

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**VOLUNTARY ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTIONS —  
ENTRUSTED MANAGEMENT AGREEMENT**

This announcement is made by the Company voluntarily for the purpose of keeping the shareholders and potential investors of the Company informed of the latest business development of the Group.

**ENTRUSTED MANAGEMENT AGREEMENT**

The Board of the Company is pleased to announce that on 16 April 2018, Zhejiang Pine Care Yada, a subsidiary of the Company, has entered into the Entrusted Management Agreement with Zhejiang Yada Real Estate, pursuant to which Zhejiang Yada Real Estate agreed to entrust Zhejiang Pine Care Yada with the operations and management of Wuzhen Graceland Day Care Centre in Wuzhen, Zhejiang Province, the PRC and the existing facilities and equipment therein for a term commencing from 16 April 2018 and up to 31 December 2027.

**LISTING RULES IMPLICATIONS**

Yada HK is a substantial shareholder of Pine Care Yada Elderly, which is a subsidiary of the Company. Yada HK and Zhejiang Yada Health Park are fellow subsidiaries of Yada International and Zhejiang Yada Real Estate is a company controlled as to more than 30% by Zhejiang Yada Health Park. Accordingly, Zhejiang Yada Real Estate is an associate of Yada HK and therefore a connected person of the Company at subsidiary level. The entering into of the Entrusted Management Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios for the Entrusted Management Agreement are less than 1% and the entering into of the Entrusted Management Agreement and the transactions contemplated thereunder are connected transactions only because a connected person at subsidiary level is involved, and such transactions are on normal commercial terms, the Entrusted Management Agreement and the transactions contemplated thereunder are exempt from shareholders' approval, annual review and all disclosure requirements under the Listing Rules by virtue of Rule 14A.76(1)(b) of the Listing Rules.

## **ENTRUSTED MANAGEMENT AGREEMENT**

The principal terms of the Entrusted Management Agreement are set out below:

<b>Date:</b>	16 April 2018
<b>Parties:</b>	(i) Zhejiang Yada Real Estate and (ii) Zhejiang Pine Care Yada, a subsidiary of the Company
<b>Term of entrusted management:</b>	A term commencing from 16 April 2018 up to 31 December 2027
<b>Scope of the entrusted management:</b>	<p>During the Term, Zhejiang Yada Real Estate will entrust Zhejiang Pine Care Yada with the operations and management of Wuzhen Graceland Day Care Centre.</p> <p>In respect of Wuzhen Graceland Day Care Centre, Zhejiang Pine Care Yada will be entitled to (i) use Wuzhen Graceland Day Care Centre and all the assets therein; (ii) operate elderly care services in such centre; and (iii) the revenue generated from such centre.</p> <p>Zhejiang Pine Care Yada will also have the right of human resources management, including the right to decide whether to retain the 3 existing staff members in Wuzhen Graceland Day Care Centre.</p>
<b>Change of name of the Wuzhen Graceland Day Care Centre:</b>	After the operations and management of Wuzhen Graceland Day Care Centre are entrusted to Zhejiang Pine Care Yada, the name of such day care centre will be changed to 松齡雅達(烏鎮)日間中心 (Pine Care Yada (Wuzhen) Day Care Centre).

**Services in the Wuzhen  
Graceland Day Care  
Centre and fees:**

After entrusting Zhejiang Pine Care Yada with the operations and management of Wuzhen Graceland Day Care Centre, the existing service scope of services provided in such day care centre and the fees charged related thereto will in principle be retained. In addition, new projects and services will also be run after Zhejiang Pine Care Yada manages such centre which are expected to be related to:

- (i) customised dietary menus designed by nutritionists to cater for the elderly who requires special attention on their diets due to specific health conditions;
- (ii) bed sore care;
- (iii) one-on-one training targeting on elderly with dementia;
- (iv) group training for elderly with dementia; and/or
- (v) home care services.

**Rent:**

The annual rental payable by Zhejiang Pine Care Yada in respect of Wuzhen Graceland Day Care Centre and the assets therein shall be RMB23,725 (excluding property management fees and utilities fees) (“**Annual Rental**”), subject to the following:

- (1) 16 April 2018 to 31 December 2019 shall be a rent-free period;
- (2) For the period from 1 January 2020 to 31 December 2020, the rent shall be 50% of the Annual Rental; and
- (3) From 1 January 2021 onwards, the rent payable per year shall be the Annual Rental.

**REASONS FOR AND BENEFITS OF THE ENTRUSTED MANAGEMENT  
AGREEMENT**

As disclosed in the 2017 interim report of the Company, the Group intends to expand its footprint to the PRC, a market which the Group believes to hold vast potentials. The entering into of the Entrusted Management Agreement and the transactions contemplated thereunder represents another milestone of the Group to enter into the PRC market, following the first step of the entering into of the Tenancy Agreement with a view to establishing a quality residential care home for the elderly in Wuzhen, Zhejiang Province (details of which are set out in the announcement of the Company dated 29 November 2017).

Wuzhen Graceland Day Care Centre is located in Wuzhen Graceland, Wuzhen Town, Zhejiang Province, the PRC with a total floor area of approximately 260 square metres (equivalent to approximately 2,800 square feet). The Directors believe that the entering into of the Entrusted Management Agreement and the transactions contemplated thereunder will enable the Group to leverage on its established brand and experience in providing residential care services for the elderly and expand its business coverage to the provision of day-time elderly care services as well as home care services in the PRC. The entering into of the Entrusted Management Agreement and the Tenancy Agreement on 16 April 2018 and 29 November 2017, respectively, enables the Group to provide elderly care services to both (i) active retirees requiring only day-time elderly care and home care services; and (ii) elderly requiring a moderate to high level of care in residential care homes, in Wuzhen Graceland district, a community which consists of over 5,000 households.

The Directors (including the independent non-executive Directors) are of the view that the Entrusted Management Agreement and the transactions contemplated thereunder are negotiated on arm's length basis and entered into in the ordinary and usual course of business of the Group and on normal commercial terms. The Directors (including the independent non-executive Directors) are of the view that the terms of the Entrusted Management Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

#### **INFORMATION OF THE GROUP AND ZHEJIANG PINE CARE YADA**

The Group is principally engaged in the operation of care and attention homes for elderly in Hong Kong.

Zhejiang Pine Care Yada is a company established in the PRC and is principally engaged in the business of provision of elderly home care services, sale of elderly home related goods, and the provision of home-based elderly care services, non-medical health consultation services, elderly home management services, catering services, sale of health related food, pre-packaged and non-packaged food, sale of consumables and leasing.

#### **INFORMATION OF YADA INTERNATIONAL, ZHEJIANG YADA HEALTH PARK AND ZHEJIANG YADA REAL ESTATE**

Yada International is principally engaged in the development and investment in aged-care and healthcare industries.

Zhejiang Yada Health Park, a wholly-owned subsidiary of Yada International, is principally engaged in ageing industry park development and operation.

Zhejiang Yada Real Estate is a company controlled as to more than 30% by Zhejiang Yada Health Park and is principally engaged in ageing real estate development and sales.

## LISTING RULES IMPLICATIONS

Yada HK is a substantial shareholder of Pine Care Yada Elderly, which is a subsidiary of the Company. Yada HK and Zhejiang Yada Health Park are fellow subsidiaries of Yada International and Zhejiang Yada Real Estate is a company controlled as to more than 30% by Zhejiang Yada Health Park. Accordingly, Zhejiang Yada Real Estate is an associate of Yada HK and therefore a connected person of the Company at subsidiary level. The entering into of the Entrusted Management Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios for the Entrusted Management Agreement are less than 1% and the entering into of the Entrusted Management Agreement and the transactions contemplated thereunder are connected transactions only because a connected person at subsidiary level is involved, and such transactions are on normal commercial terms, the Entrusted Management Agreement and the transactions contemplated thereunder are exempt from shareholders' approval, annual review and all disclosure requirements under the Listing Rules by virtue of Rule 14A.76(1)(b) of the Listing Rules.

This announcement is made by the Company on a voluntary basis.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

“ <b>associate(s)</b> ”	has the meaning ascribed to it under the Listing Rules
“ <b>Board</b> ”	the board of Directors
“ <b>Company</b> ”	Pine Care Group Limited, a company incorporated under the laws of the Cayman Islands, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1989)
“ <b>connected person(s)</b> ”	has the meaning ascribed to it under the Listing Rules
“ <b>Director(s)</b> ”	director(s) of the Company
“ <b>Entrusted Management Agreement</b> ”	the entrusted management agreement entered into between Zhejiang Pine Care Yada and Zhejiang Yada Real Estate dated 16 April 2018, pursuant to which Zhejiang Yada Real Estate agreed to entrust Zhejiang Pine Care Yada with the operations and management of Wuzhen Graceland Day Care Centre
“ <b>Group</b> ”	the Company and its subsidiaries
“ <b>Hong Kong</b> ”	Hong Kong Special Administrative Region of the PRC

<b>“Listing Rules”</b>	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Pine Care Yada Elderly”</b>	Pine Care Yada Elderly Services Limited (松齡雅達護老服務有限公司), a company incorporated in Hong Kong with limited liability and a subsidiary of the Company
<b>“PRC”</b>	People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Tenancy Agreement”</b>	the tenancy agreement entered into between Zhejiang Pine Care Yada and Zhejiang Yada International Rehabilitation Hospital Co., Limited* 浙江雅達國際康復醫院有限公司 dated 29 November 2017 in respect of the leasing of the whole of Third Floors in Buildings C1 & C2 of Zhejiang Yada International Rehabilitation Hospital, Wuzhen Town, Tongxiang City, Zhejiang Province, the PRC
<b>“Term”</b>	the term of the Entrusted Management Agreement commencing from 16 April 2018 up to 31 December 2027
<b>“Wuzhen Graceland Day Care Centre”</b>	a day care centre located in Wuzhen Graceland, Wuzhen Town, Zhejiang Province, the PRC, which is owned by Zhejiang Yada Real Estate
<b>“Yada HK”</b>	Yada International (HK) Limited (雅達國際集團(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Yada International
<b>“Yada International”</b>	雅達國際控股有限公司 (Yada International Holdings Limited*), a company established in the PRC with limited liability and the holding company of Yada HK and Zhejiang Yada Health Park
<b>“Zhejiang Pine Care Yada”</b>	浙江松齡雅達養老服務有限公司 (Zhejiang Pine Care Yada Elderly Services Limited*), a company established in the PRC with limited liability and a subsidiary of the Company
<b>“Zhejiang Yada Health Park”</b>	浙江雅達國際健康產業園發展有限公司 (Zhejiang Yada International Health Park Development Co., Ltd*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Yada International

**“Zhejiang Yada Real Estate”**

浙江雅達置業有限公司 (Zhejiang Yada Real Estate Co., Ltd.\*), a company established in the PRC with limited liability and controlled as to more than 30% by Zhejiang Yada Health Park

\* For identification purpose only

For and on Behalf of the Board  
**Pine Care Group Limited**  
**Yim Ting Kwok**  
*Chairman and Executive Director*

Hong Kong, 16 April 2018

*As at the date of this announcement, the Board comprises five executive directors, namely, Mr. Yim Ting Kwok (chairman of the Board), Ms. Cho Wing Yin, Mr. Yim Billy Pui Kei (chief executive officer), Mr. Chan Yip Keung and Mr. Yim Edwin Pui Hin; three non-executive directors, namely, Mr. Ng Kwok Fu Alex, Mr. Ma Wing Wah and Mr. Lam Yat Hon; and four independent non-executive directors, namely, Mr. Liu Kwong Sang, Dr. Wong Ping San John, Dr. Liu Yuk Shing and Mr. Liu Walter Joseph.*