THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Pinestone Capital Limited, you should at once hand this prospectus together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "14. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

PineStone鼎石

Pinestone Capital Limited

鼎石資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 804)

RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) CONSOLIDATED SHARES HELD ON THE RECORD DATE

Placing Agent to the Company

PineStone鼎石

Capitalised terms used in this cover page shall have the same meanings as those defined in this prospectus

Shareholders and potential investors should note that the Rights Issue is conditional upon the fulfillment of the conditions referred to in the paragraph headed "LETTER FROM THE BOARD – RIGHTS ISSUE – Conditions of the Rights Issue" in the Letter from the Board. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 4 September 2025 to Thursday, 11 September 2025 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Thursday, 4 September 2025 to Thursday, 11 September 2025 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares and is subject to fulfillment of conditions. Please refer to the section headed "Conditions of the Rights Issue" in this prospectus. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid rights together with the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

2 September 2025

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The expected timetable for the Rights Issue set out below is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	**Hong Kong Date and Time**
First day of dealings in nil-paid Rights Shares in the board lot size of 5,000 Rights Shares	Thursday, 4 September 2025
Latest time for splitting of the PALs	4:30 p.m. on Monday, 8 September 2025
Last day of dealing in nil-paid Rights Shares in the board lot size of 5,000 Rights Shares	Thursday, 11 September 2025
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Tuesday, 16 September 2025
Latest Time for Acceptance of and payment for the Rights Share	4:00 p.m. on Tuesday, 16 September 2025
Designated broker ceases to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Friday, 19 September 2025
Temporary counter for trading in the Consolidated Shares in the board lot size of 250 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Friday, 19 September 2025

Event	Hong Kong Date and Time
Parallel trading in Consolidated Shares (represented by both existing share certificates and new share certificates) ends	4:10 p.m. on Friday, 19 September 2025
Latest time for free exchange of existing share certificates for new share certificates	4:30 p.m. on Tuesday, 23 September 2025
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Tuesday, 23 September 2025
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	Wednesday, 24 September 2025
Latest time of placing of Unsubscribed Rights Shares and Unsold Rights Shares subject to Compensatory Arrangements	4:00 p.m. on Friday, 3 October 2025
Latest Time for Termination of the Placing Agreement	4:00 p.m. on Monday, 6 October 2025
Announcement of the allotment results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and per Unsold Rights Share under the Compensatory Arrangements)	Monday, 13 October 2025
Despatch of share certificates for fully-paid Rights Shares	Tuesday, 14 October 2025
Despatch of refund cheques, if any, if the Rights Issue is terminated	Tuesday, 14 October 2025
Commencement of dealings in fully-paid Rights Shares in the board lot size of 5,000 Rights Shares	9:00 a.m. on Wednesday, 15 October 2025
Payment of Net Gain to relevant No Action Shareholders (if any)	Tuesday, 21 October 2025

All times and dates in this prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this prospectus are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal no.8 or above, or "extreme conditions" caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region or a "black" rainstorm warning:

(i) in is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

(ii) in is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed "Expected timetable of the Rights Issue" above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

"acting in concert"	has the same meaning ascribed thereto under the Takeovers Code
"Announcements"	the announcements of the Company dated 10 June 2025, 20 June 2025, 23 June 2025, 11 July 2025 and 26 August 2025 in relation to, among other things, the Share Consolidation and/or the Rights Issue
"associate(s)"	has the same meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	means a day (other than a Saturday and a day on which "extreme conditions" is announced by the Government of Hong Kong or a tropical cyclone warning no. 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Circular"	the circular of the Company dated 25 July 2025 in relation to, among other things, the Rights Issue
"Company"	Pinestone Capital Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 804)
"Compensatory Arrangements"	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consolidated Share(s)"	ordinary shares of par value HK$0.4 each in the share capital of the Company after the Share Consolidation became effective
"controlling shareholder(s) "	has the same meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation, the Rights Issue and the transactions contemplated respectively thereunder
"Group"	the Company and its subsidiaries
"HK$" or "HKD"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Lau Kelly, Mr. Wong Chun Peng Stewart and Mr. Cheng Man Pan, which has been established to advise the Independent Shareholders in respect of the Rights Issue
"Independent Shareholder(s)"	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
"Independent Third Party(ies)"	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates
"Latest Practicable Date"	26 August 2025, being the latest practicable date prior to print of this Prospectus for ascertaining certain information included in this Prospectus
"Last Trading Day"	Friday, 10 June 2025, being the date of the Announcement and the last full trading day of the Shares on the Stock Exchange immediately preceding the publication of the Announcement
"Latest Time for Acceptance"	4:00 p.m. on Tuesday, 16 September 2025 or such other time and date as the Company may determine, being the latest time and date for acceptance of and payment for the Rights Shares
"Latest Time for Termination"	4:00 p.m. on Monday, 6 October 2025 or such other time or date as the Placing Agent may agree in writing with the Company, being the latest time for termination of the Placing Agreement

"Listing Committee"	has the meaning as defined in the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on Main Board of the Stock Exchange
"Net Gain"	any premiums paid by the independent placee(s) over the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements
"No Action Shareholders"	those Qualifying Shareholders who do not subscribe for the Right Shares (whether partially or fully) under the PALs or their renouncer(s), or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, or Non-Qualifying Shareholder as the case maybe
"Non-Qualifying Shareholder(s)" or "NQS" or "Excluded Shareholders"	the Overseas Shareholder(s) whom the Directors, after making enquiries with the legal advisers in the relevant jurisdictions, consider it necessary or expedient not to offer the Rights Issue to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"NQS Unsold Rights Shares" or "ES Unsold Rights Shares"	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders or Excluded Shareholders in nil-paid form that have not been sold by the Company
"Overseas Shareholder(s)"	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Placee(s)"	professional, individuals, corporate, institutional or other investor(s), who and whose ultimate beneficial owner(s) shall not be a Shareholder and shall be Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agents to subscribe for the Placing Shares pursuant to the Placing Agreement
"Placing"	the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement

"Placing Agent"	Pinestone Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activities under the SFO
"Placing Agreement"	the placing agreement dated Friday, 10 June 2025 entered into between the Company and the Placing Agent in relation to the Placing
"Placing Period "	the period commencing from the first Business Day after the date of announcement of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares, which is expected to be Wednesday, 24 September 2025, and ending at 4:00 p.m. on Friday, 3 October 2025
"PRC"	People's Republic of China
"Previous Share(s)"	ordinary share(s) of par value HK$0.02 each in the share capital of the Company prior to the Share Consolidation having become effective
"Prospectus"	the prospectus to be issued to the Shareholders containing details of the Rights Issues
"Prospectus Documents"	this Prospectus and the PAL
"Qualifying Shareholder(s)"	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
"Record Date"	Thursday, 27 August 2025 or such other date as may be agreed between the Company and the Placing Agent in writing, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
"Registrar"	Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Rights Issue"	the issue of the Rights Shares on the basis of three (3) Rights Shares for every two (2) Consolidated Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price, payable in full on acceptance and on the terms and subject to the conditions in the Placing Agreement and the Prospectus Documents
"Rights Share(s)"	up to 36,546,008 Consolidated Shares to be allotted and issued pursuant to the Rights Issue
"SFC"	the Securities and Futures Commission of Hong Kong

"SFO"	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
"Share(s)"	ordinary share(s) in the share capital of the Company from time to time
"Shareholder(s)"	holder(s) of issued Share(s)
"Share Consolidation"	proposed consolidation of the issued and unissued Previous Shares in the share capital of the Company on the basis of twenty (20) Previous Shares into one (1) Consolidated Share with par value of HK$0.40 each
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$1.66 per Rights Share under the Rights Issue
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Unsubscribed Rights Shares"	the Rights Shares that are not subscribed by the Qualifying Shareholders or renouncer(s) or transferee(s) of the nil-paid Rights under PAL(s)
"%"	per cent.

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Pinestone Capital Limited

鼎石資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 804)

Executive Directors:
Mr. Lee Chun Tung *(Chairman)*
Mr. Wang Han
Ms. Cheung Ka Yi

Non-executive Director:
Mr. Lau Chun Hung

Independent non-executive Directors:
Mr. Lau Kelly
Mr. Wong Chun Peng Stewart
Mr. Cheng Man Pan

Registered office:
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Principal place of business in Hong Kong:
Room 1608, 16/F Nan Fung Tower
88 Connaught Road Central
Central, Hong Kong

2 September 2025

To the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders (if any)

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) CONSOLIDATED SHARES HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcements and the Circular in relation to, among other things, the Share Consolidation and the Rights Issue.

The purpose of this prospectus is to provide you with, among other things, further information regarding the Rights Issue, certain financial information and other general information of the Group.

RIGHTS ISSUE

The Board proposed to raise up to approximately HK$60.7 million before expenses by way of a rights issue of 36,546,008 Rights Shares at the Subscription Price of HK$1.66 each and on the basis of three (3) Rights Share for every two (2) Consolidated Shares held by the Qualifying Shareholders on the Record Date.

Rights Issue Statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every two (2) Consolidated Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK$1.66 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	24,364,005 Consolidated Shares
Number of Rights Shares	:	36,546,008 Rights Shares
Aggregate nominal value of the Rights Shares	:	HK$14,618,403.2
Total number of Consolidated Shares in issue upon completion of the Rights Issue	:	60,910,013 Consolidated Shares
Gross proceeds to be raised from the Rights Issue	:	Approximately HK$60.7 million

As at the Latest Practicable Date, 36,546,008 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 150% of the issued share capital of the Company immediately upon completion of the Share Consolidation; and (ii) 60% of the issued share capital of the Company after completion of the Share Consolidation and as enlarged by the allotment and issue of the Rights Shares.

As at the Latest Practicable Date, the Company has no outstanding derivatives, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

The Subscription Price

The Subscription Price is HK$1.66 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

(i) a discount of approximately 35.91% to the closing price of HK$2.59 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 40.71% to the theoretical closing price of approximately HK$2.800 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK$0.1400 per Previous Shares as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 41.63% to the theoretical average closing price of approximately HK$2.844 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK$0.1422 per Previous Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 40.20% to the theoretical average closing price of approximately HK$2.776 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK$0.1388 per Previous Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 21.55% to the theoretical ex-rights price of approximately HK$2.116 per Consolidated Share (after taking into account the effect of the Share Consolidation), based on the closing price of HK$0.140 per Previous Shares as quoted on the Stock Exchange on the Last Trading Day;

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.98% of the theoretical diluted price of approximately HK$2.1336 per Consolidated Share to the benchmarked price of approximately HK$2.844 per Consolidated Share (after taking into account the effect of the Share Consolidation) (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of the closing price of HK$0.140 per Previous Shares on the Last Trading Day and the average closing price of the Previous Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK$0.142 per Previous Shares; and

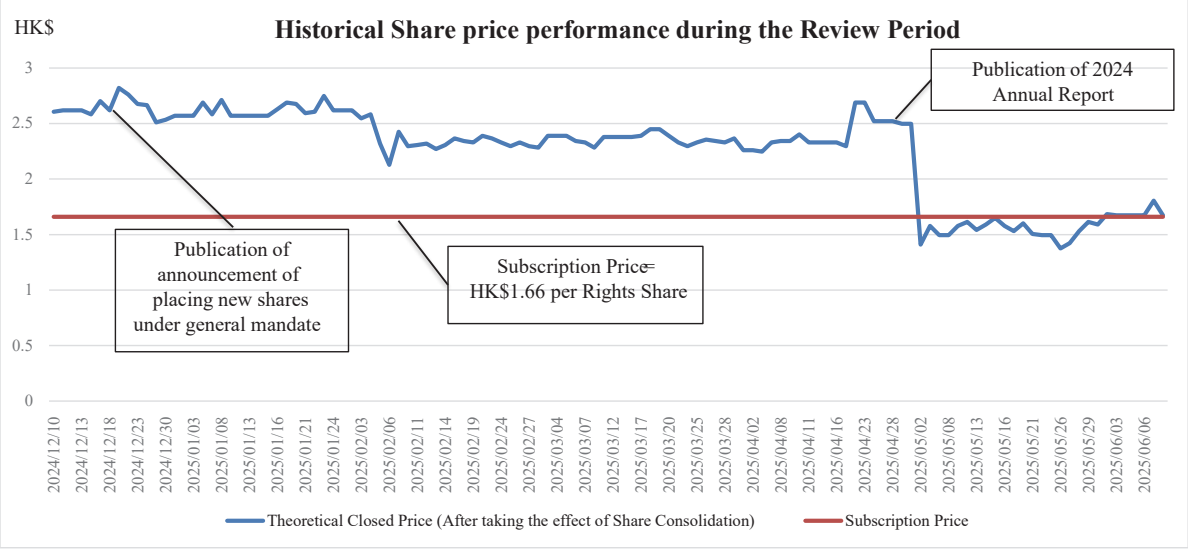
(vii) a discount of approximately 75.64% to the net asset value of the Company of approximately HK$6.82 per Consolidated Share (after taking into account the Share Consolidation has become effective) based on the net asset value attributable to owners of the Company of approximately HK$138,372,000 as at 31 December 2024 and 20,303,505 Previous Shares.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK$1.58.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined with reference to, among other things, (i) the market price of the Shares under the prevailing market conditions; (ii) the current business performance and financial position of the Group; (iii) the reasons for and benefits of the proposed Rights Issue as discussed in the section headed "REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS" in this Prospectus; and (iv) the amount of funds the Company intends to raise under the Rights Issue.

The Subscription Price was determined by the Directors with reference to (i) the prevailing market price of the Shares during the six months immediately preceding the Last Trading Day (the "**Review Period**") which presented a stable trend until 2 May 2025 range from the HK$0.178 to HK$0.236, from 2 May 2025 to the Last Trading Day it recorded a range of HK$0.115 to HK$0.151; (ii) the current market conditions in Hong Kong taking into consideration the rather cautious investment sentiment of the general public investors in Hong Kong amid economic uncertainties; (iii) low liquidity of the Shares during the Review Period with the average daily trading volume of approximately 2,431,592 Shares, representing approximately 0.499% of the total number of issued Shares as at the Last Trading Day; and (iv) the financial position of the Group and the reasons and benefits of the Rights Issue as discussed in the section headed "REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS" below in this Prospectus.



Source: The website of the Stock Exchange

During the Review Period, the Shares listed on the Stock Exchange achieved the highest closing price of HK$0.236 (or theoretical closing price of HK$4.72) on 19 December 2024, while the lowest closing price of HK$0.115 (or the theoretical closing price of HK$2.30) was recorded on 26 May 2025. The average closing price for the Shares during the Review Period was approximately HK$0.189 (or the theoretical closing price of approximately HK$3.78).

The Subscription Price reflects a discount of approximately 36.15% to the closing price of HK$0.26 per Consolidated Share on the Latest Practicable Date. The Directors (including the independent non-executive Directors) consider that the discount of the Subscription Price would encourage Qualifying Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the future growth and development of the Group. In light of the above, the Directors (including the independent non-executive Directors) consider that the Subscription Price, are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

Set out below is the table showing (i) the monthly total trading volume of the Shares; (ii) the number of trading days of each month; (iii) the average daily trading volume of the Shares; and (iv) the percentage of the average daily trading volume of the Shares to the total issued Shares at the end of each month during the Review Period:

Month	**Monthly trading volume of the Shares** *(Shares)*	**Number of trading days in the month** *(days)*	**Average daily trading volume of the Shares in the month** *(Shares)* *(Note 1)*	**Percentage of average daily trading volume of the Shares to total number of Shares** *(approximate)* *(Note 2)*
From 11 December 2024 to 31 December 2024	10,177,250	13	782,865	3.00%
January 2025	48,990,875	19	2,578,467	0.53%
February 2025	12,723,000	19	669,632	0.14%
March 2025	30,537,500	21	1,454,167	0.30%
April 2025	2,132,000	19	112,211	0.02%
May 2025	216,560,000	20	10,828,000	2.22%
From 1 June 2025 to 10 June 2025	4,405,000	7	629,286	0.13%

Source: Website of the Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.

2. Calculation is based on the average daily trading volume of Shares divided by the total issued Shares of the Company at the end of each respective month.

During the Review Period, the monthly trading volume of the Shares varied significantly. It ranged from a low of 2,132,000 Shares traded in April 2025 to a peak of 216,560,000 Shares traded in May 2025. This represents approximately 0.02% of the total issued Shares for the lowest volume and approximately 2.22% for the highest volume.

The six-month review period was deemed appropriate by the Directors as it provides a balanced and representative time frame to assess the historical trading performance of the Shares while accounting for recent market trends. This duration captures sufficient market data to reflect both stable and volatile periods, ensuring that the Subscription Price is determined based on a comprehensive analysis rather than short-term fluctuations. The inclusion of the six-month period allows for a fair evaluation of the Shares' price range, liquidity conditions, and overall market sentiment, thereby supporting a well-informed and reasonable pricing decision that aligns with the Company's fundraising objectives and shareholder interests.

The Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the Independent Financial Adviser) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group further details can be referred to the section headed "Letter from the Board – REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS" in this Prospectus.

The Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the Independent Financial Adviser) consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Non-underwritten Basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5) of the Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

(i) the Share Consolidation having become effective;

(ii) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(iii) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);

(iv) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;

(v) the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date; and

(vi) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions precedent by the Latest Time for Termination or such other date as the Company and the Placing Agent may agree.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of three (3) Rights Shares for every two (2) Consolidated Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Placing Agreement and the Prospectus Documents.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made with the Registrar on or before the Latest Time for Acceptance by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for. There will be no excess application arrangements in relation to the Rights Issue.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any). To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder.

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

The Prospectus is being made available and/or despatched (subject to Shareholders' election to receive physical copies) to the Shareholders. Copies of the Prospectus Documents are also available on the website of the Stock Exchange (www.hkex.com.hk) and the Company's website (www.pinestone.com.hk). The Prospectus only (excluding the PAL) is being made available and/or despatched (as the case may be) to the Non-Qualifying Shareholders for their information purpose only. The Company is sending the PALs to the Qualifying Shareholders individually in printed form. The Company will not send the PAL to the Non-Qualifying Shareholders.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of Overseas Shareholders (if any)

The Company hereby supplements the following information under the section headed "Rights of Overseas Shareholders (if any)" in the Circular as follows:

Based on the register of members of the Company, as at the Circular, the Company had two (2) Overseas Shareholders, they held 934,000 shares and 934,000 shares, representing approximately 3.83% and 3.83% of the total issued shares, respectively, the registered addresses of which were shown to be situated in the PRC.

The Board would like to clarify that there was a clerical error in relation to the abovementioned disclosure in the Circular.

As at the Latest Practicable Date, there are two (2) Overseas Shareholders, they held 934,000 shares and 934,000 shares, representing approximately 3.83% and 3.83%, respectively, the registered addresses of which are shown to be situated in the PRC.

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Company has, in compliance with Rule 13.36(2)(a) of the Listing Rules, made reasonable enquiries of the legal requirements regarding the feasibility of extending the Rights Issue to the Overseas Shareholder.

The legal adviser to the Company as to PRC laws is of the view that if the Rights Issue is made by the Company in Hong Kong and the Rights Issue is being made by the Company to the Shareholder(s) whose registered address is in the PRC solely by reason that they are existing Shareholders), there are no restrictions under securities law or other similar laws in the PRC which would prevent the Company from including the PRC Shareholder(s) in the Rights Issue.

Although there are no restrictions under securities law or other similar laws in the PRC which would prevent the Company from including the PRC Shareholder(s) in the Rights Issue, if a Shareholder resident in the PRC and/or any other PRC resident (including both individuals and companies) wishes to invest in the nil-paid Rights Shares or the fully-paid Rights Shares, he/she/it shall be responsible for complying with the relevant laws of the PRC for holding the Company's Shares and/or Right Shares and/or accepting the Company's Rights Shares, as well as any related foreign exchange registration, tax and other responsibilities arising therefrom. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Shareholder and/or resident suffers any losses or damages due to noncompliance with the relevant laws of the PRC, the Shareholder and/or resident shall be responsible for the losses. The Company shall not be obliged to issue the nil-paid Rights Shares or the fully-paid Rights Shares to any such Shareholder and/or resident, if issuing the nil-paid Rights or the fully-paid Rights Shares to them does not comply with the relevant laws of the PRC.

Since there was no Non-Qualifying Shareholder as shown on the register of members of the Company on the Record Date, no arrangements will need to be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) to be provisionally allotted to a nominee and to be sold in the market in their nil-paid form.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire the Rights Shares or to take up any entitlements to the Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Tuesday, 14 October 2025 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Tuesday, 14 October 2025 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Fractional entitlement to the Rights Shares

Rights Shares in provisional allotment will be rounded down to the nearest whole number. No fractional Rights Shares shall be issued under the Rights Issue. All fractions of the Rights Shares will be aggregated and placed by the Placing Agent under the Compensatory Arrangements to Independent Third Parties for the benefit of the Company.

Odd lot arrangement

In order to facilitate the trading of odd lots of the Rights Shares arising from the Rights Issue, the Company has appointed Pinestone Securities Limited as a designated broker to provide a matching service, on a best effort basis. Shareholders who wish to take advantage of this facility should contact Mr. Wilson Lee of Pinestone Securities Limited at Room 1608, 16/F, Nan Fung Tower, 88 Connaught Road Central, Central, Hong Kong (telephone number (852) 3728 0828 or by facsimile at (852) 3102 0055) during office hours (i.e. 9:00 a.m. to 6:00 p.m.) from 9:00 a.m. on Monday, 1 September 2025 to 4:00 p.m. on Friday, 19 September 2025 (both days inclusive).

Holders of odd lots arising from the Rights Issue should note that successful matching of the sale and purchase of odd lots arising from the Rights Issue are not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Application for listing of the Rights Shares and applicable fees

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the equity or debt securities of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange. Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be in the board lots of 5,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to payments of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Non-Qualifying Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Procedures in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares and the Compensatory Arrangements

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares and NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realized will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Tuesday, 30 September 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Non-Qualifying Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in "A" and "B" of HK$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders may or may not receive any Net Gain.

The Placing Agreement

Principal terms of the Placing Agreement are summarized as below

On 10 June 2025 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to procure Placee(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies),, to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares. Details of the Placing Agreement are as follows:

Date	:	10 June 2025 (after trading hours)
Issuer	:	the Company
Placing Agent	:	Pinestone Securities Limited, appointed as the bookrunner and placing agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis. The Placing Agent confirmed that it is a licensed corporation to carry out type 1 (dealing in securities) regulated activities under the SFO. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries as at the Latest Practicable Date, the Placing Agent is a wholly-owned subsidiary of the Company.
Placing Price	:	The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the placement process.
Placing Period	:	The period from Wednesday, 24 September 2025 up to 4:00 p.m. on Friday, 3 October 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.

Placing Commission	:	The commission payable to the Placing Agent shall be 5% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. The Company will pay all out-of-pocket expenses properly and reasonably incurred by the Placing Agent in connection with the Placing (excluding legal and other professional fees and expenses) which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion.
Placees	:	The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to placees, who are Independent Third Parties and none of the placees shall be obliged to make a mandatory general offer to the other Shareholders under the Takeovers Code.
Ranking of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares	:	The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Consolidated Shares in issue as at the Latest Practicable Date.
Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares	:	The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank pari passu in all respects among themselves and with the Previous Shares in issue as at the date of completion of the Placing.
Conditions Precedent	:	The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable): (i) the Share Consolidation having become effective; (ii) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares; (iii) the approval of the Rights Issue and the transactions contemplated thereunder (including the Placing Agreement) by more than 50% of the Independent Shareholders at the EGM by way of poll;

(iv) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

(v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any part of the conditions precedent to the Placing Agreement (other than those set out in paragraph (i), (ii) and (iii) above) by notice in writing to the Company.

Termination : The Placing Period shall end at 4:00 p.m. on Friday, 3 October 2025 or any other date by mutual written agreement between the Placing Agent and the Company. The engagement of the Placing Agent may also be terminated by the Placing Agent at any time prior to 4:00 p.m. on Monday, 6 October 2025 or any other date by mutual written agreement between the Placing Agent and the Company in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. Further, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the reasonable opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

The Company shall use its best endeavours to procure the fulfillment of such conditions precedent to the Placing Agreement by the Placing Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Placing Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfillment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

The terms of the Placing Agreement (including the commission payable) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the market conditions. The Board considers the terms of the Placing for the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms and are fair and reasonable.

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to independent Placees on a best effort basis for the benefits of the No Action Shareholders and Excluded Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Excluded Shareholders.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

Undertaking

The Company has not received, as at the Latest Practicable Date, any irrevocable undertaking from any substantial Shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group, comprising the Company and its subsidiaries, is principally engaged in provision of securities brokerage services, securities-backed lending services, other lending services as well as placing and underwriting services.

Pursuant to ongoing development strategies, the Group strives to explore the possibility of establishing a presence in the virtual asset industry and broadening its revenue stream from types of services offered by the Group.

Following the SFC's approval of virtual asset futures ETFs for public offering on 31 October 2022, and the introduction of regulatory rules and guidelines for virtual asset service providers on 23 May 2023, the management recognized the emerging opportunities in the virtual asset sector.

In discussions with potential clients, there was expressed interest from the clients in cooperating in virtual assets business with the Company. However, Pinestone Securities Limited, a Type 1 license held by the subsidiary of the Company does not include virtual asset dealing services. The Company is actively looking to establish the virtual asset business by applying for the virtual asset trading dealing service license conditions, so the subsidiary of the Company will be able to meet the demand of its clients to deal with virtual assets such as cryptocurrency. As at the Latest Practicable Date, the Company is in negotiation of establishing the joint venture for virtual asset business in the fourth quarter of 2025 and potentially provide the virtual asset service in the first quarter of 2026.

Having reviewed the potential in the virtual asset industry, as at the Latest Practicable Date the Board considers that the exploration in the virtual asset industry provides a precious opportunity for the Group to develop its presence in the fast growing virtual asset industry, diversify its businesses and maximise the return to the Shareholders. On 14 July 2025, the Board has engaged a corporate legal firm to assist on applying for the following license conditions (i) virtual asset dealing services; (ii) introducing clients to virtual asset trading platform operators; and (iii) providing virtual asset advisory services, the Company intends to submit the application by end of September 2025 and it is expected to be granted the abovementioned license conditions in the first quarter of 2026, as additional time is required for the Company to prepare and finalise certain information to be contained in the application, the expected timeline of granting the licenses conditions is unchanged.

Reference is made to the annual report for the financial year ended 31 December 2024 (the "**2024 Annual Report**"), where the Company had disclosed that the revenue from contracts with customers within the scope of HKFRS 15 was approximately HK$7.8 million while the revenue from the other sources was approximately HK$25.5 million, specifically, interest income from margin financing services increased by approximately HK$2.1 million or approximately 21% to approximately HK$11.9 million for the year ended 31 December 2024 from approximately HK$9.8 million for the year ended 31 December 2023 and recorded revenue of approximately HK$5.9 million from interest income from money lending services.

As mentioned above, the Group recorded interest income from margin financing services of approximately HK$11.9 million and interest income from money lending services of approximately HK$5.9 million for the year ended 31 December 2024 ("**Key Businesses**"). In light of the capital intensive nature of the Group's Key Businesses, it is important for the Group to promote its liquidity to a higher level to increase the Group's operational flexibility and to sustain its capability for financing any potential development opportunities of the Group's existing businesses, as and when suitable opportunity arises.

The Group generates interest income from its margin financing services by providing margin facilities to clients, enabling them to leverage their investments for potentially higher returns. Before any margin facility is granted, clients are required to undergo credit assessment procedures, account opening and know-your-customer (KYC) checks, and must deposit an adequate amount of cash or eligible collateral. Margin facilities are extended on an individual basis. There is no fixed repayment term for trade receivables arising from margin financing, while loan receivables typically have a maturity period ranging from approximately five months to one year. Interest rates for these receivables range from approximately 8% to 35% per annum. As disclosed in the Company's annual report for the year ended 31 December 2024, the Group's total trade receivables from margin financing clients amounted to approximately HK$76.8 million as at 31 December 2024. As at 31 December 2024, there were 7 margin financing clients with loan balances exceeding HK$1 million, with individual loan sizes ranging from approximately HK$2.3 million to approximately HK$20.2 million. As at 30 June 2025, the Group's total trade receivables from margin financing clients amounted to approximately HK$75.2 million. As at 30 June 2025, there were 7 margin financing clients with loan balances exceeding HK$1 million, with individual loan sizes ranging from approximately HK$2.5 million to approximately HK$21.3 million. The customer base is diversified, comprising both corporate and individual clients, including managers and directors of trading, technology, media, construction, and F&B companies, as well as general managers.

The Group also holds a money lender licence in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), and provides loan facilities, including money lending and other secured lending services, to both corporate and individual clients. Loan collateral may consist of listed securities, non-listed securities, properties, or other valuable assets. These lending activities are conducted primarily through Pinestone Capital Group Limited, a wholly-owned subsidiary of the Company. Interest income is received from the provision of such loan facilities, with listed securities commonly pledged for money lending and other assets or non-listed securities pledged for other secured lending services. According to the 2024 Annual Report, the Group's total loan receivables from money lending and other secured lending clients were approximately HK$74.5 million as at 31 December 2024. As at 30 June 2025 the Group's total loan receivables from money lending and other secured lending clients were approximately HK$79.9 million.

As at 30 June 2025, the breakdown of the clients' profiles, interest rates, loans receivable and amount of impairments with regard to our money lending and other secured lending services under PCGL were as follow:

Client (Rank by book value of loans receivable)	Type and Source of Client	Background and Relationship among the borrowers *(note 1)*	Date of loans agreement	Principal Amount *HK$'million* (Approximately)	Interest rate *% p.a.*	Term	Collateral as at 30 June 2025 *HK$' million*	Book value of loans receivable as at 30 June 2025 *HK$' million*	Accumulated impairment losses (included unwinding of discount) as at 30 June 2025 *HK$' million*	Net amount of loan receivable as at 30 June 2025 *HK$' million*	Proportion out of the Group's total loan receivable as at 30 June 2025 *%*
1st client	Individual By client referral	CEO of Corporate Services None	6 Oct 2023 and 2 Jul 2024	19.0	16 and change to 12	6 months	Share charge with a property valuation of approximately 19.0	20.1	1.9	18.2	25.2
2nd client	Corporate By client referral	Holding company None	19 Jan 2024 and 21 Oct 2024	16.5	12	6 months	Share charge with properties valuation of approximately 238.0	16.9	0	16.9	21.2
3rd client	Individual By client referral	Director of trading company None	23 Jun 2021	8.8	12	12 months	No collaterals in the margin account (non-termed) for the client's termed loan	12.4	12.4	0	15.5
4th client	Individual By client referral	Director of investment company None	23 Jun 2021	8.8	12	12 months	No collaterals for the client's termed loan	12.4	12.4	0	15.5
5th client	Individual By client referral	Merchant for trading investment None	19 Dec 2024	6.0	24	12 months	3rd party personal guarantee with collateral of 17.0	6.9	0	6.9	8.6
6th client	Corporate By client referral	Transportation business None	23 Apr 2024	3.5	13	12 months	Share charge of 33.9	4.3	0	4.3	5.4
7th client	Individual By client referral	Shareholder of private company None	8 Nov 2024	3.0	34.8	1 month extended to 7 April 2025	Share charge of 3.0	3.6	0	3.6	4.5
8th client	Individual By client referral	Company Director of catering industry None	13 Dec 2024	1.2	30	1 month	Share charge of 1.7	3.3	0	3.3	4.1
							Total	79.9	26.7	53.2	100

Notes:

1. The business model of the money lending business involves the Group granting loans to individual and corporate clients generating interest income as one of the Group's revenue sources. The Group's principal business focus for its money lending business are investors, high net worth individuals, substantial shareholders of Hong Kong listed companies, etc. who can be individual or corporate clients with investment appetites for the securities of small to medium sized companies listed on the Stock Exchange. Source of funding for this business is mainly paid-up capital contributed by the Company's shareholders and internal resources of the Group.

2. According to the credit policy of the money lending business, the Group's responsible officers, senior management and office staff are responsible for the ongoing monitoring repayments and loan recoverability. Internal control procedures for loan collection include, on a case-by-case basis, steps such as (i) a margin call (if applicable) or a demand for partial repayment to restore the Group's credit risk to an acceptable level; (ii) in the event that step (i) above does not yield tangible results, the Group may proceed to force liquidation of collateral (if applicable) to reduce the Group's exposure; (iii) in the event that the Group's credit risk after taking steps (i) and (ii) above remains unacceptably high, the Group may proceed to negotiation of a repayment schedule with the client; (iv) should steps (i), (ii) and (iii) above fail to restore the Group's credit risk to an acceptable level, the Group may issue formal demand letter via its legal adviser demanding repayment of the outstanding loan within a stated time period; and (v) in the event that no tangible outcome arose out of the aforementioned steps, the Group may proceed to commencement of legal action against the client.

3. Based on the best information and knowledge of the Group as at the date hereof, the Group is not aware that there is any relationship amongst the Group's clients with outstanding loan receivables as at 31 December 2024.

4. The list still includes two of the eight clients we mentioned in our 2022 and 2023 annual reports as being related to money lending or other secured lending services. The Company continued to liaise with the clients and pushed for loan recovery. Statutory demand letters were sent in January 2025 and further legal actions are proceeding. We have made provisions for 100% impairment on these two money lending borrowers.

5. The 1st client has made 10% impairment provision as his loan has entered into the 2-stage of the ECL model. The client has partially paid interest but failed to payback the loan when the contract becomes due. On-going discussion and negotiations on the loan settlement have been made.

6. The 3rd and 4th clients have made 100% impairment provisions.

As at 30 June 2025, the cash and bank balances of the Company stood at approximately HK$17.0 million. After excluding HK$9.0 million earmarked for working capital purposes, including financial reserve for license corporate, the Group has a limited capital base of approximately HK$8.0 million available for expanding its business opportunities.

The Group expects the market landscape is going to be improved in the rest of 2025 and 2026. Therefore, the Board is of the view that the Group should conduct equity fundraising to strengthen its capital base for expand its business opportunities and enhance the financial position and the resistance to liquidity risk of the Group. The Group intends to continuously scale-up the Key Businesses and utilise the net proceeds from the Rights Issue for the expansion of its business, in particular, the Key Businesses. The Group also plans to further expand the Key Businesses by soliciting new clients in the rest of 2025 and 2026. The Group intends to solicit new clients primarily through the following ways with existing recourses: (i) recruiting new employees and its existing licensed representatives who are responsible for sourcing new customers, maintaining client relationships, promoting its services and soliciting new customers through referrals from existing customers; (ii) performing marketing activities with professional parties and existing customers to strengthen business relationships; and (iii) acting as underwriter/placing agent and providing margin financing to clients, as at Latest Practicable Date, the Company has recruited one new employee, and potentially engaged by two companies for underwriting/placing services. The net proceeds to be raised in the Rights Issue shall allow the Company to explore further business opportunities and to provide extra funds to new customers of Key Businesses. The Group is actively discussing with potential clients to explore the new business opportunities. The Group is actively promoting our services to securities firms, listed companies and the shareholders of the listed companies by referral from existing employees, directors and potential clients; therefore, excluding the foregoing new clients by referral from existing employees and directors and existing clients, the Group is in course of discussing with potential clients in respects of the Key Businesses. The Group have reverted the terms to the potential clients, thereof the interest rates of the potential projects range from 12% to 20%; the size of the potential projects are ranging from approximately HK$100,000 to HK$15,000,000 and the duration of potential projects are up to 12 months, as at the Latest Practicable Date, there are two potential clients shall engage with our margin financing service, which they are engage in provision of formwork work services and securities brokerage services, respectively, and there are two potential shall engage with our money lending business, which they are in mining business and engaged in making investments in operating companies established or having significant operations in the PRC. The Group proactively identifies and approaches prospective clients through multiple channels such as referrals from existing clients, business partners, and professional intermediaries. The Group maintains regular communication with these prospects, including meetings to understand their financing needs and business backgrounds. The Group also conducts thorough due diligence and credit assessments to ensure the quality of potential borrowers and the security of collateral. For potential financing projects, the Group intends to enter into agreements with clients under acceptable terms and with sufficient financial resources available.

The Company intends to strategically deploy partially of the net proceeds towards the expansion of its margin financing services and money lending services businesses. This allocation is expected to strengthen the Company's capital base, thereby enhancing its capacity to extend additional financing facilities to clients. Given the direct correlation between available reserves and lending volume, the incremental capital will enable the Company to scale its loan portfolio, driving higher interest income generation. This initiative is expected to boost the Company's revenue, building on the strong growth in interest income from margin financing and money lending services, which recorded HK$11.9 million and HK$5.9 million, respectively, in the last financial year.

Intended use of proceeds

As at the 30 June 2025, the Company had trade receivables of approximately of HK$75.2 million from margin financing services, and loans receivable of approximately HK$79.9 million from money lending.

Assuming there will be no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the related expenses) is expected to be approximately HK$57.6 million, the Company intends to apply the net proceeds from the Rights Issue as follows:

(i) approximately 9.2% of the net proceeds or approximately HK$5.3 million for potentially applying for a license conditions to be able to deal with virtual asset;

(ii) approximately 60.8% of the net proceeds or approximately HK$35.0 million to provide margin financing services, the Company intends to lend net proceeds of HK$35.0 million to our margin financing clients;

(iii) approximately 26.0% of the net proceeds or approximately HK$15.0 million to provide money lending services, the Company intends to lend net proceeds of HK$15.0 million to our money lending clients; and

(iv) approximately 4.0% of the net proceeds or approximately HK$2.3 million for enhancing the general working capital of the Group, including but not limited to directors' fees and salary, head office rental and management fees and other payables.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

Other fund-raising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through Rights Issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the Independent Financial Adviser) considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s), if any, should note that their shareholdings will be diluted.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following is the equity fund raising activity conducted by the Company in the past 12 months immediately before the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
18 December 2024 and 13 January 2025	Issue of 81,210,000 new shares under general mandate	Approximately HK$13.86 million	general working capital	fully utilized in accordance with the intended use

EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible changes in the shareholding structure of the Company arising from the proposed Rights Issue which are for illustrative purpose only.

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Issue in full; and (iii) immediately after completion of the Rights Shares assuming none of the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full:

Name of Shareholders	**As at the Latest Practicable Date**		**Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by all Qualifying Shareholders**		**Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all the remaining Unsubscribed Rights Shares and NQS Unsold Rights Shares having been placed by the Placing Agent**	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
Ultimate Vantage Group Limited *(Note 1)*	4,841,813	19.9	12,104,531	19.9	4,841,813	7.9
Public Shareholders						
– Independent Placees	–	–	–	–	36,546,008	60.00
– Other public Shareholders	19,522,192	80.1	48,805,481	80.1	19,522,192	32.1
Sub-total for public Shareholders	19,522,192	80.1	48,805,481	80.1	56,068,200	92.1
	24,364,005	100.00	60,910,013	100.00	60,910,013	100.00

Note:

1. ULTIMATE VANTAGE GROUP LIMITED is 100% owned by Mr. Zeng Wenling, who is the sole beneficial owner of 96,836,250 shares or approximately 19.9% out of the total issued 487,280,100 shares as at the Latest Practicable Date.

WARNING OF THE RISKS OF DEALING IN THE PREVIOUS SHARES, THE CONSOLIDATED SHARES AND NIL-PAID RIGHTS SHARES

Please refer to the paragraph headed "Conditions of the Rights Issue" in this Prospectus. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person dealing in the Shares and/or Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholders in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

For and on behalf of
Pinestone Capital Limited
Lee Chun Tung
Chairman and Executive Director

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2022, 2023 and 2024 are disclosed in the annual reports of the Company for the years ended 31 December 2022, 2023 and 2024. The said annual reports and interim report of the Company are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.pinestone.com.hk):

- annual report of the Company for the year ended 31 December 2022 from pages 58 to 117 published on the website of the Stock Exchange (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800635.pdf);

- annual report of the Company for the year ended 31 December 2023 from pages 65 to 123 published on the website of the Stock Exchange (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043000866.pdf); and

- annual report of the Company for the year ended 31 December 2024 from pages 70 to 127 published on the website of the Stock Exchange (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042801051.pdf).

B. STATEMENT OF INDEBTEDNESS

At the close of business on 31 July 2025, being the latest practicable date for the purpose of ascertaining this indebtedness statement prior to the date of this Prospectus, the Group did not have any bank overdrafts or borrowings, or other similar indebtedness, guarantees, material capital commitments or other material contingent liabilities outstanding.

C. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into consideration the estimated net proceeds from the Rights Issue and the financial resources available to the Group including internally generated funds, bank and other facilities, the Group will have sufficient working capital for its operation for at least twelve months from the date of this Prospectus.

The Company has obtained the relevant confirmations as required under the Listing Rules.

D. MATERIAL ADVERSE CHANGE

The Board confirms that there has been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group, comprising the Company and its subsidiaries, is principally engaged in provision of securities brokerage services, securities-backed lending services, other lending services as well as placing and underwriting services.

For the year ended 31 December 2024, the Group's revenue amounted to a total of approximately HK$25.5 million, representing an increment of approximately 26% compared to approximately HK$20.2 million in 2023. The increment was mostly attributable to a notable increase in fee income and agency fees of approximately HK$6.9 million from placing and underwriting services (including both bonds and stocks) as compared to HK$87,000 fee income in 2023. Commission income from the securities brokerage services decreased to approximately HK$0.5 million in 2024, compared to HK$1.3 million for the year ended 31 December 2023. Total income generated from securities-backed lending services decreased to approximately HK$17.7 million, representing a decrease of approximately HK$1.0 million or approximately 5% from approximately HK$18.7 million in 2023. For the year ended 31 December 2024, interest income from margin financing services rose by about 21% to approximately HK$11.9 million, while interest income for money lending and other lending services fell by about 34% to about HK$5.9 million.

For the year ended 31 December 2024, loss before income tax increased to approximately HK$31.3 million, compared to a loss before income tax of approximately HK$23.5 million in 2023. Net loss for the year ended 31 December 2024 was HK$31.7 million, compared to a net loss of HK$24.4 million in 2023. The loss was mostly attributable to bad debts written off of approximately HK$16.2 million and impairment losses of approximately HK$20.9 million, thus totalling HK$37.1 million (2023: HK$28.0 million) in respect of trade and loans receivables made related to securities-backed lending services during the year 2024.

Basic loss per share was HK$7.56 cents for the year ended 31 December 2024, compared to basic loss per share of HK$6.87 cents (restated) for the year ended 31 December 2023.

For the six months ended 30 June 2025, the Group's revenue amounted to a total of approximately HK$16.9 million, representing an increment of approximately 57% compared to approximately HK$10.7 million in 2024. The increment was mostly attributable to a notable increase in income from placing and underwriting services of approximately HK$8.4 million from placing and underwriting services (including both bonds and stocks) as compared to HK$570,000 in 2024. Total income generated from securities-backed lending services decreased to approximately HK$7.3 million, representing a decrease of approximately HK$2.7 million or approximately 27% from approximately HK$10.1 million in 2024. For the six months ended 30 June 2025, interest income from margin financing services fell by about 51% to approximately HK$3.2 million, while interest income for money lending and other lending services rose by about 16% to about HK$4.1 million.

For the six months ended 30 June 2025, loss before income tax increased to approximately HK$3.7 million, compared to a loss before income tax of approximately HK$806,000 in 2024. Net loss for the six months ended 30 June 2025 was HK$3.7 million, compared to a net loss of HK$806,000 in 2024. The loss was mostly attributable to the other operating expenses of approximately HK$16.1 million compared to approximately HK$2.9 million in 2024.

Looking ahead, the Group will continue to manage our lending portfolios on a balance of risk and return. The Company will keep improving its market positioning in our overall management and maintained a healthy financial position. The Company will adopt a cautious strategy to exploring new business or services while concentrating on and diversifying its service offerings.

In addition, the Company is actively exploring opportunities in the virtual asset industry, including evaluating the potential uplift of its virtual asset trading platform license, with a view to expanding its presence in the digital finance ecosystem. On 14 July 2025, the Group has engaged a corporate legal firm to assist on applying for the following license conditions (i) virtual asset dealing services; (ii) introducing clients to virtual asset trading platform operators; and (iii) providing virtual asset advisory services, the Company intends to submit the application by end of September 2025 and it is expected to be granted the abovementioned license conditions in the first quarter of 2026.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared by the Directors (the "**Unaudited Pro Forma Financial Information**") in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the Group's unaudited adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 as if the Rights Issue had been taken place on that date.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative proposes only, based on the judgments, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the audited adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 or any further dates following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024, as extracted from published audited annual report of the Group for the year ended 31 December 2024, with adjustments described below.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024	Estimated net proceeds from the Placing of 81,210,000 Previous Shares completed on 13 January 2025	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the Placing of 81,210,000 Previous Shares completed on 13 January 2025 and upon completion of the Rights Issue	Consolidated net tangible assets of the Group attributable to owners of the Company per share immediate after the Placing of 81,210,000 Previous Shares completed on 13 January 2025 and before completion of the Share Consolidation	Consolidated net tangible assets of the Group attributable to owners of the Company per share immediately after the Placing of 81,210,000 Previous Shares completed on 13 January 2025 and upon completion of the Share Consolidation	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share immediately after the Placing of 81,210,000 Previous Shares completed on 13 January 2025 and upon completion of the Share Consolidation and the Rights Issue
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$*	*HK$*	*HK$*
	(Note 1)	*(Note 2)*	*(Note 3)*		*(Note 4)*	*(Note 5)*	*(Note 6)*
Based on 36,546,008 Rights Shares to be issued at Subscription Price of HK$1.66 per Rights Share	137,872	13,864	57,633	209,369	0.31	6.23	3.44

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 of approximately HK$137,872,000 as adjusted by exclusion of intangible asset of approximately HK$500,000 as extracted from the published audited annual report of the Group for the year ended 31 December 2024.

2. Pursuant to the Company's announcement dated 13 January 2025, on the same date, the Company completed the placing of 81,210,000 Placing Shares at the placing price of HK$0.176 per Placing Shares (the "**Placing**"). The net proceeds from the Placing, after deduction of the commission and other expenses of the Placing, amounted to approximately HK$13,864,000. Subsequent to the Placing, the number of the shares before completion of the share Consolidation of the Company was 487,280,100 with par value HK$0.02 each (the "**Previous Shares**").

3. The Company proposed to implement the share consolidation on the basis that every twenty (20) Previous Shares of the Company to be consolidated into one (1) (the "**Share Consolidation**"). The number of the consolidated shares of the Company was 24,364,005 with par value of HK$0.40 each (the "**Consolidated Shares**"). The estimated net proceeds from the Rights Issue of approximately HK$57,633,000 is calculated based on 36,546,008 Rights Shares to be issued (in the proportion of three (3) Rights Shares for every two (2) Consolidated Shares held by the Shareholders on the Record Date and assuming all Rights Shares are taken up by the Qualifying Shareholders) at the subscription price of HK$1.66 per Rights Shares, after deduction of the estimated related expenses of approximately HK$3,033,000, assuming that the Rights Issue had been completed on 31 December 2024.

4. The consolidated net tangible assets of the Group per share as at 31 December 2024 immediately after the completion of the Placing and before the Share Consolidation which is based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 of approximately HK$137,872,000 and the estimated net proceeds from the Placing completed on 13 January 2025 of approximately HK$13,864,000 divided by 487,280,100 Previous Shares.

5. The consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 December 2024 immediately after the completion of the Placing and upon completion of the Share Consolidation which is based on the audited consolidated net tangible assets of the Group as at 31 December 2024 of approximately HK$137,872,000 and the estimated net proceeds from the Placing completed on 13 January 2025 of approximately HK$13,864,000 divided by 24,364,005 Consolidated Shares.

6. The consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 December 2024 immediately after the completion of the Placing and upon completion of the Rights Issue which is based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 of approximately HK$137,872,000, the estimated net proceeds from the Placing Completed on 13 January 2025 of approximately HK$13,864,000 and estimated net proceeds from the Rights Issue of approximately HK$57,633,000 divided by 24,364,005 Consolidated Shares and 36,546,008 Rights Shares to be issued.

7. Exception for the Placing completed on 13 January 2025 as described above, no adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2024.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA INFORMATION

Independent Reporting Accountants' Assurance Report on the Compilation of Unaudited Pro Forma Financial Information

To the directors of Pinestone Capital Limited

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Pinestone Capital Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 (the "**Unaudited Pro Forma Financial Information**") as set out on pages II-1 to II-6 of the prospectus dated 2 September 2025 (the "**Prospectus**") issued by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-6 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed rights issue of up to 36,546,008 rights shares at HK$1.66 per rights share (the "**Rights Shares**") on the basis of three (3) Rights Share for every two (2) Consolidated Shares of the Company held on the rights issue record date (the "**Rights Issue**") on the Group's adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2024 as if the Rights Issues had taken place at 31 December 2024. As part of this process, information about the Group's financial position has been extracted by the directors from the financial statements of the Group for the year ended 31 December 2024, on which an audit report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 ("**AG 7**") Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management (HKSQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of the unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
D & PARTNERS CPA LIMITED
Certified Public Accountants
Lee Ka Wai

Practicing Certificate Number: P07169

Hong Kong, 2 September 2025

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

2. SHARE CAPITAL

(a) Share Capital

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue are set out as follows:

(a) As at the Latest Practicable Date

Authorised:		*HK$*
1,250,000,000	Consolidated Shares	500,000,000
Issued and fully paid:		
24,364,005	Consolidated Shares	9,745,602

(b) Immediately upon completion of the Rights Issue

Authorised:		*HK$*
1,250,000,000	Consolidated Shares	500,000,000
Issued and fully paid:		
60,910,013	Consolidated Shares	24,364,005

The Rights Shares, when allotted and issued, shall rank pari passu in all respects with the Shares then in issue. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

As at the Latest Practicable Date, the Company had no outstanding options, warrants, treasury shares or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Consolidated Shares, as the case may be. The Company has no intention to issue or grant any convertible securities, warrants and/or options on or before the Record Date.

The Rights Shares to be issued will be listed on the Stock Exchange. No part of the equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(i) Directors' and Chief Executives' Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at the Latest Practicable Date, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of 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 notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix C3 to the Listing Rules (the "**Model Code**") of Listed Issuers.

(ii) Substantial shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any member of the Group and the amount of each of such person's interests in such securities, together with particulars of any options in respect of such capital:

Long position in the Shares or underlying shares of the Company:

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of shareholdings
Ultimate Vantage Group Limited *(Note 1)*	Beneficial owner	96,836,250	19.9%

Note:

(1) ULTIMATE VANTAGE GROUP LIMITED is 100% owned by Mr. Zeng Wenling, who is the sole beneficial owner of 96,836,250 shares or approximately 19.9% out of the total issued 487,280,100 shares as at the Latest Practicable Date.

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required 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 (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

4. COMPETING INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

5. DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years, which are determinable by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and in the Articles.

Pursuant to the letters of appointment between the Company and the independent non-executive Directors, the independent non-executive Directors have been appointed for a term of three years, which are determinable by either party by giving three months' written notice.

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation).

6. DIRECTORS' INTEREST IN ASSETS, CONTRACT OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATIONS

On 10 December 2024, Pinestone Capital Group Limited a subsidiary of the Company as lender entered into a loan agreement with Capital Realm Financial Holdings Group Limited as borrower, pursuant to which the lender provided a loan in the sum of HK$6,200,000 to the borrower. Pinestone Capital Group Limited then learnt that the Capital Realm Financial Holdings Group Limited was a connected person to the Company, and Capital Realm Financial Holdings Group Limited did not repay any of the interest of the loan. On 7 April 2025, Pinestone Capital Group Limited served a repayment demand for the full repayment of the total drawdown of HK$6,200,000 to Capital Realm Financial Holdings Group Limited together with interests accrued up to HK$338,214 as of 31 March 2025. On 11 August 2025, Pinestone Capital Group Limited filed a winding-up petition with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region to wind up Capital Realm Financial Holdings Group Limited, claiming an outstanding amount which includes the principal of HK$6,200,000 and accrued interest.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, no litigation or claims of material importance is pending or threatened by or against the Company or any of its subsidiaries.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this prospectus and up to the Latest Practicable Date and are or may be material:

(a) the loan agreement dated 6 October 2023 entered into between the Company as lender and Mr. Victor Wood as borrower, an Independent Third Party of the Company, in relation to a loan in the amount of HK$19,000,000, such transaction constituted notifiable transactions but not connected transactions under Chapters 14/14A of the Listing Rules, further reference is made to the announcement published by the Company on 6 October 2023;

(b) the supplemental loan agreement dated 21 October 2024 entered into between the Company as lender and Mr. Victor Wood as borrower, an Independent Third Party of the Company, in respect of the extension of the maturity date of the loan, such transaction constituted notifiable transactions but not connected transactions under Chapters 14/14A of the Listing Rules, further reference is made to the announcement published by the Company on 21 October 2024;

(c) the loan agreement dated 10 December 2024 entered into between the Company as lender and Capital Realm Financial Holdings Group Limited as borrower in relation to a loan in the amount of HK$17,800,000, further reference is made to the announcement published by the Company on 10 December 2024;

(d) the agreement entered into between the Joint Placing Agents and the Company dated 18 December 2024 in relation to the placing of 81,210,000 shares; and

(e) the Placing Agreement.

9. EXPERT AND CONSENT

The following are the qualification of the expert who have given opinion or advice which are contained in this prospectus:

Name	Qualifications
D & Partners CPA Limited	Certified Public Accountants

D & Partners CPA Limited has given and has not withdrawn their written consent to the issue of this prospectus with the inclusion herein of their letter, report and/or references to their name in the form and context in which they respectively appear.

As at the Latest Practicable Date, D & Partners CPA Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, D & Partners CPA Limited did not have any direct or indirect interests in any assets which have been, since 31 December 2024 (being the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, placing commission (assuming no acceptance of the Rights Shares, and fully place of Unsubscribed Rights Shares and NQS Unsold Rights Shares), printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK$3.1 million, which are payable by the Company.

11. CORPORATE INFORMATION

Registered office	Windward 3, Regatta Office Park PO Box 1350 Grand Cayman, KY1-1108 Cayman Islands
Headquarter and principal place of business in Hong Kong	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Authorised representatives	Mr. Lee Chun Tung Mr. Lau Chun Hung
Company secretary	Mr. Au Kin Kee Kinson ACG HKACG
Business address of all Directors and authorised representatives	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Legal advisor to the Company	*As to Hong Kong law* **Hastings & Co.** 11th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong *As to PRC law* **JINGTIAN & GONGCHENG LLP** Units 10-12, Room 01, 39/F, CTF Finance Centre, No.6 Zhujiang East Road, Tianhe District, Guangzhou 510623, China *As to Cayman Islands law* **Appleby** SUITES 3505-06, 35/F, Two Taikoo Place, 979 King's Road, Quarry Bay Hong Kong

Placing agent	**Pinestone Securities Limited** Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Auditor	**BDO Limited** Certified Public Accountants 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Reporting accountant	**D & PARTNERS CPA LIMITED** 2201, 22/F., West Exchange Tower, 322 Des Voeux Road Central, Sheung Wan, Hong Kong
Hong Kong branch share registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong
Principal banker	**Bank of China (Hong Kong) Limited** 2/F, Wing On House 71 Des Voeux Road Central Hong Kong

DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Correspondence address
Executive Directors	
Mr. Lee Chun Tung *(Chairman)*	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Mr. Wang Han	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Ms. Cheung Ka Yi	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Non-executive Director	
Mr. Lau Chun Hung	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Independent Non-executive Directors	
Mr. Lau Kelly	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Mr. Wong Chun Peng Stewart	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Mr. Cheng Man Pan	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong

Audit committee

Mr. Cheng Man Pan *(Chairman)*	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Mr. Lau Kelly	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Mr. Wong Chun Peng Stewart	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong

Nomination committee

Mr. Cheng Man Pan *(Chairman)*	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Mr. Lau Kelly	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Mr. Wong Chun Peng Stewart	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong

Remuneration committee

Mr. Lau Kelly *(Chairman)*	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong
Mr. Wong Chun Peng Stewart	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong

Mr. Cheng Man Pan	Room 1608, 16/F Nan Fung Tower 88 Connaught Road Central Central, Hong Kong

Executive Directors

Mr. Lee Chun Tung ("**Mr. Lee**"), aged 53, was appointed as an executive Director on 14 September 2022. Mr. Lee has over 20 years of experience in investment banking, financial services and securities companies. Mr. Lee obtained his Master's degree of science in financial engineering from City University of Hong Kong in 2007 and the Bachelor's (Honour) degree in accounting and finance from Manchester Metropolitan University in 1994. Mr. Lee is currently under the employment of Woso Finance Limited as Business Development Manager since June 2022 and Mr. Lee has been appointed as an independent non-executive Director for China Uptown Group Company Limited (whose shares are listed on main board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 2330)) since June 2022.

Mr. Wang Han ("**Mr. Wang**"), aged 37, obtained his Master's degree in project management of science from University of Central Lancashire in October 2011. Mr. Wang has been serving as assistant general manager at Hong Kong Jinsheng Secretarial Services Limited* (香港金盛秘書服務有限公司) since April 2023. He was the general manager at Ruili (Shenzhen) Asset Management Co., Ltd.* (瑞利(深圳)資產管理有限公司) from January 2019 to April 2020. From June 2018 to December 2018, Mr. Wang served as vice president at Guanfu holding Co., Ltd.* (冠福控股股份有限公司). He also worked as deputy general manager at Qianhai Ruishun Investment Co., Ltd.* (深圳市前海瑞松投資有限公司) from April 2018 to June 2018. From February 2012 to March 2018, he was employed at China Construction Bank's Luohu Branch.

Ms. Cheung Ka Yi ("**Ms. Cheung**"), aged 35, has joined as a director of Pinestone Securities Limited, a wholly-owned subsidiary of the Company, since September 2022. She has assumed management position in the company's administration, operation and control. She is also a key member of the credit committee. In 2013, she earned a BSc (Hons) in Investment Science from Hong Kong Polytechnic University. Upon graduation, she had taken executive positions with World Universal (International) Limited, and the Hong Kong Monetary Authority previously. From January 2024 to May 2024, Ms. Cheung was appointed as an independent non-executive director of Fullwealth International Group Holdings Limited, whose shares are listed on main board of the Stock Exchange (stock code: 1034).

Non-executive Director

Mr. Lau Chun Hung ("**Mr. Lau**"), aged 28, was appointed as a non-executive Director on 30 December 2024. Mr. Lau has extensive years' experience in corporate finance, IPOs, privatizations, and mergers and acquisitions across various ventures and projects, with a deal portfolio encompassing listed companies in Hong Kong and the United States. He is also a licensed person registered under the SFO (Chapter 571 of the Laws of Hong Kong) to conduct Type 6 (advising on corporate finance) regulated activity. Since November 2024. he has served as the responsible officer for Type 6 (advising on corporate finance) regulated activity at Silverbricks Securities Company Limited, a licensed corporation registered under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), and Type 6 (advising on corporate finance) regulated activities. Mr. Lau earned his bachelor's degree in Economics from the Chinese University of Hong Kong in December 2018.

Independent non-executive Directors

Mr. Lau Kelly, aged 46, was appointed as an independent non-executive Director on 2 September 2022. He has more than 11 years of experience in business management and regulatory compliance. He has worked with the Hong Kong Police Force for twelve years between December 1998 and July 2010, receiving commendations from Secretary of Civil Service and Secretary of Home Affairs for highly rated performances during his tenure. Subsequently, Mr. Lau Kelly worked with Easy Finance Limited as principal consultant between May 2011 and October 2015, responsible for all regulatory and legal compliances. Mr. Lau Kelly was also an executive director, chief executive officer, compliance office and authorized representative for hmvod Limited, a company listed on the GEM of the Stock Exchange of Hong Kong Limited (stock code: 8103) between December 2015 and December 2020.

Mr. Wong Chun Peng Stewart, aged 58, was appointed as an independent non-executive Director on 7 September 2022. Mr. Wong has more than 27 years of experience in the legal industry. Mr. Wong worked at Deacons Graham & James as a trainee solicitor from August 1993 to July 1995 and became an associate solicitor in the China Practice Group from August 1995 to December 1996. Mr. Wong was qualified as a solicitor of the High Court of Hong Kong in September 1995. Mr. Wong has practised law in a number of international firms such as Deacons (posting as a representative in Beijing, the PRC) from September 2002 to March 2005, Baker McKenzie from January 2007 to July 2009 and Hogan Lovells from February 1999 to March 2002, and has worked as in-house counsel in two listed companies in Hong Kong, namely Dickson Concepts (International) Limited, which is listed on the Main Board of the Stock Exchange (stock code: 0113) and Samsonite International S.A., which is also listed on the Main Board (stock code: 1910), from August 2009 to May 2013 and May 2013 to January 2016, respectively. Mr. Wong also practised as a consultant in law firms such as YTL & Co. from February 2017 to July 2018 and AH Lawyers from April 2020 to September 2020. Mr. Wong has been a principal of Stewart Wong & Associates, which is a law firm where he has been involved in the provision of a wide array of legal services, including mergers and acquisitions, litigation and general commercials. Mr. Wong graduated from the City Polytechnic of Hong Kong (currently known as the City University of Hong Kong) with a bachelor's degree of law with first class honours in November 1991. He also obtained his master's degree in law from the University of Cambridge in England in June 1993.

Mr. Cheng Man Pan, aged 55, was appointed as an independent nonexecutive Director, on 14 November 2022. Mr. Cheng worked at KPMG Peat Marwick as audit supervisor from September 1992 to June 1996. He has worked at CCT Telecom as a senior project manager from December 1997 to March 1998. Mr. Cheng has worked as a chief financial controller in Celestial Asia Securities Holdings Limited (whose shares are listed on mainboard of the Stock Exchange (stock code: 1049)) from March 1998 to June 2004. He has worked as a chief operating officer and a executive Director for CASH Financial Services Group Limited (whose shares are listed on mainboard of the Stock Exchange (stock code: 510)) from June 2004 to April 2008, then he was served under CASH Financial Services Group Limited as a managing director of retail business group and executive Director for CASH Financial Services Group Limited from May 2008 to June 2011. He also worked as a managing director of China business development and executive Director from July 2011 to September 2012 and practiced as a managing director of investment services and executive Director from October 2012 to December 2013 for CASH Financial Services Group Limited. Mr. Cheng was a director of Maroubra Assets Limited from December 2014 to June 2021. He becomes a founder and managing director of Macqueen Asset Management Limited, a licensed corporation registered under SFO to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities, starting from June 2021 to now. Mr. Cheng obtained his bachelor's degree in Accounting in 1992 from City University of Hong Kong and his executive master's degree of Business Administration in 2013 from the Chinese University of Hong Kong.

Company Secretary

Mr. Au Kin Kee Kinson, aged 60, joined our Group in November 2015 as our Director of Finance and Company Secretary. His major responsibilities are to review the finance and accounting functions and oversee financial reporting matters of our Group. Mr. Au has over fifteen years of experience in the securities industry. He worked in OSK Asia Securities Limited from September 1992 to April 1997. His last position was research manager. He joined Asia Financial (Securities) Limited as research manager from June 1997 to June 2015. He then joined Gartner Inc. as client relationship manager from June 1997 to June 2015. Mr. Au is an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrator. According to the requirements of Rule 3.29 of the Listing Rules, Mr. Au undertook no less than 15 hours of relevant professional training during the year ended 31 December 2024.

12. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the "**Audit Committee**") comprised all of the independent non-executive Directors, namely Mr. Cheng Man Pan (the chairman of the Audit Committee), Mr. Lau Kelly and Mr. Wong Chun Peng Stewart. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed "11. CORPORATE INFORMATION – DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY" in this appendix. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the consolidated financial statements and the interim and annual reports of the Group, reviewing the terms of engagement and scope of audit work of the external auditor, and performing the corporate governance function.

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed "9. Expert and consent" in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong).

15. MISCELLANEOUS

(a) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits from Hong Kong or repatriation of capital of the Company into Hong Kong.

(b) As at the Latest Practicable Date, there was no contract for the hire or hire purchase of plant to or by any member of the Group for a period of over one year which are substantial in relation to the Group's business.

(c) As at the Latest Practicable Date, the Group had no exposure to foreign exchange liabilities.

(d) In the event of any inconsistency, the English texts of this Prospectus and the accompanying form of proxy shall prevail over their respective Chinese texts.

16. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pinestone.com.hk/) for 14 days from the date of this Prospectus:

(a) the Memorandum of Association and the Articles of Association of the Company;

(b) the annual reports of the Company for each of the three financial years ended 31 December 2022, 2023 and 2024;

(c) the letter issued by the reporting accountant regarding the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;

(d) the material contracts referred to in the paragraph headed "8. Material contracts" in this appendix;

(e) the written consent from the Expert referred to in paragraph headed "9. Expert and Consent" of this appendix;

(f) the Circular; and

(g) this Prospectus.