PINE TECHNOLOGY HOLDINGS LIMITED

松景科技控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 8013)

RESULT ANNOUNCEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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

* *for identification purposes only*

RESULTS HIGHLIGHTS

For the six months ended 31 December 2008:

- Revenue was US$174,963,000, a drop of 35% compared to the same period last year due to the deterioration of economic situation.
- The net profit was US$23,000, as compared to the net profit of US$2,298,000 last year.
- The overhead before finance costs reduced by US$3,588,000 against the last corresponding period as a result of the Group's action in streamlining the operation and tightening the cost control.

INTERIM RESULTS

On behalf of the board of the directors (the "Directors") of PINE Technology Holdings Limited (the "Company"), I am pleased to present the unaudited operating results of the Company and its subsidiaries (collectively, "PINE" or the "Group") for the six months (the "Half-Yearly Period") and the three months (the "Quarterly Period") ended 31 December 2008.

Condensed Consolidated Income Statement

The unaudited consolidated results of the Group for the Half-Yearly and the Quarterly Period together with the unaudited comparative figures for the corresponding periods in 2007 are as follows:

		Unaudited			
		Six months ended 31 December		**Three months ended 31 December**	
		2008	2007	**2008**	2007
	Notes	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Turnover	2	**174,963**	270,439	**74,515**	144,756
Cost of sales		**(157,590)**	(247,176)	**(67,096)**	(132,626)
Gross profit		**17,373**	23,263	**7,419**	12,130
Other income		**59**	1,509	**(6)**	1,141
Selling and distribution expenses		**(3,715)**	(6,149)	**(1,721)**	(3,500)
General and administrative expenses		**(12,319)**	(13,473)	**(5,487)**	(6,754)
Finance costs		**(1,104)**	(2,270)	**(575)**	(1,108)
Profit before taxation	3	**294**	2,880	**(370)**	1,909
Taxation	4	**(271)**	(582)	**(120)**	(347)
Profit for the period		**23**	2,298	**(490)**	1,562
Earnings per share	5				
– Basic (US cents)		**0.002**	0.330	**(0.053)**	0.224
– Diluted (US cents)		**0.002**	0.323	**(0.053)**	0.220

Condensed Consolidated Balance Sheet

The unaudited consolidated balance sheet as at 31 December 2008, together with the audited balance sheet as at 30 June 2008 are as follows:

	Notes	**(Unaudited) 31 December 2008 *US$'000***	(Audited) 30 June 2008 *US$'000*
Non-current assets			
Property, plant and equipment		**12,426**	13,634
Development costs		**963**	852
Trademarks		**130**	111
Available-for-sale investments		**148**	400
Deferred taxation		**234**	262
		13,901	15,259
Current assets			
Inventories		**54,654**	73,770
Trade and other receivables	*6*	**71,126**	69,905
Tax recoverable		**702**	656
Pledged bank deposits		**5,275**	5,245
Bank balances and cash		**13,786**	15,530
		145,543	165,106
Current liabilities			
Trade and other payables	*7*	**35,426**	43,149
Bills payable		**2,143**	3,173
Derivative financial instruments		**15**	–
Tax payable		**1,269**	1,826
Obligations under finance leases		**9**	37
Bank borrowings		**37,535**	48,451
Other borrowings		**7,789**	7,790
		84,186	104,426
Net current assets		**61,357**	60,680
Total assets less current liabilities		**75,258**	75,939
Capital and reserves			
Share capital		**11,971**	11,971
Share premium and reserves		**63,110**	63,643
Total equity		**75,081**	75,614
Non-current liabilities			
Obligations under finance leases		**17**	4
Bank borrowings		**160**	321
		177	325
		75,258	75,939

Condensed Consolidated Cash Flow Statement

The unaudited consolidated cash flow statement for the Half-Yearly Period, together with the unaudited comparative figures for the corresponding period in 2007 are as follows:

	Unaudited Six months ended 31 December	
	2008	2007
	US$'000	*US$'000*
Net cash inflow/(outflow) from operating activities	**9,626**	(1,113)
Net cash (outflow)/inflow from investing activities	**(1,145)**	2,001
Net cash outflow from financing activities	**(11,093)**	(9,099)
Decrease in cash and cash equivalents	**(2,612)**	(8,211)
Cash and cash equivalents at 1 July	**15,530**	18,880
Effect of foreign exchange rate changes	**868**	460
Cash and cash equivalents at 31 December	**13,786**	11,129

Consolidated Statement of Changes in Equity

The unaudited consolidated statement of changes in equity for the Half-Yearly Period, together with the unaudited comparative figures for the corresponding period in 2007 are as follows:

	Share capital US$'000	Share premium account US$'000	Surplus account US$'000	Exchange reserve US$'000	Capital reserve US$'000	Investments revaluation reserve US$'000	Share option reserve US$'000	Accum-ulated profits US$'000	Total US$'000
At 1 July 2007	8,790	22,215	2,954	1,621	63	1,898	55	23,808	61,404
Exchange differences arising on translation of overseas operations	–	–	–	819	–	–	–	–	819
Deficit on revaluation on available-for sale investments	–	–	–	–	–	(204)	–	–	(204)
Net income and expense recognized directly in equity	–	–	–	819	–	(204)	–	–	615
Transfer to profit or loss on sale of available-for-sale investments	–	–	–	–	–	(800)	–	–	(800)
Profit for the period	–	–	–	–	–	–	–	2,298	2,298
Total recognised income and expense for the period	–	–	–	819	–	(1,004)	–	2,298	2,113
Recognition of equity-settled share-based payment	–	–	–	–	–	–	156	–	156
At 31 December 2007	8,790	22,215	2,954	2,440	63	894	211	26,106	63,673
At 1 July 2008	**11,971**	**27,210**	**2,954**	**2,801**	**63**	**248**	**243**	**30,124**	**75,614**
Exchange differences arising on translation of overseas operations	**–**	**–**	**–**	**(121)**	**–**	**–**	**–**	**–**	**(121)**
Deficit on revaluation on available-for-sale investments	**–**	**–**	**–**	**–**	**–**	**(252)**	**–**	**–**	**(252)**
Net income and expense recognized directly in equity	**–**	**–**	**–**	**(121)**	**–**	**(252)**	**–**	**–**	**(373)**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**23**	**23**
Total recognised income and expense for the period	**–**	**–**	**–**	**(121)**	**–**	**(252)**	**–**	**23**	**(350)**
Recognition of equity-settled share-based payment	**–**	**–**	**–**	**–**	**–**	**–**	**(183)**	**–**	**(183)**
At 31 December 2008	**11,971**	**27,210**	**2,954**	**2,680**	**63**	**(4)**	**60**	**30,147**	**75,081**

NOTES TO CONDENSED INTERIM ACCOUNTS:

1. BASIS OF PRESENTATION

The unaudited condensed consolidated financial information has been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the GEM Listing Rules. They have also been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

The accounting policies and method of computation used in the preparation of condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2008, except as described below.

During the period, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) - Int 12	Service Concession Arrangements
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The application of the new HKFRSs has had no material effect on results and financial positions for the current and prior accounting periods.

2. SEGMENT INFORMATION

For management purposes, the Group is currently organized into two operating divisions – manufacture and sales of computer components under the Group's brand names ("Group brand products"); and distribution of other manufacturers' computer peripheral ("Other brand products"). These divisions are the basis on which the Group reports its primary segment information.

An analysis of the Group's unaudited turnover and results for the Half-Yearly Period together with the corresponding period in 2008 by business segment is presented below:

	Group brand products		**Other brand products**		**Consolidated**	
	2008	2007	**2008**	2007	**2008**	2007
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Revenue						
External sales	**114,930**	183,174	**60,033**	87,265	**174,963**	270,439
Result						
Segment result	**1,378**	3,937	**888**	1,152	**2,266**	5,089
Unallocated other revenue					**44**	925
Unallocated corporate expenses					**(912)**	(864)
Finance costs					**(1,104)**	(2,270)
Profit before taxation					**294**	2,880
Taxation					**(271)**	(582)
Profit for the period					**23**	2,298

3. PROFIT BEFORE TAXATION

	Six months ended 31 December		**Three months ended 31 December**	
	2008	2007	**2008**	2007
	US$'000	*US$'000*	***US$'000***	*US$'000*
Profit before taxation has been arrived at after charging/(crediting):				
Depreciation and amortization	**2,135**	1,388	**1,136**	747
Loss on disposal of property, plant and equipment	**17**	–	**11**	–
Gain on disposal of available-for-sale investments	**–**	(800)	**–**	(650)

4. TAXATION

	Six months ended 31 December		Three months ended 31 December	
	2008	2007	**2008**	2007
	US$'000	*US$'000*	***US$'000***	*US$'000*
The charge comprises:				
– Hong Kong Profits Tax	**4**	4	**4**	4
– Taxation arising in other jurisdictions	**267**	578	**116**	343
	271	582	**120**	347

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profit tax rate from 17.5% to 16.5% which is effective from the year of assessment 2008/2009. Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the Half-Yearly Period and Quarterly Period.

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

5. EARNINGS PER SHARE

The calculation of the basic earnings per share and diluted earnings per share for the Half-Yearly Period, the Quarterly Period, the corresponding half-yearly period and quarterly period in 2007, are based on the following data:

	Six months ended 31 December		Three months ended 31 December	
	2008	2007	**2008**	2007
	US$'000	*US$'000*	***US$'000***	*US$'000*
Earnings for the purpose of: basic and diluted earnings per share	**23**	2,298	**(490)**	1,562
	'000	*'000*	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**930,935**	696,442	**930,935**	696,442
Effect of dilutive potential ordinary share in respect of: – Share options	**675**	14,411	**–**	12,954
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**930,610**	710,853	**930,935**	709,396

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the period ended 31 December 2007 has been adjusted for the right issue on 23 May 2008.

6. TRADE AND OTHER RECEIVABLES

The Group allows a credit period of 0 to 180 days to its trade customers. The following is an aged analysis of accounts receivable:

	31 December 2008	30 June 2008
	US$'000	*US$'000*
Current	**38,137**	51,101
1 to 30 days	**8,304**	10,631
31 to 60 days	**4,848**	601
Over 60 days	**17,314**	4,673
Trade receivables	**68,603**	67,006
Deposits, prepayments and other receivables	**2,523**	2,899
	71,126	69,905

7. TRADE AND OTHER PAYABLES

The following is an aged analysis of accounts payable:

	31 December 2008	30 June 2008
	US$'000	*US$'000*
Current	**23,904**	25,682
1 to 30 days	**3,686**	6,141
31 to 60 days	**912**	2,904
Over 60 days	**1,328**	757
Trade payables	**29,830**	35,484
Deposits in advance, accruals and other payable	**5,596**	7,665
	35,426	43,149

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the Half-Yearly Period and the Quarterly Period.

The Group has not declared any dividends for the corresponding half-yearly period and quarterly period in 2007.

BUSINESS REVIEW

In face of the worst global economic downturn in a quarter century, PINE suffered its first quarterly loss in the past six years. In the Quarterly Period, PINE recorded a net loss of US$490,000, compared to a net profit of US$1,562,000 last year. Our total revenue was US$74,515,000, a reduction of 49% from last year.

For the Half-Yearly Period, the total revenue was US$174,963,000, a drop of 35% from last year. The net profit was US$23,000, compared to the net profit of US$2,298,000 last year.

There has been improvement in some balance sheet items. As of 31 December 2008, cash on hand was US$13,786,000. Our debt-to-equity ratio was improved to 61%, from 75% in June 2008 and 91% in December 2007.

BUSINESS OUTLOOK

Besides the reduction in demand for the past few quarters, there is also an "intense correction in the supply chain", in which both the suppliers and distributors are focusing on clearing its excess inventory on hand. This has significantly slowed down the business activity. But we believe this correction is close to completion, as we have noticed that in January, the business activity has picked up considerably.

As we fully expect that this financial crisis will be prolonged for a few more quarters, work has been done to streamline the operation and tighten the cost control. In the Quarterly Period, we reduced our overhead (excluding finance cost) by US$3 million against the last corresponding period. Measures have also been taken to reduce the days of the receivables and shorten the inventory turns, and to enhance our overall operational efficiency.

At the same time, we are stepping up our effort in Research and Development to put us into a stronger competitive position. We have partnered up with ATI in developing its value based high performance graphics cards. Last month we successfully launched the XFX ATI Radeon 4870, 4850, 4830, 4650 and 4350 models globally. We are confident that this new ATI line will generate incremental revenue and profit for PINE. Combined with Nvidia and ATI, the two biggest names in the industry, XFX is well positioned to provide a comprehensive product selection to our customers globally.

On behalf of the Board of Directors, I would like to extend my gratitude and sincere appreciation to our business partners for their continuing support, and to our shareholders for their patience. I also want to thank the whole team for stepping up their effort during this challenging time.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Liquidity, financial resources and charge of group asset

As at 31 December 2008, the Group's borrowings comprised mainly short-term loans of approximately US$45,324,000 (30 June 2008: approximately US$56,241,000) and long-term loans of approximately US$160,000 (30 June 2008: US$321,000). The aggregate borrowings approximately US$45,484,000 (30 June 2008: approximately US$56,562,000) were secured by pledged bank deposits or by all assets of certain subsidiaries as floating charges to banks.

As at 31 December 2008, total pledged bank deposits and all assets of certain subsidiaries as floating charges were amounted to approximately US$5,275,000 and US$65,514,000 respectively (30 June 2008: approximately US$5,245,000 and US$53,220,000). The Group continued to maintain a healthy financial and cash position. As at 31 December 2008, the total cash on hand amounted to approximately US$13,786,000 (30 June 2008: approximately US$15,530,000).

Capital structure

There was no change in the capital structure of the Group as at 31 December 2008, as compared with that as at 30 June 2008.

Significant investments and material acquisitions

There were no material acquisitions and disposals of subsidiaries and affiliated companies during the Half-Yearly Period.

Staff

As at 31 December 2008, the Group had 371 employees, a 6% reduction from 394 employees since June 2008, 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 director's emoluments, was approximately US$7.3 million for the Half-Yearly Period as compared with that of approximately US$8.4 million for the corresponding half-yearly period in the 2007.

Gearing ratio

As at 31 December 2008, the gearing ratio of the Group based on total liabilities over total assets was approximately 53%. (30 June 2008: approximately 58%)

Exchange risk

During the period under review, the Group's major foreign exchange payments arose from the import of components and materials, and repayments of foreign currency loans, that were principally denominated in US dollars, Hong Kong dollars and Canadian dollars. For settlement of import payments and foreign currency loans, the Group maintained its foreign exchange balance by its export revenue, that were principally denominated in US dollars, Canadian dollars and Pound Sterling. The unsecured risk will be foreign currency payables and loan exceeds its foreign currency revenue. During the year, the Group has used forward foreign currency contracts to minimize its exposure to currency fluctuations risk of certain trade payables denominated in foreign currencies.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2008. (30 June 2008: Nil)

Segment Information

Group brand products

For the Half-Yearly Period, the segment's revenue dropped by 37% to US$114,930,000 from US$183,174,000 in same period last year, while its profit decreased to US$1,378,000 compared to US$3,937,000 last year. We are confident that the new ATI line will generate incremental revenue and profit for PINE. Combined with Nvidia and ATI, the two biggest names in the industry, XFX is well positioned to provide a comprehensive product selection to our customers globally.

Other brand products

Since the suppliers and distributors are focusing on clearing their excess inventory on hand, turnover of the distribution division for the Half-Yearly Period had decreased 31% to US$60,033,000 from US$87,265,000 in the last corresponding period. The segmental profit from other brand products also dropped from US$1,152,000 in 2007 to US$888,000.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARE CAPITAL AND OPTIONS

As at 31 December 2008, the interests of the directors and the chief executive of the Company and their respective associates in the shares capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which require notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 or 345 of Part XV of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

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

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

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

In addition to above, Mr. Chiu Hang Tai and Madam Leung Sin Mei, spouse of Mr. Chiu Hang Tai, both beneficially owned 600,000 non-voting deferred shares in Pineview Industries Limited, a subsidiary of the Company as at 31 December 2008. The non-voting deferred shares practically carry no right to dividend or to receive notice of or to attend or vote at any general meeting of the subsidiary. On winding up, the holders of the deferred shares are entitled to distribution out of the remaining assets of the subsidiary only after the distribution of HK$1,000 million, as specified in the articles of association of the subsidiary, to holders of ordinary shares.

Saved as disclosed above, and other than certain nominee shares in subsidiaries held by directors in trust for the Company's subsidiaries as at 31 December 2008, none of the directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

B) Share Options

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

As at 31 December 2008, the following directors of the Company were granted share options to subscribe for shares in the Company, details of share options granted under the Scheme are as follows:

Name of director	Date of grant	Exercisable period (both dates inclusive)	Exercise price per share *HK$*	Number of options granted
Chiu Hang Tai	28.9.2004	1.11.2004 to 31.10.2009	0.150	3,968,800
	05.10.2007	05.10.2009 to 04.10.2012	0.464	2,976,600
				6,945,400
Chiu Samson Hang Chin	28.9.2004	1.11.2004 to 31.10.2009	0.150	3,968,800
	30.3.2007	1.1.2009 to 31.12.2011	0.250	2,678,940
	05.10.2007	05.10.2009 to 04.10.2012	0.464	1,984,400
				8,632,140

SUBSTANTIAL SHAREHOLDERS

So far as the directors and chief executive of the Company are aware of, as at 31 December 2008, the following persons (not being a director or a chief executive of the Company) were interested in 5% or more of in the issued share capital of the Company:

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

Notes:

1. These shares are beneficially owned by and registered in the name of Alliance Express. Alliance Express is incorporated in the British Virgin Islands ("BVI") and its entire issued share capital is beneficially owned by Mr. Chiu Hang Tai.

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

Saved as disclosed above, the directors are not aware of any person who, as at 31 December 2008, had an interest or short position in the shares which would fall to be disclosed under Division 2 and 3 of Part XV of the SFO, or was interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Code of Corporate Governance Practices (the "CG Code") set out in Appendix 15 of the GEM Listing Rules throughout the Half-Yearly Period, except for the deviations from Code Provision A.2.1 and A.4.2, details of which will be explained below:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chiu Hang Tai assumes the role of both the Chairman and the Chief Executive Officer of the Group. 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 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, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Company's Bye-laws provides that one-third of the directors, with the exception of Chairman or Deputy Chairman, Managing Director or joint Managing Director, shall retire from office by rotation at each annual general meeting. Notwithstanding the provisions of the Company's Bye-laws, the Company intends to comply with the Code Provision A.4.2 in the way of having not less than one-third of all directors retiring at each annual general meeting.

COMPETING INTERESTS

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

AUDIT COMMITTEE

The Company established an audit committee on 9 November 1999 with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules. The audit committee comprised the three Independent Non-executive Directors, namely Messrs. Li Chi Chung, So Stephen Hon Cheung and Chung Wai Ming. The audit committee has reviewed the draft of this announcement and has provided advice and comments thereon.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions in securities of the Company. Having made specific enquiry of all directors, all directors have confirmed that throughout the accounting period covered by this announcement, they have complied with such code of conduct and the required standard of dealings.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

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

Hong Kong, 12 February 2009

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

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