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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)

**UPDATE ON THE STATUS OF THE PUBLIC FLOAT
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by Pine Care Group Limited (“**Company**”, together with its subsidiaries, “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**” and “**Stock Exchange**”, respectively) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the composite offer and response document dated 7 October 2022 jointly despatched by the Offeror and the Company to the Shareholders and the Optionholders in accordance with the Takeovers Code in respect of the Offers (“**Composite Document**”); (ii) the announcement dated 28 October 2022 jointly issued by the Offeror and the Company in respect of, amongst others, the close of the Offers (“**Closing Announcement**”); and (iii) the announcement dated 6 December 2022 issued by the Company in respect of the waiver from strict compliance with the minimum public float requirement under the Listing Rules (“**Waiver Announcement**”). Unless the context requires otherwise, terms defined in the Composite Document, the Closing Announcement and the Waiver Announcement shall have the same meanings when used herein.

RESUMPTION GUIDANCE

On 18 January 2023, the Company received a letter from the Stock Exchange setting out the following guidance for the resumption of trading in the Shares (“**Resumption Guidance**”):

- (i) restore the minimum public float required under Rules 8.08(1)(a) and 13.32 (1) of the Listing Rules; and
- (ii) inform the market of all material information for the Shareholders and other investors to appraise the Company’s position.

The Stock Exchange requests the Company to meet the Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange may modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 30 April 2024. If the Company fails to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in the Shares by 30 April 2024, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

Pursuant to Rule 13.24A of the Listing Rules, the Company is also required to announce the first quarterly update on or before 30 January 2023 and other subsequent quarterly updates every three months from that date until resumption or cancellation of listing (whichever is earlier).

BACKGROUND ON THE PUBLIC FLOAT

As disclosed in the Closing Announcement, immediately upon the close of the Offers and as at the date of the Closing Announcement, subject to the completion of the transfer to the Offeror of the Acceptance Shares, 31,155,950 Shares, representing approximately 3.45% of the entire issued share capital of the Company as at the date of the Closing Announcement, were held by the public (as defined under the Listing Rules).

Accordingly, the Company does not satisfy the minimum public float requirement under Rules 8.08(1)(a) and 13.32(1) of the Listing Rules, and therefore, made an application to the Stock Exchange for a temporary waiver from strict compliance with the minimum public float requirement under Rules 8.08(1)(a) and 13.32(1) of the Listing Rules ("**Waiver**"). As disclosed in the Waiver Announcement, the Stock Exchange had on 6 December 2022 granted the Waiver for a period from 28 October 2022 to 28 January 2023 ("**Waiver Period**").

UPDATE ON RESUMPTION PROGRESS AND STATUS ON THE RESTORATION OF PUBLIC FLOAT

Since the close of the Offers, the Offeror, the Joint Financial Advisers and the Company have been approaching and communicating with potential investors, being independent third parties of the Company, regarding the potential subscription of new Shares to be issued by the Company and the potential disposal of certain portion of existing Shares by the Offeror with a view of restoring the Company's public float to satisfy the requirement under the Listing Rules.

The investment decision-making function of some of the potential investors lies with their investment committees and/or senior management personnel who are mainly stationed in the PRC. Due to the resurgence of COVID-19 in the PRC in or around December 2022, which was not within the control of the Offeror or the Company, internal meetings of the investment committees and/or senior management personnel of these potential investors were suspended or delayed. As a result, additional time was required for the potential investors to internally review and assess the proposed investment in the Company which in turn led to a delay in both the negotiation of investment terms and the due diligence process on the Group. In addition, such resurgence of COVID-19, coupled with the travel restrictions between the borders and the restricted visiting arrangements applicable to Residential Care Homes for Elderly (“RCHE”) in Hong Kong at the relevant time, also increased the difficulty for the potential investors to conduct physical site visits at the Group’s RCHE centres.

As at the date of this announcement, the Offeror, the Joint Financial Advisers and the Company are still in discussion with the potential investors on the principal terms of the potential investment in the Company. No formal agreement or term sheet has been entered into by the Offeror or the Company with any potential investors at this stage. As a result, it is unlikely for the Company to satisfy the minimum public float requirement under the Listing Rules within the Waiver Period and additional time is required for the Offeror and the Company to take appropriate measures to restore the Company’s minimum public float.

As additional time is required to restore the Company’s minimum public float, the Company has made an application to the Stock Exchange for an extension of the Waiver for the period from 29 January 2023 to 29 April 2023 (“**Extended Waiver**”).

BUSINESS UPDATE

The Group is principally engaged in the provision of residential care homes and senior care services. The Company runs its business via two segments: (i) rendering of senior care services; and (ii) sale of senior care related goods.

The Group has continued its normal business operations since the suspension of trading of the Shares on 31 October 2022.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 31 October 2022 at the request of the Company pending restoration of the minimum public float by the Company, and will remain suspended until further notice.

The Offeror and the Company are taking appropriate steps to restore the required minimum public float as soon as practicable. Further announcement(s) will be made by the Company regarding its progress in complying with the Resumption Guidance and the restoration of the public float as and when appropriate in compliance with the Listing Rules.

For and on Behalf of the Board
Pine Care Group Limited
Chan Yip Keung
Executive Director

Hong Kong, 27 January 2023

As at the date of this announcement, the Board comprises ten directors, namely, Mr. Choi Wun Hing Donald, Mr. Wong Hung Han, Mr. Tsang Tin For, Mr. Wu Tat Ming Damein and Ms. Hui Wai Man as non-executive directors; Mr. Chan Yip Keung as 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.