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Pine Care Group Limited
松齡護老集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1989)

SUPPLEMENTAL ANNOUNCEMENT TERMINATION OF TENANCY AGREEMENT

Reference is made to the Company's announcement dated 29 July 2022 (the "**Termination Announcement**") regarding the termination of the Tenancy Agreement (the "**Termination**").

Unless otherwise defined in this announcement, capitalized terms used in this announcement have the same meanings as those defined in the Termination Announcement and the Company's announcement dated 13 April 2018 regarding the Tenancy Agreement (the "**2018 Announcement**").

In addition to the main reasons for and the benefits that the Group would derive from the Termination as disclosed in the Termination Announcement, the Group accepted the Termination requested by the Landlord having regard to the following factors:

1. the economic adversities generated by the challenges brought by the COVID-19 situation since 2019 has been affecting many industries across different sectors including the Tenant, which has been operating at a loss prior to the Termination. As a result and notwithstanding the request of Termination was made by the Landlord, no compensation would in any event be received by the Group for the Termination since the computation of compensation (if any) is with reference to the amount of net profits of the Tenant as shown in its audited accounts for the year preceding the year of termination multiplied by the remaining term of the Tenancy Agreement (as disclosed in the 2018 Announcement);

2. the Group would not be liable to compensate the Landlord the rental for the remaining term of the Tenancy Agreement as the request for Termination was not made by the Tenant;
3. the Group would, following the Termination, achieve reduction of operating costs and more resources could be made available to the Group to enhance corporate agility, quality of services and competitiveness to better cope with the ever-changing business environment, which is instrumental to corporate stability, safeguarding its assets and strengthening its financial flexibility and capability during the atypical time;
4. given the Tenant is allowed to surrender the Premises to the Landlord by stages and on an “as is” state and condition, no reinstatement costs would therefore be incurred on the part of the Group, which would facilitate the relocation process and minimize significantly the costs of relocation for the Group; and
5. the Group has suitable arrangements, resources and contingency plans in place to provide such assistance and alternatives as appropriate to the residents and customers to ensure a smooth transition during relocation.

Based on the above and as disclosed in the Termination Announcement, the Board considers that the Termination will not have any material adverse impact on the overall business operation of the Group and is in the overall interests of the Company and its shareholders.

By order of the Board
Pine Care Group Limited
Chan Yip Keung
Executive Director

Hong Kong, 10 August 2022

As at the date of this announcement, the Board comprises nine Directors, namely Mr. Tang Yiu Sing, Mr. Chan Yip Keung, Mr. Yeung Ka Wing and Mr. Cheng Wai Ching as executive Directors; Dr. Tang Yiu Pong as non-executive Director; and Mr. Yuen Tak Tim Anthony, Mr. Lam Cheung Wai, Mr. Wong Kam Pui and Mr. Wong Kit Loong as independent non-executive Directors.