

# TARGET

## Intelligence Report

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T U E S D A Y

April 18, 2023

**PINE TECHNOLOGY HOLDINGS LTD:  
THIS COMPANY HAS A HISTORY  
OF EIGHT YEARS OF LOSSES**

**With Many More To Come, No Doubt**

For the past eight Financial Years, ended June 30, 2022, Pine Technology Holdings Ltd (松景科技控股有限公司) (Code: 1079, Main Board, The Stock Exchange of Hongkong Ltd) has not earned a penny for its shareholders.

And, by the way that things look, today, Management is quite likely to continue the Company's losing ways.

On Thursday, October 27, 2022, Management published and disseminated its Annual Report with regard to the Financial Year, ended June 30, 2022.

The following is the '**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**' found at Page 44 of 2022 Annual Report:

	For The Financial Year, Ended June 30		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In \$US'000 (except where otherwise stipulated)		
Revenue	7,817	12,219	(36.03)
Gross Profit	1,750	4,392	(60.15)
Gross Profit Margin*	22.39 percent	35.94 percent	(37.70)
Operating Loss	(8,542)	(1,963)	335.15
Loss For The Year	(8,443)	(2,091)	303.78
Net Loss Attributable To Shareholders Of The Company	(8,220)	(2,524)	225.67
Loss Per Share	(0.62) US cents	(0.19) US cents	226.32

\* These are **TARGET**'s calculations.

At the following Page 45, under the heading, '*Net Assets* (Shareholders' Funds)', one was apprised of the fact that Shareholders' Funds had depreciated, Year-On-Year, by 25.62 percent, from the 2021 Financial Year's Net Assets' figure of \$US33,393,000.00, to the 2022 Financial Year's Net Assets' figure of \$US24,838,000.00.

At Page 76 of the 2022 Annual Report, Note Six to the Notes of the Company, under the heading, ‘**REVENUE AND SEGMENT INFORMATION**’, one was informed of the following intelligence:

**‘Geographical Information**

*‘The Group’s revenue from external customers mainly derives from customers located in Canada, the United States and Asia ...’.*

	Revenue By External Customers	
	2022	2021
	All Figures Are Denominated In \$US’000	
Canada	Nil	14
The United States of America	Nil	4,282
Asia	7,817	7,923
<b>TOTAL</b>	<b>7,817</b>	<b>12,219</b>

The business of Pine Technology Holdings Ltd is given at Page 69 of the 2022 Annual Report, under the heading, ‘**REVENUE AND SEGMENT INFORMATION**.’

The following is meant to be self-explanatory:

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

<i>Group’s brand products</i>	<i>– manufacture and sales of market video graphic cards and other computer components under the Group’s brand name</i>
<i>Other brand products</i>	<i>– distribution of other manufacturers’ computer components and consumer electronic products and others</i>
<i>Money lending service</i>	<i>– money lending service in Hong Kong (ceased business after the reporting period)</i>
<i>Trading business</i>	<i>– trading business in the People’s Republic of China (the “<b>PRC</b>”)</i>
<i>Computer software and hardware and system development service</i>	<i>– provision of computer software and hardware and system development service in the PRC.’</i>

In respect of sales of the Company's brand products and other brand products (other, that is, than the Company's), Page 71 of the 2022 Annual Report explains:

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

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

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