	1,326,701,739	132,670
	<hr/>	<hr/>

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which includes bank borrowings, net of cash and cash equivalents, and equity attributable to the owners of the Company, comprising issued share capital, share premium and reserves.

The Directors review the capital structure periodically taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the repayment of existing debt.

11. DIVIDEND

No dividend had been paid or proposed for both years presented. The Directors do not recommend the payment of any dividend for the Year (2023: Nil).

12. DISPOSAL OF SUBSIDIARIES

For the year ended 30 June 2024

On 21 December 2023, the Group entered into an agreement with a purchaser to dispose of 100% equity interest in a subsidiary, namely Talent Crest Limited (the “**Talent Crest**”, together with its subsidiaries, the “**Talent Crest Group**”), and the related shareholders’ loans at an aggregate cash consideration of US\$100. The disposal was completed on 22 December 2023.

On 3 April 2024, the Group entered into an agreement with a purchaser to dispose of 100% equity interest in a subsidiary, namely City Moon Limited (the “**City Moon**”, together with its subsidiaries, the “**City Moon Group**”), and the related shareholders’ loans at an aggregate cash consideration of US\$100. The disposal was completed on 3 April 2024.

Analysis of assets and liabilities over which control was lost:

	Talent Crest Group	City Moon Group	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Property, plant and equipment	98	–	98
Trade and other receivables	3,700	–	3,700
Contract assets and contract costs	221	–	221
Bank balances and cash	3,482	2	3,484
Trade and other payables	(13,659)	–	(13,659)
Amounts due to the group company	(135,733)	(10,949)	(146,682)
Contract liabilities	(527)	–	(527)
Bank borrowings	(1,126)	–	(1,126)
Tax payable	(2,475)	–	(2,475)
	<u>(146,019)</u>	<u>(10,947)</u>	<u>(156,966)</u>
Net liabilities disposed of			
	<u>(146,019)</u>	<u>(10,947)</u>	<u>(156,966)</u>
Gain/(loss) on disposal of subsidiaries			
Consideration received	1	1	2
Shareholders’ loans assigned of	(135,733)	(10,949)	(146,682)
Non-controlling interests	48,471	–	48,471
Release of exchange reserve upon disposal	(1,346)	–	(1,346)
Net liabilities disposed of	146,019	10,947	156,966
	<u>57,412</u>	<u>(1)</u>	<u>57,411</u>
Net cash outflows arising from disposal of subsidiaries			
Cash consideration received	1	1	2
Bank balances and cash disposed of	(3,482)	(2)	(3,484)
	<u>(3,481)</u>	<u>(1)</u>	<u>(3,482)</u>

For the year ended 30 June 2023

For the year ended 30 June 2023, the Company disposed of 100% equity interest in its subsidiaries, Pine Da Hui (Shanghai) International Trading Co. Ltd., Shanghai Captain DaHui International Trading Co., Ltd. Analysis of assets and liabilities over which control was lost:

	<i>HK\$'000</i>
Trade and other receivables	8
Tax recoverable	7
Bank balances and cash	3
Trade and other payables	(327)
	<hr/>
Net liabilities disposed of	(309)
	<hr/> <hr/>
Loss on disposal of subsidiaries	
Consideration receivable	1
Non-controlling interests	(1,493)
Net liabilities disposed of	309
	<hr/>
	(1,183)
	<hr/> <hr/>
Net cash outflows arising from disposal of subsidiaries	
Cash consideration received	—*
Bank balances and cash disposed of	(3)
	<hr/>
	(3)
	<hr/> <hr/>

* Represents the amount less than HK\$1,000

13. MAJOR NON-CASH TRANSACTIONS

During the year, the non-controlling interests of a subsidiary has contributed intangible assets with a fair value of HK\$2,734,000 (2023: Nil) as capital injection to that subsidiary.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Continuing Operation

Revenue

The Group's revenue from its continuing operations for the Year was approximately HK\$234,832,000, representing an increase of approximately 400% as compared with approximately HK\$46,993,000 last year. The increase in revenue was mainly attributable to the increase in the sales of other manufacturers' computer components and consumer electronic products and the trading of raw plastic materials during the Year.

The Group generated revenue of approximately HK\$190,982,000 from the sales of other manufacturers' computer components and consumer electronic products and others during the Year (2023: approximately HK\$105,000) and revenue of approximately HK\$42,163,000 from the trading of raw plastic materials during the Year (2023: approximately HK\$35,568,000).

Gross Profit/Loss and Gross Profit/Loss Margin

The Group recorded an increase in revenue from its continuing operations, resulting in a turnaround from gross loss from continuing operations of approximately HK\$1,268,000 for the last year to gross profit from continuing operations of approximately HK\$2,827,000 for the Year. The Group's gross profit margin from continuing operations improved from a gross loss margin of approximately 2.7% for the last year to a gross profit margin from continuing operations of approximately 1.2% for the Year, which was mainly attributable to higher sales volume.

Other Income

Other income from continuing operations mainly represents income incidental to the Group's business, principally including sundry income, bank interest income and government subsidy. Other income from continuing operations of approximately HK\$34,000 for the Year represents decrease of approximately 94% when compared with approximately HK\$605,000 last year. The decrease in other income is partly due to a reduction in government support subsidies.

Other Gains and Losses, net

Other gains, net from continuing operations of the Group were approximately HK\$274,000 for the Year as compared to other losses, net from continuing operations of approximately HK\$6,854,000 last year. The change was mainly due to the stability of the Renminbi exchange rate, resulting in a decrease in foreign exchange losses for the Year, which is one of the major currencies for the Group's operating activities.

Impairment Loss on Goodwill and Intangible Assets-Customer Relationship (the “Intangible Assets”)

During the Year, the Group’s financial performance was not as adversely affected by the Intangible Assets as it was in the last year. Notably, the Group did not recognise any impairment losses for goodwill (2023: approximately HK\$18,289,000) or intangible assets (2023: approximately HK\$58,007,000) for the Year related to its subsidiary (the “**PRC Subsidiary**”) in the People’s Republic of China (the “**PRC**”). On 22 December 2023, completion of the disposal of Talent Crest Limited and its subsidiaries, including the PRC Subsidiary, took place. For further details of the disposal, please refer to the announcements of the Company dated 21 December 2023 and 22 December 2023. The absence of impairment losses suggests that the underlying business fundamentals remain stable, resulting in better asset management and overall financial health.

Gain/Loss on Disposal of Subsidiaries

Gain on disposal of subsidiaries from continuing operations of the Group was approximately HK\$57,411,000 for the Year as compared to loss on disposal of subsidiaries from continuing operations of approximately HK\$1,183,000 for the last year. For further details of the disposal of subsidiaries during the Year, please refer to note 12 to the consolidated financial statements and the announcements of the Company dated 21 December 2023 and 22 December 2023.

Selling and Distribution Expenses

Selling and distribution expenses comprise mainly staff costs, staff benefits and housing provident fund to the sales and marketing personnel. Due to decrease in number of sales staff involved in the provision of computer software and system development service, the Group’s selling and distribution expenses from continuing operations for the Year decreased by approximately 61% to approximately HK\$1,001,000 as compared to approximately HK\$2,547,000 for the last year.

General and Administrative Expenses

General and administrative expenses comprised mainly staff costs (including Directors’ remuneration) in relation to the Group’s administrative personnel, office expenses, depreciation of right-of-use assets, amortisation of intangible assets, travelling and other expenses. General and administrative expenses from continuing operations decreased from approximately HK\$30,038,000 for the last year to approximately HK\$13,819,000 for the Year, representing a decrease of approximately 54%. The significant reduction in general and administrative expenses is primarily due to the absence of amortisation charges related to intangible assets in the Year, as well as a decrease in the number of staff involved in the provision of computer software and hardware and system development services.

Finance Costs

The Group's finance costs primarily represent interest expenses on bank borrowings. Finance costs from continuing operations decreased from approximately HK\$204,000 for the last year, to approximately HK\$106,000 for the Year, representing a decrease of approximately 48.0%, primarily due to a reduction in the Group's bank borrowings, resulting in a corresponding decrease in loan interest expenses throughout the Year.

Income Tax Expense/Credit

In comparison to the tax expense from continuing operations of approximately HK\$601,000 incurred for the Year, the tax credit from continuing operations in last year amounted to approximately HK\$10,298,000. The change from tax credit in last year to tax expense for the Year is attributable to the absence of recognised deferred tax credit and the recognition of income tax expense in the income statement for the Year.

Profit/Loss for the Year

Profit attributable to the owners of the Company from continuing operations amounted to approximately HK\$45,641,000 for the Year as compared with a loss attributable to the owners of the Company from continuing operations amounted to approximately HK\$103,123,000 for last year. The turnaround reported by the Group was mainly arising from the increase in turnover and gross profit, the recognition of a gain on disposal of subsidiaries, a significant reduction in general and administrative expenses and the absence of impairment loss recognised in respect of goodwill and intangible assets for the Year.

Liquidity and Financial Resources

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the costs of funds, the Group's treasury activities are centralised and cash is generally deposited with licensed banks in Hong Kong and the PRC.

The Group has maintained its funds at a sound and healthy financial resource level. The Group's net current assets and equity attributable to owners of the Company as of 30 June 2024 were approximately HK\$83,031,000 and approximately HK\$83,656,000 respectively (2023: approximately HK\$84,581,000 and approximately HK\$36,277,000 respectively). As of 30 June 2024, net current assets included bank balances and cash totalling approximately HK\$83,646,000 (2023: approximately HK\$98,109,000).

As of 30 June 2024, the Group had no outstanding bank borrowings (2023: approximately HK\$1,367,000).

The Group has maintained a healthy balance sheet with net cash and bank balances (total cash and bank balances less total bank borrowings) of approximately HK\$83,646,000 (2023: approximately HK\$96,742,000) as of 30 June 2024.

The current ratio, being the ratio of current assets to current liabilities, was approximately 21.43 times as of 30 June 2024 (2023: approximately 5.05 times).

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 Year.

Pledge of Group's assets

The Group did not have any charge on assets for the Year (2023: Nil).

Share Capital and Capital Structure of the Company

As at 30 June 2024, the Company had 1,326,701,739 ordinary shares of HK\$0.10 each in issue (2023: 1,326,701,739 Shares).

Gearing Ratio

As at 30 June 2024, the gearing ratio of the Group based on total liabilities over total assets was approximately 4% (2023: approximately 21%).

Foreign Exchange Exposure

The Group's monetary assets, liabilities and transactions are mainly denominated in Hong Kong dollars and Renminbi. The Group is mainly exposed to foreign exchange risk with respect to Renminbi which may affect the Group's performance. The Group regularly reviews the balances of assets and liabilities and the currencies in which the transactions are denominated so as to minimise the Group's exposure to foreign currency risk. During the Year, no financial instruments had been used for hedging purpose. 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.

Business Review

During the Year under review, the escalating geopolitical tensions, persistently high interest rates and the rise of trade protectionism brought challenges to global economic development. However, the national economy of the PRC continued its recovery and positive trend especially in the first half of 2024. A series of policies of expanding domestic demand and promoting consumption have continued to take effect. Therefore, consumption potential had been unleashed; service consumption had shown good growth momentum; and consumption demand had continued its recovery trend, which showed that these policies played a significant role as the main driving force of economic growth. The business segment involved in the sales of other manufacturers' computer components and consumer electronic products benefited from the economic growth during the Year under review.

As mentioned in the Company's interim report for the six months ended 31 December 2023, the Group established a joint venture (the "**JV Company**") in Shenzhen, the PRC. The Group indirectly holds a 51% stake in the JV Company. The JV Company is principally engaged in the provision of computer software and hardware and system development in the PRC. The JV Company was focusing on seeking various marketing opportunities and building up relationship with customers and suppliers and obtaining information in respect of the current customers' needs in the second half of the Year under review. Due to the operation was still in the initial stage, the JV Company has limited contribution to the Group during the Year under review.

Group's Brand Products

There was no segment revenue generated from the Group's brand products during the Year and the last year. The segment loss in the Group's brand products was reduced to approximately HK\$112,000, compared to that of approximately HK\$801,000 last year.

Other Brand Products

During the Year, the revenue growth of other brand products was notably significant. The Group experienced a positive impact on sales due to the establishment of stable sources of supply and reliable vendors. This resulted in a corresponding increase in both the customer base and revenue. The segment revenue and segment profit from other brand products was approximately HK\$190,982,000 and approximately HK\$1,799,000 respectively for the Year (2023: segment revenue was approximately HK\$105,000 and segment loss was approximately HK\$27,000).

The products sold by the Group under this segment are generally classified into (i) the sale of other manufacturers' computer components (the "**Other Computer Components**") and (ii) the sale of consumer electronic products including mobile phones, printers, monitors and webcams (the "**Other Electronic Products**", together with Other Computer Components, the "**Other Products**").

Other Products were mainly sold to distributors and retailers in Asia. Throughout the Year, customers of the Other Products were mainly large product distributors and retailers in Hong Kong and the PRC. The Group strives to attract new customers to diversify and broaden its existing customer base in the coming year. Leveraging the business network of the Group's sales team in the industry, the Group is positioned to maintain its relationship with its current customers while gradually expanding its customer base.

The Directors believe that (i) the Group's long operating history in the computer components and electronic products industry in the PRC; (ii) close relationships with its suppliers and customers; and (iii) experienced professional management team, are the key factors that will enable the Group to resume to its prior market position in the computer components and electronic products industry and capture the future growth in the computer components and electronic products market.

Going forward, the Group will allocate more resources to develop this business segment and actively seek for new customers to achieve business growth. The Group aims to strengthen its market position and realise the long-term potential in this segment. Beyond top-line growth, the Group also aims to improve profitability levels to deliver sound financial performance.

Trading Business

During the Year, the revenue from the trading business increased by 19%. The segment revenue and segment profits from the trading business were approximately HK\$42,163,000 and approximately HK\$245,000 respectively for the Year (2023: approximately HK\$35,568,000 and approximately HK\$274,000).

The revenue of this segment business was generated from the sales of raw plastic materials. In view of the gradual resumption of economic activities in the PRC since January 2023 after the pandemic, various industries experienced a resurgence in commercial activities. Recognising the increasing demand for raw plastic materials, the Company seized the opportunity to venture into the trading of raw plastic materials, with a view to exploring new business markets and capitalising on the market growth in the plastic industry.

The Group carries out market researches to keep abreast of the raw plastic material market trends, development and changes in end-user preferences in the PRC. Leveraging the business network of the Group's sales team in the industry, the Group is positioned to maintain its relationship with its current customers while gradually expanding its customer base.

Computer Software and Hardware and System Development Service

This business segment is conducted through the PRC Subsidiary and the JV Company. During the Year, the segment's revenue was approximately HK\$1,687,000, representing an approximate 85% decrease compared to that of approximately HK\$11,320,000 last year. The segment's loss was approximately HK\$1,094,000, representing a decrease of approximately 99% as compared to a segment's loss of approximately HK\$98,266,000 last year. The reduction in the segment's loss for the Year is primarily attributable to the absence of certain non-recurring items that were included in the last year's segment result. Specifically, the last year's result encompassed other losses arising from a business combination.

The Group acquired the PRC Subsidiary in July 2018, which provides computer software and hardware and system development services (the “**Computer Service Business**”) in the PRC.

Following the outbreak of the novel coronavirus disease (the “**COVID-19**”) which contributes to the poor market sentiment in the PRC, being the Group's major market, customers of the Group became very conservative in their software development and were less motivated to commence new program, upgrade existing system or acquire new hardware. Despite the gradual easing of COVID-19 pandemic, geopolitical conflicts and tensions, the global interest rate environment, and the unpredictable post-pandemic recovery in the PRC's economies will continue to cause uncertainties and external headwinds for the Computer Service Business in the PRC.

On 22 December 2023, the Group disposed of Talent Crest Limited and its subsidiaries, including the PRC Subsidiary. For further details of the disposal, please refer to the announcements of the Company dated 21 December 2023 and 22 December 2023. The Directors are of the view that the disposal offers an opportunity for the Group to dispose of its interests in the PRC Subsidiary and to better allocate its resources for the development of its existing business and/or investments in other business opportunities in respect of the Computer Service Business. The Group will closely monitor the market conditions and revive the Computer Service Business should suitable opportunities arise.

On 23 January 2024, the Group established the JV Company in Shenzhen, the PRC. The Group indirectly holds a 51% equity stake in the JV Company. During the Year, the JV Company has started operations and is already contributing to the Group's revenue and profit. Besides its Computer Service Business, the JV Company will expand into measurement and control equipment integration, as well as the drone and robotics markets. This expansion aims to increase revenue and take advantage of new market opportunities. The main target customers are measurement and control equipment integrators and small to medium-sized businesses. By leveraging the benefits of the joint venture, we believe the JV company will quickly establish its market presence and improve the Group's financial performance.

Business Outlook

The Group will continue to deepen its efforts in the established market and strategically expand new growth points for its business step by step. In the coming year, while the Group will continue to take steps in cost management, the Group will devote more resources to the Computer Service Business in order to expand the Group's customers base, obtain customer orders and increase its market share.

Significant Investments and Material Acquisitions and/or Disposals

Other than the disposal of Talent Crest and its subsidiaries as detailed in the announcements of the Company dated 21 December 2023 and 22 December 2023, 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 Year.

Future Plan for Material Investments or Capital Assets

As at 30 June 2024, the Group did not have any plan for material investments or capital assets in the coming year.

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 30 June 2024, the Group had 27 employees, including 2 executive Directors and 3 independent non-executive Directors, at market remuneration with employee benefits such as medical coverage, insurance plan, retirement benefits schemes and discretionary bonus. Staff costs, including Directors' emoluments, were approximately HK\$9,603,000 for the Year as compared with that of approximately HK\$22,230,000 last year.

Capital Commitment and Contingent Liabilities

The Group had no material capital commitment and contingent liabilities as at 30 June 2024 (2023: Nil).

OTHER INFORMATION

Final Dividends

The Board does not recommend the payment of a final dividend for the Year (2023: Nil).

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the Directors' knowledge as at the date of this announcement, the Company has maintained a sufficient public float throughout the Year and as at the date of this announcement.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Event after the reporting period

Save as disclosed in this announcement, the Group has no material events subsequent to 30 June 2024 being the end of the Year and up to the date of this announcement.

Annual General Meeting

The annual general meeting (the "AGM") of the Company is expected to be held on 29 November 2024. The notice of AGM will be sent to the shareholders of the Company (the "Shareholders") at least 21 days before AGM.

Independence of Independent Non-executive Directors

The Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received confirmation of independence from each of the independent non-executive Directors, namely Mr. So Stephen Hon Cheung, Mr. Zhou Chunsheng and Mr. Tian Hong in accordance with Rule 3.13 of the Listing Rules. The Board has reviewed the independence of all independent non-executive Directors and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the independent non-executive Directors has been impaired as at the date of this announcement.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the Shareholders and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the Shareholders.

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. Save for code provisions C.2.1 and B.2.2 of the CG Code, the Company has fully complied with the CG Code during the Year.

Pursuant to code provision C.2.1 of the 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 (the “**Chairman**”) and the chief executive officer (the “**Chief Executive Officer**”) of the Company, his appointment as both the Chairman and Chief Executive Officer deviates from code provision C.2.1 of the CG Code. 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.

All Directors, including the independent non-executive Directors, are appointed for a fixed term of two years. Under code provision B.2.2 of the 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 bye-laws 111 and 114 of the Company, one-third of the Directors 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 or as an additional Director during any year are required to retire and submit themselves for re-election at the first annual general meeting immediately following their appointments. Notwithstanding the provisions of the bye-laws of the Company, the Company intends to comply with the code provision B.2.2 of the 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.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors by the Company, all Directors confirmed that they had complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions during the Year.

Pursuant to paragraph A.3 of Appendix C3 to the Listing Rules, the Directors are prohibited from dealing in any securities of the Company on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the annual results.

The Company has also established written guidelines on terms no less exacting than the Model Code for securities transactions by employees (the "**Employees Written Guidelines**") who are likely to be in possession of inside information of the Company.

No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Board.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on this preliminary announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three independent non-executive Directors, namely, Mr. So Stephen Hon Cheung (chairman of the committee), Mr. Zhou Chunsheng and Mr. Tian Hong.

The Audit Committee was established with written terms of reference that sets out the authorities and duties of the Audit Committee adopted by the Board. The functions of risk management, internal control and corporate governance were adopted into the terms of reference of Audit Committee in compliance with the Listing Rules.

The Audit Committee, together with the Group's auditor have reviewed the Group's audited consolidated financial statements for the Year. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control measures with senior management members.

PUBLICATION OF ANNUAL RESULTS AND 2024 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/pine) and the Company's annual report for the Year containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
PINE Technology Holdings Limited
Zhang Sanhuo
Chairman

Hong Kong, 26 September 2024

As at the date of this announcement, the executive Directors are Mr. Zhang Sanhuo and Ms. An Juan; and the independent non-executive Directors are Mr. So Stephen Hon Cheung, Mr. Zhou Chunsheng and Mr. Tian Hong.