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JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF
PINE CARE GROUP LIMITED
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
PINE CARE GROUP LIMITED**

**(3) GRANT OF EXTENSION OF WAIVER FROM STRICT COMPLIANCE
WITH THE MINIMUM PUBLIC FLOAT REQUIREMENT**

Joint Financial Advisors to the Offeror



KPMG Corporate Finance Limited



Rainbow Capital (HK) Limited

INTRODUCTION

The Offeror and the Company jointly announce that on 4 October 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme, being a scheme of arrangement under Section 86 of the Companies Act involving the cancellation and extinguishment of all the Scheme Shares and the simultaneous allotment and issue of an equivalent number of new Shares to the Offeror, subject to Conditions.

As at the Announcement Date, there are 902,880,000 Shares in issue, comprising 870,836,050 Shares held by the Offeror and 32,043,950 Scheme Shares subject to the Scheme.

TERMS OF THE PROPOSAL

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to the Scheme Shareholders of the Cancellation Price of HK\$0.89 in cash for each Scheme Share;
- (b) upon the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of new Shares as the number of the Scheme Shares cancelled and extinguished. The reserve created in the books of accounts of the Company as a result of the cancellation of the Scheme Shares will be applied to pay up in full at par the new Shares so issued. The Company will accordingly become a direct wholly-owned subsidiary of the Offeror on the Effective Date; and
- (c) the listing of the Shares on the Stock Exchange will be withdrawn with effect after the Effective Date.

Cancellation Price

Under the Scheme, the Cancellation Price will be in the amount of HK\$0.89 per Scheme Share, which amount will be payable by the Offeror to the Scheme Shareholders in the form of cash.

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

Comparison of value

The Cancellation Price of HK\$0.89 represents:

- a discount of approximately 1.11% to the closing price of HK\$0.900 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 0.68% over the average closing price of HK\$0.884 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 0.91% over the average closing price of HK\$0.882 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 1.48% over the average closing price of approximately HK\$0.877 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 22.93% over the average closing price of approximately HK\$0.724 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 43.78% over the average closing price of approximately HK\$0.619 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a premium of 400.00% over the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.178 as at 31 March 2023 (calculated based on (i) the audited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$160.6 million as at 31 March 2023 as extracted from the Company's annual report for the year ended 31 March 2023 and (ii) 902,880,000 Shares (being the number of Shares in issue as at the Announcement Date).

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the historical financial performance and business prospects of the Group.

FINANCIAL RESOURCES

On the assumption that no further Shares are issued before the Scheme Record Date, the maximum amount of cash consideration required for the Offeror to effect the Proposal in full is HK\$28,519,115.50.

Rainbow Capital, being one of the joint financial advisors to the Offeror in respect of the Proposal, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal in full.

IRREVOCABLE UNDERTAKINGS

On 3 October 2023 and 4 October 2023, the Offeror received the Irrevocable Undertakings from (i) Mr. Chan Yip Keung and (ii) the personal representatives of the TSB Estate, respectively, who held or had control over an aggregate of 10,288,000 Shares (representing approximately 1.14% of the total number of Shares in issue and 32.11% of the total number of Scheme Shares in issue) as at the Announcement Date. Pursuant to the Irrevocable Undertakings, each Committed Shareholder has irrevocably and unconditionally undertaken to the Offeror that, among others:

- (i) it/he shall exercise, and shall procure the exercise of, all voting rights attaching to all the Committed Shares in favour of any resolution to be proposed at any general meeting of the Company or at any meeting of holders of Shares convened by a court which is necessary to implement or otherwise relate to the Proposal (including any resolution that may impact on the fulfilment of any condition to the Proposal), and carry out all acts as are necessary for the implementation of the Proposal; and
- (ii) it/he shall not, and shall procure that the relevant registered holder of the Committed Shares shall not:
 - (a) except to give effect to the arrangements in the relevant Irrevocable Undertaking, (1) sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in any way in respect of any of the Committed Shares or any interest therein; or (2) enter into any agreement in respect of the voting rights or other rights attached to any of the Committed Shares;
 - (b) except with the prior written consent of the Offeror, purchase, acquire, subscribe for or otherwise deal in any Shares or other securities of the Company or any interest therein;
 - (c) accept, or give any undertaking to accept or otherwise agree to, any offer, scheme of arrangement, acquisition, merger or other business combination made or proposed to be made in respect of any of the Committed Shares by any person other than the Offeror, or otherwise take any action or express any opinion which is or may be prejudicial to the success of the Proposal; or
 - (d) enter into any discussion, negotiation, agreement or arrangement or incur any obligation (or permit such circumstances to occur) in relation to (1) the Committed Shares; or (2) any of the acts referred to in sub-paragraphs (a), (b) or (c) above, or make available any information to any person (other than the Offeror and any other person authorised by the Offeror) in connection with the foregoing.

Each of the Irrevocable Undertakings shall terminate at the time the Proposal becomes effective, lapsing or is withdrawn in circumstances permitted under the Takeovers Code.

INDEPENDENT BOARD COMMITTEE AND COMMON DIRECTORSHIPS

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee shall comprise all non-executive Directors who have no direct or indirect interest in the Proposal. Given that (i) Mr. Wong Hung Han is the sole director of the Offeror, (ii) Mr. Choi Wun Hing Donald, Mr. Wong Hung Han and Mr. Tsang Tin For are the directors of Chime Corporation Limited, and (iii) each of the non-executive 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) holds a senior management position at the Chinachem Group, the Board is of the view that each of the non-executive Directors is not regarded to be independent for the purpose of making a recommendation to the Scheme Shareholders in relation to the Proposal and the Scheme, therefore the above non-executive Directors are not appointed as members of the Independent Board Committee.

An Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Yuen Tak Tim Anthony, Mr. Lam Cheung Wai, Mr. Wong Kam Pui and Mr. Wong Kit Loong, has been established by the Board to advise the Scheme Shareholders in connection with the Proposal and the Scheme, and in particular as to (i) whether the Proposal and the Scheme are fair and reasonable; and (ii) voting in respect of the Scheme at the Court Meeting and the General Meeting.

Given (i) Mr. Wong Hung Han is the sole director of the Offeror, (ii) Mr. Choi Wun Hing Donald, Mr. Wong Hung Han and Mr. Tsang Tin For are the directors of Chime Corporation Limited, and (iii) each of the non-executive 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) holds a senior management position at the Chinachem Group, each of the above non-executive Directors is considered to be interested in the Proposal and therefore did not vote at any resolutions of the Board in relation to the Proposal or express any views or opinions on the Proposal in this joint announcement in his/her position as a non-executive Director or on behalf of the Board.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISOR TO THE INDEPENDENT BOARD COMMITTEE

Further announcement will be made after the Independent Financial Advisor has been appointed to advise the Independent Board Committee in connection with the Proposal and the Scheme, and such appointment will be approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among other things, details of the Proposal and the Scheme, the expected timetable relating to the Proposal, an explanatory statement as required under the Companies Act and the rules of the Grand Court, information regarding the Company, the recommendations from the Independent Board Committee to the Scheme Shareholders with respect to the Proposal and the Scheme, the letter of advice from the Independent Financial Advisor to the Independent Board Committee, notices of the Court Meeting and the General Meeting as well as other particulars required by the Takeovers Code, together with forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Act, the rules of the Grand Court and other applicable laws and regulations.

PROPOSED WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being issued fully paid to the Offeror) and the share certificates for the Scheme Shares cancelled and will thereafter cease to have effect as documents or evidence of title.

The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect after the Effective Date.

The Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed expected timetable of the implementation of the Proposal will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme.

GRANT OF EXTENSION OF WAIVER FROM STRICT COMPLIANCE WITH THE MINIMUM PUBLIC FLOAT REQUIREMENT

References are made to the announcements dated 6 December 2022, 27 January 2023, 31 January 2023, 28 April 2023, 12 May 2023 and 28 July 2023 issued by the Company in respect of, among other things, the waiver from strict compliance with the minimum public float requirements under the Listing Rules.

Following close of the Mandatory General Offers, 31,155,950 Shares, representing approximately 3.45% of the entire issued share capital of the Company, were held by the public (as defined under the Listing Rules). Accordingly, the Company did 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**”). The Stock Exchange granted the Waiver for an initial period from 28 October 2022 to 28 January 2023, which was subsequently extended for additional periods from 29 January 2023 to 29 April 2023, and then from 30 April 2023 to 30 July 2023.

As disclosed in the announcement of the Company dated 28 July 2023, due to the unfavourable conditions of the capital market in Hong Kong, the Offeror and the Company had not been able to enter into any term sheet or formal agreement with potential investors on the proposed disposal of Shares and/or subscription for new Shares to restore the Company’s public float.

On 28 July 2023, an application was made to the Stock Exchange for a further extension of the Waiver. On 17 August 2023, the Stock Exchange granted an extension of the Waiver for a period from 31 July 2023 to 31 January 2024, subject to the disclosure of such extended waiver (including details and reasons) by way of publication of this joint announcement.

WARNINGS

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details on how to vote on the Proposal. Any acceptance, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Details in relation to overseas Shareholders will be contained in the Scheme Document. Persons who are not resident in Hong Kong should consult their professional advisors if in doubt.

1. INTRODUCTION

The Offeror and the Company jointly announce that on 4 October 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme, being a scheme of arrangement under Section 86 of the Companies Act involving the cancellation and extinguishment of all the Scheme Shares and the simultaneous allotment and issue of an equivalent number of new Shares to the Offeror, subject to Conditions.

As at the Announcement Date, there are 902,880,000 Shares in issue, comprising 870,836,050 Shares held by the Offeror and 32,043,950 Scheme Shares subject to the Scheme.

2. TERMS OF THE PROPOSAL

As at the Announcement Date, (i) the issued share capital of the Company comprises 902,880,000 Shares, 32,043,950 of which (representing approximately 3.55% of the total number of Shares in issue) will be regarded as the Scheme Shares and subject to the Scheme; and (ii) the Company has no other outstanding options, warrants, derivatives or securities that are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to the Scheme Shareholders of the Cancellation Price of HK\$0.89 in cash for each Scheme Share;
- (b) upon the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of new Shares as the number of the Scheme Shares cancelled and extinguished. The reserve created in the books of accounts of the Company as a result of the cancellation of the Scheme Shares will be applied to pay up in full at par the new Shares so issued. The Company will accordingly become a direct wholly-owned subsidiary of the Offeror on the Effective Date; and
- (c) the listing of the Shares on the Stock Exchange will be withdrawn with effect after the Effective Date.

Cancellation Price

Under the Scheme, the Cancellation Price will be in the amount of HK\$0.89 per Scheme Share, which amount will be payable by the Offeror to the Scheme Shareholders in the form of cash.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

As at the Announcement Date, (i) the Company has not announced or declared any dividend, distribution or other return of capital which remains unpaid; and (ii) the Company does not intend to announce, declare and, or pay any dividend, distribution or other return of capital before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

Comparison of value

The Cancellation Price of HK\$0.89 represents:

- a discount of approximately 1.11% to the closing price of HK\$0.900 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 0.68% over the average closing price of HK\$0.884 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 0.91% over the average closing price of HK\$0.882 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 1.48% over the average closing price of approximately HK\$0.877 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 22.93% over the average closing price of approximately HK\$0.724 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 43.78% over the average closing price of approximately HK\$0.619 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a premium of 400.00% over the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.178 as at 31 March 2023 (calculated based on (i) the audited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$160.6 million as at 31 March 2023 as extracted from the Company's annual report for the year ended 31 March 2023 and (ii) 902,880,000 Shares (being the number of Shares in issue as at the Announcement Date).

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the historical financial performance and business prospects of the Group.

Highest and lowest prices

During the six month period preceding the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.900 on 28 October 2022, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.470 on 28 April 2022.

3. FINANCIAL RESOURCES

KPMG Corporate Finance and Rainbow Capital have been appointed as the joint financial advisors to the Offeror in connection with the Proposal and the Scheme.

On the assumption that no further Shares are issued before the Scheme Record Date, the maximum amount of cash consideration required for the Offeror to effect the Proposal in full is HK\$28,519,115.50.

The Offeror intends to finance the cash requirement for the Proposal through its internal cash resources.

Rainbow Capital, being one of the joint financial advisors to the Offeror in respect of the Proposal, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal in full.

4. REASONS FOR AND BENEFITS OF THE PROPOSAL

For the Scheme Shareholders

The Offeror considers the Proposal provides the Scheme Shareholders with an attractive opportunity to realise their investments and interests in the Company for cash. The Cancellation Price represents a premium of approximately (i) 1.48% over the average closing price of the Shares for the 30 trading days up to and including the Last Trading Day; (ii) 22.93% over the average closing price of the Shares for the 90 trading days up to and including the Last Trading Day; and (iii) 43.78% over the average closing price of the Shares for the 180 trading days up to and including the Last Trading Day.

Following close of the Mandatory General Offers, given the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules could not be satisfied, trading in the Shares has been suspended since 31 October 2022. Despite all efforts of the Offeror and the Company to restore public float of the Company, no term sheet or formal agreement has been entered into among the Offeror, the Company and the potential investors as at the Announcement Date. If the public float of the Company cannot be restored on or before 30 April 2024, the Stock Exchange may exercise its discretion to cancel the listing of the Shares and subsequently the Shares will become unlisted securities with a substantially reduced liquidity. The illiquidity caused by the trading suspension as well as the cancelled listing status of the Shares is not in the interest of the Scheme Shareholders.

Given the above, the Proposal provides another opportunity for the Scheme Shareholders to monetise their investments in the Company for cash and redeploy the proceeds from the Scheme into other investment opportunities.

For the Offeror and the Company

The Company has not conducted any equity fund raising activities in recent years and maintaining listing status is of limited significance to the Group from a financing perspective. Before the trading suspension of the Shares on 31 October 2022, the Shares were generally trading at a low price range with a low level of trading liquidity. The daily closing price of the Shares ranged from HK\$0.249 to HK\$0.96 in 2022, while the trading of the Shares was generally illiquid, with an average daily trading volume at approximately 2,689,158 Shares in 2022, representing approximately 0.298% of the total issued Shares as at the Announcement Date and approximately 1.145% of the total number of Shares held by the public Shareholders as at the commencement date of the Mandatory General Offers on 7 October 2022. Under such circumstances, the Company may not be able to fully utilise the listing platform as a source of funding for its long-term growth.

The Offeror believes that the Proposal will be beneficial to the long-term development of the Group. The financial performance of the Company had been adversely affected by the COVID-19 pandemic and the Company recorded losses in the financial year ended 31 March 2022 and 2023. It is believed that uncertainties of the macro-economy and inflationary pressure will continue to affect the business environment and impose challenges to the business operation of the Group in the near future.

In light of the above, the Offeror believes that the successful implementation of the Proposal will provide more flexibility to the Offeror and the Company, as a privately-owned company, to turnaround the business of the Group, achieve long-term commercial development for the Group and maintain its competitiveness amidst the challenging business environment, free from the pressure of share price fluctuations, regulatory restrictions and compliance requirements because of the Company's listing status. The Proposal, which entails the delisting of the Company, will also allow the Company to save on administrative, compliance and other costs associated with maintaining its listing status.

5. CONDITIONS TO THE PROPOSAL

The Proposal (including the Scheme) will become effective and binding on the Company and all the Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of a poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% of the value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting, provided that:
 - (i) the Scheme is approved (by way of poll) by not less than 75% of the votes attaching to the Scheme Shares held by the Scheme Shareholders, present and voting either in person or by proxy at the Court Meeting; and

- (ii) the number of votes cast (by way of poll) by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares;
- (b) the passing of:
 - (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy, at the General Meeting to approve and give effect to the reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and
 - (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting to, immediately after the reduction of issued share capital, increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares by the allotment and new issuance at par to the Offeror of the aggregate number of new Shares, credited as fully paid, as is equal to the number of Scheme Shares cancelled and the application of the reserve created in the Company's books of account as a result of the capital reduction to pay up in full at par such number of the new Shares to allotted and issued to the Offeror;
- (c) the sanction of the Scheme (with or without modifications) by the Grand Court and, to the extent necessary, its confirmation of the reduction of the issued share capital of the Company involved in the Scheme, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (d) to the extent necessary, compliance with the applicable procedural requirements and conditions, if any, under the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares;
- (e) all necessary Authorisations in connection with the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (f) no government, court, or governmental, quasi-governmental, statutory or regulatory body or agency in any jurisdiction having taken or instituted any action, proceeding or suit (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings or suits as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme; and

(g) since the Announcement Date:

- (i) there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group which is material in the context of the Group taken as a whole or in the context of the Proposal; and
- (ii) there not having been instituted, threatened in writing or remaining outstanding any litigation, arbitration, other proceedings or other dispute resolution process to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no investigation by any government, quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, instituted or remaining outstanding, in each case, which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms.

With reference to Condition (e) and (f), as at the Announcement Date, other than those set out in Conditions (a) to (d) and the approval of the Stock Exchange for the withdrawal of listing of the Shares upon the Scheme becoming effective, the Offeror and the Company are not aware of any outstanding authorisations, approvals, permissions, waivers consents, registrations or filings, and are not aware of any matter that would result in Conditions (e) or (f) not being capable of satisfaction.

The Conditions (a) to (d) above are not waivable. The Offeror reserves the right to waive any of the Conditions (e) to (g), either in whole or in respect of any particular matter. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to a right to invoke such Condition(s) are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

All of the Conditions will have to be satisfied or waived (as applicable), on or before the Long Stop Date, otherwise the Proposal will lapse and the Scheme will not become effective.

If the Conditions are satisfied or waived (as applicable), the Scheme will be binding on all the Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

6. IRREVOCABLE UNDERTAKINGS

On 3 October 2023 and 4 October 2023, the Offeror received the Irrevocable Undertakings from (i) Mr. Chan Yip Keung and (ii) the personal representatives of the TSB Estate, respectively, who held or had control over 888,000 Shares and 9,400,000 Shares (representing approximately 0.10% and 1.04% of the total number of Shares in issue and approximately 2.77% and 29.33% of the total number of Scheme Shares in issue) as at the Announcement Date, respectively, which aggregate to 10,288,000 Shares (representing approximately 1.14% of the total number of Shares in issue and 32.11% of the total number of Scheme Shares in issue) as at the Announcement Date. Each of the Committed Shareholders is not, and is not presumed to be, acting in concert with (i) the Offeror and (ii) any Offeror Concert Party. Pursuant to the Irrevocable Undertakings, each Committed Shareholder has irrevocably and unconditionally undertaken to the Offeror that, among others:

- (a) it/he shall exercise, and shall procure the exercise of, all voting rights attaching to all the Committed Shares in favour of any resolution to be proposed at any general meeting of the Company or at any meeting of holders of Shares convened by a court which is necessary to implement or otherwise relate to the Proposal (including any resolution that may impact on the fulfilment of any condition to the Proposal), and carry out all acts as are necessary for the implementation of the Proposal; and
- (b) it/he shall not, and shall procure that the relevant registered holder of the Committed Shares shall not:
 - (i) except to give effect to the arrangements in the relevant Irrevocable Undertaking, (1) sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in any way in respect of any of the Committed Shares or any interest therein; or (2) enter into any agreement in respect of the voting rights or other rights attached to any of the Committed Shares;
 - (ii) except with the prior written consent of the Offeror, purchase, acquire, subscribe for or otherwise deal in any Shares or other securities of the Company or any interest therein;
 - (iii) accept, or give any undertaking to accept or otherwise agree to, any offer, scheme of arrangement, acquisition, merger or other business combination made or proposed to be made in respect of any of the Committed Shares by any person other than the Offeror, or otherwise take any action or express any opinion which is or may be prejudicial to the success of the Proposal; or

- (iv) enter into any discussion, negotiation, agreement or arrangement or incur any obligation (or permit such circumstances to occur) in relation to (1) the Committed Shares; or (2) any of the acts referred to in sub-paragraphs (i), (ii) or (iii) above, or make available any information to any person (other than the Offeror and any other person authorised by the Offeror) in connection with the foregoing.

Each of the Irrevocable Undertakings shall terminate at the time the Proposal becomes effective, lapsing or is withdrawn in circumstances permitted under the Takeovers Code.

7. SHAREHOLDING STRUCTURE

On the assumption that there is no other change in the shareholding structure of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon the Effective Date:

Shareholders	As at the Announcement Date		Immediately upon the Effective Date	
	<i>No. of Shares</i>	<i>Approximate % (Note 1)</i>	<i>No. of Shares</i>	<i>Approximate % (Note 1)</i>
Offeror	870,836,050	96.45	902,880,000	100.0
Scheme Shareholders (including the Committed Shareholders) (Note 5)				
Committed Shareholders				
— TSB Estate	9,400,000 <i>(Note 3)</i>	1.04	—	—
— Mr. Chan Yip Keung	888,000 <i>(Note 4)</i>	0.10	—	—
Sub-total	<u>10,288,000</u>	<u>1.14</u>	<u>—</u>	<u>—</u>
Other Scheme Shareholders	<u>21,755,950</u>	<u>2.41</u>	<u>—</u>	<u>—</u>
Aggregate number of Shares held by Scheme Shareholders	<u>32,043,950</u>	<u>3.55</u>	<u>—</u>	<u>—</u>
Total number of Scheme Shares	<u>32,043,950</u>	<u>3.55</u>	<u>—</u>	<u>—</u>
Total number of Shares	<u>902,880,000</u>	<u>100.00</u>	<u>902,880,000</u>	<u>100.0</u>

Notes:

1. The shareholding percentages in the table are subject to rounding adjustment.
2. Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares, and forthwith upon such reduction, the issued share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the same number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the books of accounts of the Company as a result of the cancellation of the Scheme Shares will be applied to pay up in full at par the new Shares so issued.
3. These 9,400,000 Shares are held by the TSB Estate.
4. These 888,000 Shares are held by Mr. Chan Yip Keung who is an executive Director.
5. Other than Mr. Chan Yip Keung, none of the Directors hold any Shares as at the Announcement Date.

8. INFORMATION ON THE OFFEROR

The Offeror is incorporated in the British Virgin Islands with limited liability on 18 May 2022. The Offeror is an investment holding company and its entire issued share capital is indirectly wholly-owned by Chime Corporation Limited, a company incorporated in Hong Kong with limited liability.

Chime Corporation Limited is owned as to 99.77% by the estate of Ms. Nina Kung and 0.23% by the unadministered estate of Mr. Wang Teh Huei (together with the estate of Ms. Nina Kung, the “**Estates**”). Two professional administrators, namely Mr. Jong Yat Kit and Mr. Wong Tak Wai, were appointed by the High Court of Hong Kong as the joint and several administrators of each of the Estates and they are not personally interested in the Estates. Chime Corporation Limited is the ultimate holding company of the Chinachem Group. Chinachem Group is a privately-owned property developer based in Hong Kong and it mainly develops residential, commercial, retail and industrial properties, owns and manages hotels, provides elderly care services and invests in businesses that improves people’s lives and the environment.

9. INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Stock Exchange. The principal activity of the Company is investment holding, whilst its major operating subsidiaries are engaged in the provision of residential care homes for the elderly and senior care services.

10. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Following implementation of the Proposal, the Offeror intends to work together with the Company's management to review the structure, business and strategy of the Group and, subject to result of such review and prevailing market conditions, implement appropriate strategies to enhance the Group's business.

As at the Announcement Date, it is the intention of the Offeror that the Group will continue to carry on its current business, and the Offeror does not have specific plans to immediately make any major change to the business (including any redeployment of fixed assets) of the Group, or to make any material change to the employment of the Group's employees as a result of the implementation of the Proposal.

11. PROPOSED WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being issued fully paid to the Offeror) and the share certificates for the Scheme Shares cancelled and will thereafter cease to have effect as documents or evidence of title.

The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect after the Effective Date.

The Shareholders will be notified by way of an announcement of the exact date(s) of the last day for dealing in the Shares (if applicable) and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed expected timetable of the implementation of the Proposal will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme.

12. INDEPENDENT BOARD COMMITTEE AND COMMON DIRECTORSHIPS

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee shall comprise all non-executive Directors who have no direct or indirect interest in the Proposal. Given that (i) Mr. Wong Hung Han is the sole director of the Offeror, (ii) Mr. Choi Wun Hing Donald, Mr. Wong Hung Han and Mr. Tsang Tin For are the directors of Chime Corporation Limited, and (iii) each of the non-executive 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) holds a senior management position at the Chinachem Group, the Board is of the view that each of the non-executive Directors is not regarded to be independent for the purpose of making a recommendation to the Scheme Shareholders in relation to the Proposal and the Scheme, therefore the above non-executive Directors are not appointed as members of the Independent Board Committee.

An Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Yuen Tak Tim Anthony, Mr. Lam Cheung Wai, Mr. Wong Kam Pui and Mr. Wong Kit Loong, has been established by the Board to advise the Scheme Shareholders in connection with the Proposal and the Scheme, and in particular as to (i) whether the Proposal and the Scheme are fair and reasonable; and (ii) voting in respect of the Scheme at the Court Meeting and the General Meeting.

Given (i) Mr. Wong Hung Han is the sole director of the Offeror, (ii) Mr. Choi Wun Hing Donald, Mr. Wong Hung Han and Mr. Tsang Tin For are the directors of Chime Corporation Limited, and (iii) each of the non-executive 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) holds a senior management position at the Chinachem Group, each of the above non-executive Directors is considered to be interested in the Proposal and therefore did not vote at any resolutions of the Board in relation to the Proposal or express any views or opinions on the Proposal in this joint announcement in his/her position as a non-executive Director or on behalf of the Board.

13. APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISOR TO THE INDEPENDENT BOARD COMMITTEE

Further announcement will be made after the Independent Financial Advisor has been appointed to advise the Independent Board Committee in connection with the Proposal and the Scheme, and such appointment will be approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

14. DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among other things, details of the Proposal and the Scheme, the expected timetable relating to the Proposal, an explanatory statement as required under the Companies Act and the rules of the Grand Court, information regarding the Company, the recommendations from the Independent Board Committee to the Scheme Shareholders with respect to the Proposal and the Scheme, the letter of advice from the Independent Financial Advisor to the Independent Board Committee, notices of the Court Meeting and the General Meeting as well as other particulars required by the Takeovers Code, together with forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Act, the rules of the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and/or the General Meeting. Any voting or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

15. SCHEME SHARES, COURT MEETING AND GENERAL MEETING

As at the Announcement Date:

- (a) the issued share capital of the Company comprises 902,880,000 Shares, 32,043,950 of which (representing approximately 3.55% of the total number of Shares in issue) will be regarded as Scheme Shares and subject to the Scheme;
- (b) all the Shareholders (other than the Offeror and the Offeror Concert Parties) are considered as Scheme Shareholders, and are entitled to vote at the Court Meeting; and
- (c) all the Shareholders are entitled to attend the General Meeting and vote on the reduction and restoration of the share capital of the Company (as described in Condition (b) in the section headed “5. *Conditions to the Proposal*” above).

16. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on the Offeror making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

If the Independent Board Committee or the Independent Financial Advisor does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

17. GENERAL

As at the Announcement Date:

- (1) save for the 902,880,000 issued Shares, the Company does not have any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue or any outstanding options, warrants, derivatives or securities that are convertible or exchangeable into Shares;

- (2) save as disclosed in the section headed “7. *Shareholding Structure*” above, none of the Offeror and the Offeror Concert Parties (including KPMG Corporate Finance and Rainbow Capital which are presumed to be acting in concert with the Offeror under class (5) of the definition of “acting in concert” in the Takeovers Code) (i) owns, controls or has direction over any voting rights and rights over Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company or (ii) has dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company in the past six months prior to the Announcement Date;
- (3) neither the Offeror nor the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company;
- (4) none of the Offeror and the Offeror Concert Parties holds any convertible securities, warrants or options in respect of voting rights and rights over Shares;
- (5) neither the Offeror nor the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (6) save for the Irrevocable Undertakings, none of the Offeror and the Offeror Concert Parties has received an irrevocable commitment to vote for or against the Scheme;
- (7) save for the Proposal and the Irrevocable Undertakings, there are no agreements or arrangements (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or Shares which might be material to the Proposal;
- (8) there is no agreement or arrangement to which any of the Offeror or the Offeror Concert Parties is a party which relates to the circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a Condition to the Proposal;
- (9) save for the Cancellation Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror and the Offeror Concert Parties to the Scheme Shareholders or their concert parties in relation to the Scheme Shares;
- (10) save for the Irrevocable Undertakings, there is no understanding, arrangement, agreement or special deal (as defined in Rule 25 of the Takeovers Code) between (i) any Scheme Shareholder and their concert parties and (ii) the Offeror and the Offeror Concert Parties; and
- (11) save for the Irrevocable Undertakings, there is no understanding, arrangement, agreement or special deal (as defined in Rule 25 of the Takeovers Code) between (i) any Scheme Shareholder and (ii)(a) the Offeror and the Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies.

18. DISCLOSURE OF DEALINGS

The respective associates (as defined in the Takeovers Code) of the Offeror and the Company, including shareholders holding 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code during the offer period.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

19. PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This joint announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this joint announcement include statements about the expected effects of the Proposal on the Company, the expected timing and scope of the Proposal, and all other statements in this joint announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations and disruptions or reductions in travel and operations due to natural or man-made disasters, pandemics, epidemics or outbreak of infections or contagious diseases such as novel coronavirus. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as at the Announcement Date. Any forward-looking statement contained in this joint announcement based on past or current trends and/or activities of the Company should not be taken as a representation that such trends or activities will continue in the future. No statement in this joint announcement is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed their respective historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

20. TAXATION AND INDEPENDENT ADVICE

Shareholders are recommended to consult their own professional advisors if they are in any doubt as to the taxation implications of the Proposal. It is emphasised that none of the Offeror, the Company, KPMG Corporate Finance, Rainbow Capital, nor any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

21. OVERSEAS SCHEME SHAREHOLDERS

The making of the Proposal to those Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such Scheme Shareholders are located. Such Scheme Shareholders should satisfy themselves about and observe any applicable legal and regulatory requirements of their own jurisdictions. It is the responsibility of any overseas Scheme Shareholder wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by such overseas Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to overseas Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the Directors regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or its Shareholders), the Scheme Document may, subject to the consent of the Executive, not be despatched to such overseas Shareholders. For that purpose, the Company may apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Shareholders.

If any such waiver is granted by the Executive, the Offeror reserves the right to make arrangements in respect of the Shareholders who are not resident in Hong Kong in relation to the terms of the Proposal. Such arrangements may include notifying any matter in connection with the Proposal to Shareholders with registered overseas addresses by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given, despite any failure by such Shareholders to receive or see that notice.

22. NOTICE TO US HOLDERS OF SHARES

The Proposal is being made to cancel the securities of a company incorporated in the Cayman Islands by means of a scheme of arrangement provided for under the Companies Act. Any financial information included in this joint announcement has been prepared in accordance with the accounting standards applicable in Hong Kong and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with the generally accepted accounting principles in the US. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities and Exchange Act of 1934, as amended.

Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure requirements of the US tender offer rules. The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation and extinguishment of its Scheme Shares may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his independent professional advisor immediately regarding the tax consequences of the Proposal applicable to him. It may be difficult for US holders of the Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the US, and some or all of their officers and directors may be residents of a country other than the US. US holders of the Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a judgement of the US court.

23. GRANT OF EXTENSION OF WAIVER FROM STRICT COMPLIANCE WITH THE MINIMUM PUBLIC FLOAT REQUIREMENT

References are made to the announcements dated 6 December 2022, 27 January 2023, 31 January 2023, 28 April 2023, 12 May 2023 and 28 July 2023 issued by the Company in respect of, among other things, the waiver from strict compliance with the minimum public float requirements under the Listing Rules.

Following close of the Mandatory General Offers, 31,155,950 Shares, representing approximately 3.45% of the entire issued share capital of the Company, were held by the public (as defined under the Listing Rules). Accordingly, the Company did 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 the Waiver. The Stock Exchange granted the Waiver for an initial period from 28 October 2022 to 28 January 2023, which was subsequently extended for additional periods from 29 January 2023 to 29 April 2023, and then from 30 April 2023 to 30 July 2023.

As disclosed in the announcement of the Company dated 28 July 2023, due to the unfavourable conditions of the capital market in Hong Kong, the Offeror and the Company had not been able to enter into any term sheet or formal agreement with potential investors on the proposed disposal of Shares and/or subscription for new Shares to restore the Company's public float.

On 28 July 2023, an application was made to the Stock Exchange for a further extension of the Waiver. On 17 August 2023, the Stock Exchange granted an extension of the Waiver for a period from 31 July 2023 to 31 January 2024, subject to the disclosure of such extended waiver (including details and reasons) by way of publication of this joint announcement.

WARNINGS

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code, and “parties acting in concert” shall be construed accordingly
“Announcement Date”	the date of this joint announcement
“associate(s)”	has the same meaning ascribed to it under the Takeovers Code
“Authorisation(s)”	authorisations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals required from the Relevant Authorities or other third parties which material in the context of the Group taken as a whole
“Board”	the board of Directors of the Company
“Cancellation Price”	the cancellation price of HK\$0.89 for every Scheme Share cancelled and extinguished pursuant to the Scheme

“Chinachem Group”	Chime Corporation Limited and its subsidiaries (including the Offeror)
“Committed Shareholders”	persons who have provided the Irrevocable Undertakings in favour of the Offeror, namely the personal representatives of the TSB Estate and Mr. Chan Yip Keung
“Committed Shares”	Shares held by the Committed Shareholders, together with any Shares that may be issued by the Company which are attributable to or derived from the Shares held by the Committed Shareholders, and any other Shares which the Committed Shareholders, may, after the date of the Irrevocable Undertakings, become the beneficial owner(s) (or otherwise become able to control the exercise of all rights, including voting rights and the right to all dividends and distributions, attaching to such Shares)
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands
“Company”	Pine Care Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1989)
“Condition(s)”	the conditions to the Proposal, as set out in the section headed “5. <i>Conditions to the Proposal</i> ” of this joint announcement
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court, at which the Scheme will be voted upon
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“General Meeting”	an extraordinary general meeting of the Company to be convened and held immediately after the conclusion or adjournment of the Court Meeting for the purpose of, among other matters, approving the reduction of the share capital of the Company involved in the Scheme and implementing the Scheme

“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board formed to advise the Scheme Shareholders in connection with the Proposal and the Scheme
“Independent Financial Advisor”	the independent financial advisor to be appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Irrevocable Undertakings”	the irrevocable undertakings given by the Committed Shareholders in favour of the Offeror as detailed in the section headed “6. <i>Irrevocable Undertakings</i> ” of this joint announcement
“KPMG Corporate Finance”	KPMG Corporate Finance Limited, being one of the joint financial advisors to the Offeror in relation to the Proposal and the Scheme, a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
“Last Trading Day”	28 October 2022, being the last trading day in the Shares on the Stock Exchange immediately prior to the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 April 2024 (or such later date as the Offeror and the Company may agree or, to the extent applicable, the Grand Court, on application of the Company, may allow and in all cases, as permitted by the Executive)
“Mandatory General Offers”	the mandatory unconditional cash offers made by Rainbow Capital for and on behalf of the Offeror to acquire all the issued shares in and to cancel all outstanding share options of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) that closed at 4:00 p.m. on 28 October 2022

“Offeror”	Diamond Ridge Holdings Limited, a company incorporated in the British Virgin Islands with limited liability. Further information on the Offeror is set out in the section headed “8. <i>Information on the Offeror</i> ” of this joint announcement
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, and the withdrawal of listing of the Shares from the Stock Exchange, on the terms and subject to the Conditions set out in this joint announcement
“Rainbow Capital”	Rainbow Capital (HK) Limited, being one of the joint financial advisor to the Offeror in relation to the Proposal and the Scheme, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Relevant Authorities”	applicable governments or governmental bodies, regulatory bodies, or courts including but not limited to the SFC and the Stock Exchange
“Scheme”	a scheme of arrangement to be proposed under Section 86 of the Companies Act for the implementation of the Proposal, involving the cancellation and extinguishment of all the Scheme Shares and the restoration of the issued share capital of the Company to the amount immediately before the cancellation and extinguishment of the Scheme Shares by the issuance to the Offeror, credited as fully paid, of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished
“Scheme Document”	the composite scheme document of the Offeror and the Company, containing, <i>inter alia</i> , details of the Proposal and the Scheme together with the additional information specified in the section headed “14. <i>Despatch of Scheme Document</i> ” of this joint announcement
“Scheme Record Date”	the record date to be announced for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
“Scheme Share(s)”	Share(s) in issue on the Scheme Record Date other than those held by the Offeror or the Offeror Concert Parties. As at the Announcement Date, 32,043,950 Shares will be regarded as Scheme Shares and subject to the Scheme

“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares as at the Scheme Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as revised from time to time)
“TSB Estate”	the estate of Mr. Tang Shing Bor (deceased)
“US”	the United States of America
“Waiver”	the 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 granted by the Stock Exchange to the Company
“%”	per cent.

By the order of the board of directors
Diamond Ridge Holdings Limited
Wong Hung Han
Sole Director

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

Hong Kong, 6 October 2023

As at the Announcement Date, 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and the Offeror Concert Parties) and the Directors confirm, having made all reasonable inquiries, that, to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the sole director of the Offeror and the directors of Chime Corporation Limited) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the Announcement Date, the sole director of the Offeror is Mr. Wong Hung Han, and the directors of Chime Corporation Limited, which is the ultimate parent company of and indirectly controls the Offeror, are Mr. Choi Wun Hing Donald, Mr. Wong Hung Han and Mr. Tsang Tin For.

The sole director of the Offeror together with the directors of Chime Corporation Limited jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.