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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

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 announcements dated 6 December 2022, 27 January 2023 and 31 January 2023 issued by the Company in respect of, among other things, the waiver from strict compliance with the minimum public float requirement under the Listing Rules, the Resumption Guidance and the related quarterly update (“**Public Float Announcement(s)**”). Unless the context requires otherwise, terms defined in the Composite Document, the Closing Announcement and the Public Float Announcements shall have the same meanings when used herein.

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 Public Float Announcement dated 31 January 2023, the Stock Exchange

granted the Waiver for an initial period from 28 October 2022 to 28 January 2023, which was further extended for an additional period from 29 January 2023 to 29 April 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 (“**Proposed Investment**”) with a view of restoring the Company’s public float to satisfy the requirement under the Listing Rules.

However, in spite of all efforts made to restore the Company’s public float, no term sheet or formal agreement has been entered into among the Offeror, the Company and the potential investors on the Proposed Investment as at the date of this announcement. Since the Waiver was last extended on 30 January 2023, the capital market in Hong Kong has become volatile under the recent banking crisis in the United States and Europe. The unexpected banking crisis has created uncertainties for the world economy and shaken investors’ confidence in the financial market globally. In view of the prevailing volatile market conditions and the uncertainties brought by the banking crisis, investor sentiment is generally gloomy and investors become more cautious on their investment risk. Affected by the poor market sentiment and lower risk appetite among the investors, it becomes more difficult for the Offeror and the Company to secure sufficient demand for the Shares and to conclude the terms of the Proposed Investment with potential investors. The substantial number of Shares needed to be issued and/or disposed of for restoring the Company’s public float also added to the challenges faced by the Offeror and the Company.

Due to the unforeseeable changes of the market conditions, the timing required for the Offeror, the Company and the potential investors to agree on the terms of the Proposed Investment is longer than expected. 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 Proposed Investment. Accordingly, it is unlikely for the Company to satisfy the minimum public float requirement under the Listing Rules within the Waiver Period.

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 30 April 2023 to 30 July 2023.

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.

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.

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

Hong Kong, 28 April 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.