



HANG CHI HOLDINGS LIMITED
恒智控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8405)

Executive directors:

Mr. Yik Tak Chi (*Chairman*)
Mr. Lui Chi Tat
Mr. Chung Kin Man
Ms. Chung Wai Man

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Non-executive director:

Mr. Lau Joseph Wan Pui

Independent non-executive directors:

Mr. Wong Wai Ho
Mr. Lau Tai Chim
Mr. Chan Ching Sum Sam

Principal Place of Business in Hong Kong:

Unit 1107, 11/F
Tower 3 Enterprise Square
No.9 Sheung Yuet Road
Kowloon Bay
Kowloon
Hong Kong

27 January 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED PRIVATISATION OF
HANG CHI HOLDINGS LIMITED
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES ACT)
AND
(2) PROPOSED WITHDRAWAL OF LISTING**

1. INTRODUCTION

Reference is made to the Announcement in relation to the Proposal.

The Offeror and the Company jointly announce that on 24 October 2024, 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 the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders as at the Scheme Record Date of the Cancellation Price in cash for each Scheme Share cancelled and extinguished, the simultaneous allotment and issue of an equivalent number of new

Shares, credited as fully paid, to the Offeror, subject to the Conditions, and the withdrawal of the listing of the Shares on GEM of the Stock Exchange.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and the expected timetable as well as to give you notices of the Court Meeting and the EGM (together with proxy forms in relation thereto). Your attention is drawn to the following sections of this Scheme Document: (a) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (b) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (c) the Explanatory Memorandum set out in Part VII of this Scheme Document; and (d) the terms of the Scheme set out in Appendix III of this Scheme Document.

2. TERMS OF THE PROPOSAL

If the Proposal is approved and implemented, under the Scheme:

- (a) all Scheme Shares on the Effective Date will be cancelled and extinguished in exchange for the payment of the Cancellation Price, i.e. HK\$0.70 per Scheme Share, in cash to each Scheme Shareholder as at the Scheme Record Date by the Offeror;
- (b) the issued share capital of the Company will, on the Effective Date, be maintained at the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issue at par to the Offeror of the same number of new Shares as 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 and extinguishment of the Scheme Shares will be applied in paying up in full at par the new Shares so allotted and issued to the Offeror;
- (c) the Offeror and the Offeror Concert Parties will in aggregate hold the entire issued share capital of the Company; and
- (d) the Company will apply to the Stock Exchange, in accordance with Rule 9.23 of the GEM Listing Rules, for the withdrawal of the listing of the Shares on GEM of the Stock Exchange as soon as practicable after the Effective Date.

Cancellation Price

Under the Proposal, if the Scheme is approved and implemented, the Scheme Shares will be cancelled and extinguished and, in consideration therefor, each Scheme Shareholder as at the Scheme Record Date will be entitled to receive the Cancellation Price of HK\$0.70 in cash for each Scheme Share cancelled and extinguished under the Scheme.

The total consideration payable to the Scheme Shareholders for the Scheme Shares cancelled and extinguished will be paid by the Offeror in cash.

If, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such gross dividend, distribution and/or,

as the case may be, return of capital after consultation with the Executive, in which case any reference in the Scheme Document or any announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. As at the Latest Practicable Date, the Company (a) has not announced or declared any dividend, distribution or return of capital which has not been made or which remains unpaid; and (b) does not intend to announce, declare, make or pay any dividend, distribution or return of capital on or before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

The Cancellation Price of HK\$0.70 per Scheme Share represents:

- a premium of approximately 14.75% over the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 14.75% over the average closing price of approximately HK\$0.61 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 16.67% over the average closing price of approximately HK\$0.60 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 16.67% over the average closing price of approximately HK\$0.60 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 20.69% over the average closing price of approximately HK\$0.58 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 20.69% over the average closing price of approximately HK\$0.58 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 14.75% over the average closing price of approximately HK\$0.61 per Share per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 12.90% over the average closing price of approximately HK\$0.62 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;
- a premium of approximately 45.83% to the unaudited consolidated net asset value per Share in the Company of approximately HK\$0.48 as at 30 June 2024, based on the unaudited net assets of the Group as stated in the consolidated statement of financial position of the Company included in its interim report for the six months ended 30 June 2024, and 400,000,000 Shares in issue as at the Latest Practicable Date;

- a premium of approximately 42.86% to the audited consolidated net asset value per Share in the Company of approximately HK\$0.49 as at 31 December 2023, based on the audited net assets of the Group as stated in the consolidated statement of financial position of the Company included in its annual report for the financial year ended 31 December 2023, and 400,000,000 Shares in issue as at the Latest Practicable Date; and
- a premium of approximately 4.48% over the closing price of approximately HK\$0.67 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Cancellation Price has been determined on an arm's length commercial basis after taking into account, among others, the historical trading prices of the Shares traded on the Stock Exchange, the latest available financial position of the Group, and with reference to other similar privatisation transactions in Hong Kong in recent years.

Total consideration and financial resources

On the basis of the Cancellation Price of HK\$0.70 per Scheme Share and 104,686,000 Scheme Shares being in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or repurchased before the Scheme Record Date, the Scheme Shares are in aggregate valued at approximately HK\$73,280,200, which represents the amount of cash required for the Proposal.

The Offeror's payment obligations to the Scheme Shareholders as at the Scheme Record Date in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the entire cash amount required for the Proposal from internal cash resources.

Ping An, the financial adviser to the Offeror in relation to the Proposal, is satisfied that sufficient financial resources are available to the Offeror for satisfying its obligations in respect of the full implementation of the Proposal in accordance with its terms.

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.

Highest and lowest prices of the Shares

During the six-month period ended on and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.72 from 13 May 2024 to 16 May 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.53 on 22 July 2024.

3. CONDITIONS OF THE PROPOSAL AND THE SCHEME

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree in writing or, to the extent applicable, as the Grand Court on application of the Offeror or the Company may direct and in all cases, as permitted by the Executive), failing which the Scheme will not become effective and the Proposal will lapse. The Company has no right to waive any of the Conditions.

For details of the Conditions, your attention is drawn to the section headed “3. Conditions of the Proposal and the Scheme” in the Explanatory Memorandum in Part VII of this Scheme Document.

Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in 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 advisers.

4. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each, of which 400,000,000 Shares are in issue. As at the Latest Practicable Date, the Scheme Shares, comprising 104,686,000 Shares, represent 26.17% of the total issued Shares.

As at the Latest Practicable Date, the Offeror does not hold any Shares, and the Offeror Concert Parties hold 295,314,000 Shares in aggregate, representing 73.83% of the total issued Shares.

As at the Latest Practicable Date, there are no outstanding convertible securities, warrants, options or derivatives in respect of any Shares.

Assuming there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Proposal:

	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	Number of Shares	Approximate % of total issued Shares	Number of Shares	Approximate % of total issued Shares
Offeror⁽¹⁾	-	-	104,686,000	26.17
Offeror Concert Parties				
Shui Wah Limited ⁽²⁾	248,700,000	62.18	248,700,000	62.18
Mr. Yik Tak Chi ⁽³⁾	8,208,000	2.05	8,208,000	2.05
Mr. Lui Chi Tat ⁽⁴⁾	36,020,000	9.01	36,020,000	9.01
Ms. Au Hoi Lam ⁽⁵⁾	12,000	0.01	12,000	0.01
Ms. Au Tung Ming ⁽⁶⁾	8,000	0.01	8,000	0.01
Mr. Chung Kin Man ⁽⁷⁾	40,000	0.01	40,000	0.01
Ms. Chung Wai Man ⁽⁸⁾	20,000	0.01	20,000	0.01
Mr. Yi Shaoguang ⁽⁹⁾	764,000	0.19	764,000	0.19
Mr. Yik Siu Tim ⁽¹⁰⁾	720,000	0.18	720,000	0.18
Ms. Wong Kit Yi ⁽¹¹⁾	40,000	0.01	40,000	0.01
Ms. Huang Weiyi ⁽¹²⁾	350,000	0.09	350,000	0.09
Ms. Zhong Huimei ⁽¹³⁾	160,000	0.04	160,000	0.04
Ms. Yi Weiji ⁽¹⁴⁾	272,000	0.07	272,000	0.07

<i>Aggregate number of Shares of the Offeror and the Offeror Concert Parties</i>	295,314,000	73.83	400,000,000	100.00
Scheme Shareholders	104,686,000	26.17		
Total number of Shares in issue	400,000,000	100.00	400,000,000	100.00

Notes:

1. The Offeror is a company incorporated in Hong Kong wholly owned by Multifield Investment Development Limited, which in turn is wholly owned by Mr. Yik Tak Chi. Shares in which the Offeror Concert Parties are interested will not form part of the Scheme Shares and will not be cancelled and extinguished.
2. Shui Wah Limited is a company incorporated in British Virgin Islands with limited liability. Shui Wah Limited is owned as to 100.00% by Lucky Expert Investments Limited, which is in turn owned as to 59.88% by the Offeror, 29.17% by Ms. Yik Wai Hang (a sister of Mr. Yik Tak Chi), 6.02% by Ms. Chung Wai Man (an executive Director and a sister-in-law of Mr. Yik Tak Chi) and 4.93% by Mr. Chung Kin Man (an executive Director and a brother-in-law of Mr. Yik Tak Chi).
3. Mr. Yik Tak Chi is a director and the ultimate beneficial owner of the Offeror, and an executive Director.
4. Mr. Lui Chi Tat is an executive Director and a son of a sibling of Mr. Yik Tak Chi, and therefore presumed to be acting in concert with the Offeror (as the ultimate beneficial owner of the Offeror, Mr. Yik Tak Chi, is also a Director) pursuant to class (6) and class (8) of the definition of “acting in concert” in the Takeovers Code.
5. Ms. Au Hoi Lam (previously known as Ms. Au Ka Ming) is the spouse of Mr. Lui Chi Tat and therefore presumed to be acting in concert with the Offeror (as the ultimate beneficial owner of the Offeror, Mr. Yik Tak Chi, is also a Director) pursuant to class (6) of the definition of “acting in concert” in the Takeovers Code.
6. Ms. Au Tung Ming is the sister of Ms. Au Hoi Lam, the spouse of Mr. Lui Chi Tat, and therefore presumed to be acting in concert with the Offeror (as the ultimate beneficial owner of the Offeror, Mr. Yik Tak Chi, is also a Director) pursuant to class (6) of the definition of “acting in concert” in the Takeovers Code.
7. Mr. Chung Kin Man is an executive Director and a brother-in-law of Mr. Yik Tak Chi, and therefore presumed to be acting in concert with the Offeror (as the ultimate beneficial owner of the Offeror, Mr. Yik Tak Chi, is also a Director) pursuant to class (6) and class (8) of the definition of “acting in concert” in the Takeovers Code.
8. Ms. Chung Wai Man is an executive Director and a sister-in-law of Mr. Yik Tak Chi, and therefore presumed to be acting in concert with the Offeror (as the ultimate beneficial owner of the Offeror, Mr. Yik Tak Chi, is also a Director) pursuant to class (6) and class (8) of the definition of “acting in concert” in the Takeovers Code.
9. Mr. Yi Shaoguang is a son of a sibling of Mr. Yik Tak Chi, and therefore presumed to be acting in

concert with the Offeror (as the ultimate beneficial owner of the Offeror is Mr. Yik Tak Chi) pursuant to class (8) of the definition of “acting in concert” in the Takeovers Code.

10. Mr. Yik Siu Tim is a son of a sibling of Mr. Yik Tak Chi, and therefore presumed to be acting in concert with the Offeror (as the ultimate beneficial owner of the Offeror is Mr. Yik Tak Chi) pursuant to class (8) of the definition of “acting in concert” in the Takeovers Code.
11. Ms. Wong Kit Yi is a daughter of a sibling of Mr. Yik Tak Chi, and therefore presumed to be acting in concert with the Offeror (as the ultimate beneficial owner of the Offeror is Mr. Yik Tak Chi) pursuant to class (8) of the definition of “acting in concert” in the Takeovers Code.
12. Ms. Huang Weiyi is a daughter of a sibling of Mr. Yik Tak Chi, and therefore presumed to be acting in concert with the Offeror (as the ultimate beneficial owner of the Offeror is Mr. Yik Tak Chi) pursuant to class (8) of the definition of “acting in concert” in the Takeovers Code.
13. Ms. Zhong Huimei is a sister-in-law of Mr. Yik Tak Chi, and therefore presumed to be acting in concert with the Offeror (as the ultimate beneficial owner of the Offeror is Mr. Yik Tak Chi) pursuant to class (8) of the definition of “acting in concert” in the Takeovers Code.
14. Ms. Yi Weiji is a sister of Mr. Yik Tak Chi, and therefore presumed to be acting in concert with the Offeror (as the ultimate beneficial owner of the Offeror is Mr. Yik Tak Chi) pursuant to class (8) of the definition of “acting in concert” in the Takeovers Code.
15. Save as disclosed in this section and the paragraph headed “5. Shareholding Structure of the Company” in the section headed “Explanatory Memorandum” of this Scheme Document, no other Director holds Shares.

Immediately following the Effective Date and the withdrawal of the listing of the Shares on GEM of the Stock Exchange, approximately 26.17% and 73.83% of the total number of Shares in issue will be held by the Offeror and the Offeror Concert Parties, respectively, on the assumption that there are no other changes in shareholding in the Company before completion of the Proposal.

5. REASONS FOR, AND BENEFITS OF, THE PROPOSAL

Your attention is drawn to the section headed “6. Reasons for, and Benefits of, the Proposal” in the Explanatory Memorandum in Part VII of this Scheme Document.

6. INFORMATION ON THE GROUP, THE OFFEROR

The Group

The Company was incorporated in the Cayman Islands with limited liability and the Shares are listed on GEM of the Stock Exchange (Stock code: 8405). The Company is an investment holding company and the Group is an established operator of elderly residential care homes in Hong Kong providing comprehensive residential care home services to the elderly resident.

The Offeror

The Offeror is an investment holding company incorporated in Hong Kong with limited liability. The Offeror is a direct wholly-owned subsidiary of Multifield Investment Development Limited, which is in turn wholly owned by Mr. Yik Tak Chi.

As at the Latest Practicable Date, Mr. Yik Tak Chi is a director of the Offeror and an executive Director.

Your attention is drawn to the paragraph headed “7. Information on the Group, the Offeror” in the section headed “Explanatory Memorandum” of this Scheme Document.

7. INTENTION OF THE OFFEROR WITH REGARD TO THE COMPANY

The Board is pleased to note that as at the Latest Practicable Date, the Offeror intends for the Group to continue carrying on its existing businesses following the implementation of the Proposal and does not have any plan to make any material changes to the continued employment of the employees of the Group (other than in the ordinary course of business of the Group). The listing of the Shares will be withdrawn from GEM of the Stock Exchange following the Effective Date.

Your attention is drawn to the paragraph headed “8. Intention of the Offeror with regard to the Company” in the section headed “Explanatory Memorandum” of this Scheme Document.

8. WITHDRAWAL OF LISTING OF THE SHARES

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

The Company will apply to GEM of the Stock Exchange, in accordance with Rule 9.23 of the GEM Listing Rules, for the withdrawal of the listing of the Shares on GEM of the Stock Exchange as soon as practicable after the Effective Date.

The Shareholders will be notified by way of an announcement of the exact dates of (i) the last day for dealing in the Shares on GEM of the Stock Exchange; (ii) the day on which the Scheme will become effective; and (iii) the day of withdrawal of the listing of the Shares on GEM of the Stock Exchange. 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.

Your attention is drawn to the paragraphs headed “9. Withdrawal of Listing of the Shares” and “17. Registration and Payment” in the section headed “Explanatory Memorandum” of this Scheme Document.

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

The Scheme will not become effective and the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree in writing or, to the extent applicable, as the Grand Court on the application of the Offeror or the Company may direct and in all cases, as permitted by the Executive). The listing of

the Shares on GEM of 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 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 Adviser 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. If the Proposal is recommended by the Independent Board Committee, and is recommended as fair and reasonable by the Independent Financial Adviser, the Company and the Offeror have agreed that each party will bear their own costs, charges and expenses.

10. OVERSEAS SHAREHOLDERS

If you are an overseas Scheme Shareholder, your attention is drawn to the paragraph headed “11. Overseas Shareholders” in the section headed “Explanatory Memorandum” in Part VII of this Scheme Document.

11. TAXATION ADVICE

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal or the Scheme. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company and Ping An or any of their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Proposal or the Scheme accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of the Proposal or the Scheme.

Your attention is drawn to the section headed “12. Taxation Advice” in the Explanatory Memorandum in Part VII of this Scheme Document.

12. INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee shall comprise all the non-executive Directors who have no direct or indirect interest in the Proposal.

An Independent Board Committee which comprises Mr. Lau Joseph Wan Pui, Mr. Chan Ching Sum Sam, Mr. Lau Tai Chim and Mr. Wong Wai Ho, being the non-executive Director and all of the independent non-executive Directors, has been established by the Board to make a recommendation to the Scheme Shareholders as to (i) whether the terms of the Proposal and the Scheme are fair and reasonable; and (ii) whether to vote in favour of the Scheme and the Proposal at the Court Meeting and the EGM, respectively.

The full text of the letter from the Independent Board Committee is set out in the “Letter from the Independent Board Committee” in Part V of this Scheme Document.

13. INDEPENDENT FINANCIAL ADVISER

The Board, with the approval of the Independent Board Committee, has appointed CCIC as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code.

The full text of the letter from the Independent Financial Adviser is set out in the “Letter from the Independent Financial Adviser” in Part VI of this Scheme Document.

14. SCHEME SHARES, COURT MEETING AND EGM

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each, of which 400,000,000 Shares are in issue. As at the Latest Practicable Date, the Offeror does not hold any Shares, and the Offeror Concert Parties hold 295,314,000 Shares in aggregate, representing 73.83% of the total issued Shares. Such Shares held by the Offeror Concert Parties will not form part of the Scheme Shares and will not be voted on at the Court Meeting.

Each of the Offeror and the Offeror Concert Parties will procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the Court Meeting. The Offeror will undertake to the Grand Court that it will be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme, and will execute and do all things as may be necessary or desirable to be executed and done by it for the purposes of the Scheme.

All Shareholders will be entitled to attend the EGM and vote on, among others, the special resolution to (i) approve and give effect to any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by applying the reserve created as a result of the cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme for allotment and issue to the Offeror.

The Offeror and the Offeror Concert Parties have indicated that if the Scheme is approved at the Court Meeting, those Shares held by them will be voted in favour of the resolutions to be proposed at the EGM.

The Court Meeting will be held at 11:00 a.m. (Hong Kong time) on Wednesday, 19 February 2025 at Unit 1107, 11/F, Tower 3 Enterprise Square, No.9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong, and the EGM will be held at the same place and on the same date as the Court Meeting at 11:30 a.m. (Hong Kong time) (or, if later, immediately after the conclusion or adjournment of the Court Meeting).

For the purpose of exercising your right to vote at the Court Meeting and/or the EGM, your attention is drawn to the paragraph headed “15. Scheme Shares, Court Meeting and EGM” in the section headed “Explanatory Memorandum” of this Scheme Document, the section headed “Actions to be Taken” of this Scheme Document, and the notices of the Court Meeting and the EGM in Appendix IV and Appendix V, respectively, of this Scheme Document.

15. GENERAL

The Offeror has appointed Ping An as its financial adviser in connection with the Proposal. Accordingly, Ping An and persons controlling, controlled by or under the same control as Ping An are presumed to be acting in concert with the Offeror in accordance with class 5 of the definition of “acting in concert” in the Takeovers Code.

16. RECOMMENDATION

Your attention is drawn to the recommendations of the Independent Financial Adviser to the Independent Board Committee in respect of the Proposal as set out in the “Letter from the Independent Financial Adviser” in Part VI of this Scheme Document. We would advise you to read these letters carefully before you take any action in respect of the Proposal and the Scheme.

17. FURTHER INFORMATION

You are encouraged to read carefully (a) the sections headed “Letter from the Independent Board Committee”, “Letter from the Independent Financial Adviser” and “Explanatory Memorandum” in Part V, Part VI and Part VII of this Scheme Document; (b) the appendices of this Scheme Document, including the Scheme set out in Appendix III of this Scheme Document; (c) the notice of Court Meeting in Appendix IV of this Scheme Document; and (d) the notice of EGM in Appendix V of this Scheme Document.

In addition, a **PINK** form of proxy in respect of the Court Meeting and a **WHITE** form of proxy in respect of the EGM are enclosed with this Scheme Document.

Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived (as applicable), and therefore the Proposal may or may not be implemented. 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 advisers.

Yours faithfully,

By order of the Board of

HANG CHI HOLDINGS LIMITED



Yik Tak Chi

Chairman and Executive Director