



[For Immediate Release]


**PINE TECHNOLOGY HOLDINGS LIMITED  
ANNOUNCES FY2007 ANNUAL RESULTS**

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**NET PROFIT SURGES 27% TO RECORD HIGH AT HK\$36 MILLION  
XFX GRAPHIC CARD WINS MARKET ACCLAIMS**

(Hong Kong, 20 September 2007) – **PINE Technology Holdings Limited** (“PINE” or the “Group”) (SEHK: 8013), a leader in design, manufacture and distribution of video graphic card and other PC-based products, today announced its annual results for the year ended 30 June 2007.

During the year under review, the Group achieved a turnover of approximately US\$402 million (HK\$3,136 million), representing an increase of 13% as compared to US\$354 million in the previous year. The Group boasted improved profitability, with gross margin up from 8.6% to 9.1%. Net profit for the year also surged 27% to approximately US\$4.6 million (HK\$36 million). Earnings per share were 0.67 US cents (5.2 HK cents), while that for 2006 was 0.53 US cents (4.1 HK cents).

Specializing in design, manufacture and distribution of its own  brand video graphic cards, the Group's XFX division achieved remarkable growth in the past year and contributed 69% of the Group's total turnover. With the support of a full-fledged distribution network and a wide range of PC peripherals and accessories available for customers, the distribution division continued to bring in stable revenue, accounting for 31% of the Group's total turnover. By market, North America, Europe and Asia, the Group's major markets accounted for approximately 55%, 25% and 19% of the Group's total turnover respectively.

The Group's financial position remains strong and healthy. As at 30 June 2007, it had bank balances and cash of US\$19 million (HK\$148 million) (2006: US\$10 million).

**Mr. Michael Chiu, Chairman and CEO of PINE**, said, “Fiscal 2007 was a good year for us and we are particularly pleased with achieving record high revenue, net profit and gross margin for the fourth consecutive year. Our comprehensive product portfolio, extensive global channel network, unique and well recognized XFX brand and result-driven team are what underscored our success. With these attributes, PINE is poised for continuous growth in the future. “

XFx products are distributed in over 50 countries around the world and boast strong presence particularly in North America, Europe, Asia and China. Over the past years, the XFX R&D team has designed and rolled out 22 new video graphic card families with over 100 models. This wide product lineup continues to meet the diverse needs of fragmented user groups. At the team's effort and with the support of strategic partner and worldwide leader in programmable graphics processor technologies NVIDIA, XFX launched to great success the 8 series family and stunned the market with the XFX GeForce® 8800 Ultra XXX Limited Edition running at 2.3GHz speed. This 8800 series was designed on NVIDIA's latest GeForce 8800 GTX and 8800GTS GPUs which offers higher performance and improved PC graphics to create the most realistic and immersive 3D characters and environments for game enthusiasts. A leader in the global video graphic card sector, XFX continued to achieve various awards and accolades. It was named the "Best Videocard Brand 2006" in Europe by HWI, which is its second consecutive win of the award.

"Guided by our founding principle 'For Gamer By Gamer ('FGBG')', our team starts work first and foremost with gaining a throughout understanding of the real needs of hardcore game fans before moving on to develop innovative products that meet those needs and expectations. That is why countless gamers and reviewers have rated XFX as their preferred brand. Our new flagship 8 series is hailed as the fastest video card on the planet," said Mr. Chiu.

During the year under review, XFX expanded and enriched the FGBG foundation by launching the "Professional Gaming" and "Play Hard" campaigns to promote PC games as a professional sport instead of a leisure pursuit. Both campaigns were well recognized and well received, drawing limelight on to XFX in the competitive marketplace. In the US, the XFX "Play Hard" campaign won the "2006 Davey Award" for outstanding conceptual execution.

### **Future Plan**

Going forward, the Group is optimistic about the prospects of its business in the coming year. The strong demand for PCs and LCDs as well as Windows Vista among consumers and businesses will benefit the video graphic card market. The thriving online game market will also add to the growth impetus of the Group. The popularity of online games and players becoming increasingly demanding on visual quality of the games is going to brace growth of the video graphic card market and expansion of the Group's XFX division.

The Group has enhanced the XFX brand by riding on the fame and expert support of Jonathan "Fatal1ty" Wendel, the world's first full time professional video game player who is also winner of the eSports Lifetime Achievement. Mr. Wendel has participated in the Group's research and development process providing novel ideas to its R&D team. The Group launched the XFX 8600GT Fatal1ty in 2006, which received overwhelming market response.

The Group plans to extend the Fatal1ty line to sustain attraction of the game among hard core players around the world.

Riding on its strong brand equity and unmatched capability to innovate, the Group will strive to grow its existing market segments, and at the same time, explore new opportunities in the upgrade market. In the coming year, the Group will step up efforts to expand the European market targeting for a broader customer base.

Mr. Chiu concluded, "Our outlook for the future remains robust and we expect our XFX product line to continue to grow in various markets. Meanwhile, we will continue to prudently manage inventory and control cost so as to ensure the Group operates most cost effectively. With a solid customer base and a global distribution network, we are confident of continuing to deliver stellar performance in the coming year."

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#### **About PINE Technology Holdings Limited**

Founded in 1989, PINE designs, manufactures and distributes PC-based products. It has two core business divisions – the XFX division and distribution division. The former specializes in design, manufacture and distribution of PINE's own  brand video graphic cards, while the latter distributes a wide range of PC peripherals and accessories through a full-fledged distribution network. With strong brand equity and offering diverse products, the Group is among leaders in its field of expertise. Please visit [www.pinegroup.com](http://www.pinegroup.com) and [www.xfxforce.com](http://www.xfxforce.com) for details.

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**PINE Technology Holdings Limited**  
Consolidated Profit and Loss Account  
For the Year ended 30 June 2007

	Audited Year ended 30 June	
	2007	2006
	US\$'000	US\$'000
<b>Turnover</b>	<b>401,797</b>	354,217
Cost of sales	<b>(365,056)</b>	(323,716)
<b>Gross Profit</b>	<b>36,741</b>	30,501
Other income	<b>1,205</b>	898
Selling and distribution expenses	<b>(8,557)</b>	(7,059)
General and administrative expenses	<b>(19,516)</b>	(15,894)
Share of results of an associate	-	(142)
Share of results of a jointly controlled entity	-	51
Finance costs	<b>(4,680)</b>	(3,565)
<b>Profit before taxation</b>	<b>5,193</b>	4,790
Taxation	<b>(830)</b>	(1,253)
<b>Profit for the year</b>	<b>4,363</b>	3,537
<b>Attributable to:</b>		
Equity holders of the parent	<b>4,574</b>	3,606
Minority interests	<b>(211)</b>	(69)
<b>Earnings per share (US cents)</b>		
Basic	<b>0.67</b>	0.53
Diluted	<b>0.67</b>	0.53