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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)**

# VOLUNTARY ANNOUNCEMENT PROGRESS UPDATE ON THE IMPLEMENTATION OF REMEDIAL MEASURES

This announcement is made by Pinestone Capital Limited (the "**Company**") on a voluntary basis.

Reference is made to the supplemental and clarification announcement of the Company dated 6 October 2025 (the "**Announcement**") in relation to, among others, (i) the key findings of the Independent Investigation; and (ii) the remedial actions recommended and agreed by the Board. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Board agreed with the recommended remedial measures and has instructed the senior management to implement all of them, with targeted implementation timelines. The Company would like to provide shareholders and potential investors with an update on the progress of the implementation of such remedial measures.

Set out below is an update of the remediation progress disclosed in the Announcement.

| Remedial actions to be taken stated in the Announcement dated 6 October 2025 | Current implementation status |
|---|---|
| **Strengthening internal controls and due diligence procedures**<br><br>– Enhance the internal control framework, with emphasis on assessing counterparty independence and identifying connected persons prior to entering into any material transaction.<br><br>– Require counterparties to material transactions to provide written confirmations of independence as a condition precedent to transaction approval.<br><br>– Complete development and adoption of enhanced internal control policies (including written independence confirmations) by October 2025. | The Company has developed and adopted an enhanced internal control policy on counterparty due diligence and connected person identification since October 2025. In particular, the Company has introduced a mandatory requirement for counterparties to material transactions to provide a written confirmation of independence signed by their chief executive or director.<br><br>A standard form of such written confirmation has been prepared and implemented. The Company requires that the signed written confirmation be obtained prior to the execution of any binding agreement for a material transaction and be kept as part of the transaction due diligence records for review by the Audit Committee where appropriate. |
| **Enhanced monitoring and reporting of shareholding structure**<br><br>– Implement systems for periodic review of share registrar reports and Disclosure of Interests ("**DI**") filings, with findings reported regularly to the Board and the compliance function.<br><br>– Promptly identify and escalate any material changes in shareholding structure or the emergence of new substantial shareholders for immediate review.<br><br>– Ensure the periodic review mechanism and escalation protocols become operational by October 2025. | The Company has further strengthened its internal control policies on monitoring and reporting changes in its shareholding structure.<br><br>The Company has implemented a bi-weekly periodic review mechanism to enhance monitoring of changes in the Company's shareholding structure. The Company obtains updated share registrar reports on a bi-weekly basis for review, and conducts bi-weekly reviews of DI filings published on the Stock Exchange's website, which are cross-checked against internal records.<br><br>The Company has designated responsible staff (i.e. the company secretary of the Company) to carry out the monitoring and to report and escalate to the Board in accordance with internal protocols if any new DI filing is identified or if any material change in shareholding structure is noted (including the emergence of a new substantial shareholder or a counterparty becoming a shareholder). |

| Remedial actions to be taken stated in the Announcement dated 6 October 2025 | Current implementation status |
| --- | --- |
| **Training for Directors and senior management**<br><br>– Arrange regular governance and compliance training for directors, senior management and key operation personnel, focusing on obligations under the Listing Rules, directors' duties, connected transactions, disclosure requirements and the Model Code.<br><br>– Provide specialised training to staff of relevant subsidiaries to reinforce timely internal reporting and escalation of significant changes in shareholding.<br><br>– Arrange annual training for the year and specialised training for relevant staff by December 2025. | The Company has arranged governance and compliance training for directors, senior management and relevant personnel, covering, among others, connected transactions under Chapter 14A of the Listing Rules, disclosure obligations, directors' duties and the Model Code, and has also arranged specialised training for relevant subsidiary staff to strengthen awareness of timely internal reporting and escalation. Both training sessions were completed in December 2025.<br><br>The Company has maintained an ongoing programme of periodic training, including at least annual training sessions, with additional training to be provided within one month of the appointment of any new Director, senior executive or key operational personnel, to reinforce ongoing compliance. |
| **Strengthened internal reporting mechanisms**<br><br>– Establish clear reporting procedures with substantial shareholders, including written notification of their statutory and regulatory obligations (including DI notifications under Part XV of the Securities and Futures Ordinance and continuing disclosure requirements under the Listing Rules) and requests for notification of material changes in shareholdings.<br><br>– Maintain and update a register of substantial shareholders; issue periodic reminders; and promptly review and escalate material changes to the Board where necessary.<br><br>– Draft and implement formalised reporting procedures by December 2025. | The Company has implemented formalised reporting procedures for engagement with substantial shareholders in December 2025, including notification templates and escalation steps.<br><br>The Company has also established an internal register of substantial shareholders, which is updated based on share registrar reports, DI filings and other information received.<br><br>The Company has issued annual reminders to substantial shareholders (in particular, ahead of financial reporting periods) to reinforce their reporting obligations and the need for timely updates. |

| **Remedial actions to be taken stated in the Announcement dated 6 October 2025** | **Current implementation status** |
|---|---|
| **Rectification of historical non-compliance**<br><br>– Issue a clarification announcement setting out the background, explaining the Listing Rules implications and confirming termination of the transaction.<br><br>– Publish the clarification by October 2025. | The Company has published the supplemental and clarification announcement dated 6 October 2025, which, among others, set out the background, explained the relevant Listing Rules implications and confirmed that the Loan has been terminated.<br><br>The relevant information will also be incorporated into the corporate governance report in the Company's annual report for the year ended 31 December 2025. |

The Company will continue to enhance its internal control system and governance framework, and will provide further updates by way of announcement where appropriate.

By order of the Board
**Pinestone Capital Limited**
**Lee Chun Tung**
*Executive Director and Co-Chairman*

Hong Kong, 21 January, 2026

*As at the date of this announcement, the Board comprises Mr. Lee Chun Tung, Mr. Wang Han and Ms. Cheung Ka Yi as executive Directors; Mr. Lau Chun Hung, Mr. Lu Weixing and Mr. Lu Lin as non-executive Directors; and Mr. Lau Kelly, Mr. Wong Chun Peng Stewart, Mr. Cheng Man Pan and Ms. Jiang Tiancui as independent non-executive Directors.*