

**PINE CARE GROUP LTD:
WHEN IS ENOUGH FINANCIAL ASSISTANCE ENOUGH ?_
READ THIS ANALYSIS AND YOU MAY JUST WEEP**

One cannot help but ponder as to the rationale behind the determination of the Controlling Shareholders of Pine Care Group Ltd () (Code: 1989, Main Board, The Stock Exchange of Hongkong Ltd) to sell 43.20 million of their Ordinary Shares in order to net the seemingly paltry sum of about \$HK28 million.

Pine Care Group published and disseminated its Share Offer Prospectus on January 27, 2017.

The Company Offered 216 million New Shares and the Selling Shareholders, Pine Active Care Ltd, a company, domiciled in the **British Virgin Islands (BVI)**, Offered 43.20 million, Sale Shares.

Pine Active Care Ltd is owned as to 90 percent by Silverage Pine Care Ltd, another BVI company. It, in turn, is owned de jure by Directors of Pine Care Group Ltd, in the main. The remaining 10 percent of Pine Active Care Ltd is owned by Silverage Pillar Ltd.

Silverage Pillar Ltd, yet another BVI company, is owned by the Controlling Shareholders of Pine Care Group Ltd, all of whom are Directors of the publicly listed Company, along with some 13 other shareholders.

The Share Offer Prospectus Offered and Placed the entire 259.20 million Shares at the Indicative Offer Price Per Share, ranging between 63 cents and 69 cents.

Of the total number of Shares on Offer, 25.92 million Shares were designated as being the Public-Offer tranche and 233.28 million Shares were designated as being the Placing-Share tranche.

At the midpoint of the Indicative Offer Price Per Share, being 66 cents, the Executive Directors' stated intent is selling their 43.20 million Sale Shares, the gross proceeds from such sales, being about \$HK28.51 million, a sum of money, which, in the scheme of things, relating to this **Initial Public Offering (IPO)**, is, in the American vernacular, '*peanuts*'.

The Public Shareholders' tranche (25.92 million Shares) represents 30 percent of the Issued and Fully Paid-Up Share Capital of the Company; and, Pine Active Care Ltd will continue as the Controlling Shareholder of Pine Care Group Ltd, owning 70 percent of the entire Issued and Fully Paid-Up Share Capital of the Company.

The IPO Of Pine Care Group Ltd

Originally, it was estimated by Management of Pine Care Group Ltd that it was quite likely to net about \$HK115.50 million from this IPO, assuming that the Offer Price Per Share is 66 cents.

However, last Tuesday (February 14, 2017), Management announced that the Offer Price Per Share had been determined at 69 cents and that the net proceeds were estimated to be about \$HK121.80 million.

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