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**Hang Chi Development &
Investment Limited**

(Incorporated in Hong Kong with limited liability)

**Hang Chi Holdings Limited
恒智控股有限公司**

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8405)

JOINT ANNOUNCEMENT

**(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)**

(2) PROPOSED WITHDRAWAL OF LISTING

(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

(4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

AND

(5) RESUMPTION OF TRADING IN THE SHARES

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



INTRODUCTION

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

TERMS OF THE PROPOSAL

The Proposal will be implemented by way of the Scheme.

Under the Proposal, if the Scheme is approved and implemented in accordance with its terms, 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 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 Announcement Date; and
- 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 Announcement Date.

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

The Proposal and the Scheme will be conditional upon the fulfilment or waiver, as applicable, of all the Conditions described in the section headed “Terms of the Proposal – Conditions of the Proposal and the Scheme” of this joint announcement 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 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.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement 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 Announcement Date, the Scheme Shares, comprising 104,686,000 Shares, represent 26.17% of the total issued Shares.

As at the Announcement 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 Announcement 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 Offeror and the Offeror Concert Parties will hold 100% of the issued share capital of the Company following the completion of the Scheme and withdrawal of listing the Shares on GEM of the Stock Exchange.

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 Announcement 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.

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 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. The Shareholders will be notified by way of an announcement of the exact dates of (i) the last day for dealing in 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.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

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.

SCHEME SHARES, COURT MEETING AND EGM

As at the Announcement 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 Announcement 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 all the Scheme Shares; and (ii) contemporaneously maintain the issued share capital of the Company at the amount 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.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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 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.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among others, further details of the Proposal and the Scheme, the expected timetable, an explanatory statement as required under the rules of the Grand Court, information regarding the Company, recommendation from the Independent Board Committee with respect to the Proposal and the Scheme, the letter of advice from the Independent Financial Adviser to the Independent Board Committee, a notice of the Court Meeting and a notice of the EGM, together with the forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the GEM Listing Rules, the Takeovers Code, the rules and orders of the Grand Court and any other applicable laws and regulations.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9 a.m. on 25 October 2024 pending issuance of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 6 November 2024.

WARNING

Shareholders and/or potential investors of the Company should be aware that the implementation of the Proposal and the Scheme is subject to the fulfilment or waiver, as applicable, of all the Conditions, 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 licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

1. INTRODUCTION

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

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.

2. TERMS OF THE PROPOSAL

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 Announcement 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 this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. As at the Announcement 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 Announcement Date; and
- 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 Announcement 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 Announcement 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.

Conditions of the Proposal and the Scheme

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

- (1) the approval of the Scheme (by way of a poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting, provided that 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 Shares held by all the Scheme Shareholders;

- (2) the passing of 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 EGM 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;
- (3) the sanction of the Scheme (with or without modification) by the Grand Court and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (4) all Authorisations in connection with the Proposal having been obtained from, given by or made with (as the case may be) the Relevant Authorities in the Cayman Islands, Hong Kong and any other relevant jurisdictions;
- (5) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any related matters, documents (including circulars) or things, in each case up to and at the time when the Scheme becomes effective;
- (6) all necessary consents which may be required for the implementation of the Proposal under any existing contractual obligations of the Group (including consents from the relevant lenders) being obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group taken as a whole or in the context of the Proposal, and such consent or waiver remaining in effect;

- (7) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme 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 the Scheme 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
- (8) since the Announcement Date, there having been no adverse change in the business, assets, financial or trading position, profits or prospects of any member of the Group (to an extent 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) whether or not as a result of the implementation of the Proposal.

With reference to Conditions (4) and (5), as at the Announcement Date, save for the sanction of the Scheme (with or without modification) by the Grand Court, so far as the Offeror and the Company are aware, there are no other Authorisations which are required, nor is there any non-compliance with all necessary statutory or regulatory requirements or obligations in connection with the Proposal and the Scheme. The Offeror reserves the right to waive Conditions (4) to (8) either in whole or in part, either generally or in respect of any particular matter. Conditions (1) to (3) cannot be waived in any event. 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 or the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal or 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.

As at the Announcement Date, with respect to the Condition in:

- (a) paragraphs (4) and (5), save for the sanction of the Scheme (with or without modification) by the Grand Court, each of the Offeror and the Company is not aware of any requirement for such Authorisations;

- (b) paragraph (6), each of the Offeror and the Company is not aware of any such consents; and
- (c) paragraph (7), each of the Offeror and the Company is not aware of any such action, proceeding, suit, investigation, enquiry, statute, regulation, demand or order.

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

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.

3. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement 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 Announcement Date, the Scheme Shares, comprising 104,686,000 Shares, represent 26.17% of the total issued Shares.

As at the Announcement 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 Announcement 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 Announcement Date and immediately upon completion of the Proposal:

	As at the Announcement Date		Immediately upon completion of the Proposal	
	<i>Number of Shares</i>	<i>Approximate % of total issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of total issued Shares</i>
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	<u>400,000,000</u>	<u>100.00</u>	<u>400,000,000</u>	<u>100.00</u>

Notes:

- 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. Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares.
16. Save as disclosed in the Announcement, 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.

As at the Announcement Date:

- (a) the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the 400,000,000 Shares in issue;
- (b) 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;
- (c) 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;
- (d) no irrevocable commitment to vote for or against the Scheme has been received by the Offeror or any person acting in concert with it;
- (e) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or any person acting in concert with it;
- (f) neither the Offeror nor any person acting in concert with it has entered into any outstanding derivative in respect of the securities in the Company;
- (g) save for the Proposal, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror between the Offeror or any person acting in concert with it and any other person which might be material to the Proposal;
- (h) there are no agreements or arrangements to which the Offeror or any person acting in concert with it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Condition;

- (i) neither the Offeror nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (j) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between (1) any shareholder of the Company; and (2) either (a) the Offeror and any person acting in concert with it; or (b) the Company, its subsidiaries or associated companies; and
- (k) other than the Cancellation Price payable under the Scheme, the Offeror or any person acting in concert with it have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares.

4. REASONS FOR, AND BENEFITS OF, THE PROPOSAL

For Scheme Shareholders

An opportunity to secure attractive cash returns and mitigate uncertainties on the business outlook

Notwithstanding the general market demand for elderly care services in Hong Kong, the elderly services industry is facing increasing operating challenges, including (without limitation) increasing rental costs, stringent licensing and compliance requirements, and persistent shortage in healthcare workers. More particularly, it is noted that (i) the rental of elderly residential care homes has been rocketing to the extent that “nothing is the most expensive but only more expensive”; (ii) the Group has been experiencing significant practical hurdles in identifying and securing suitable, compliant and willing premises for the operations of elderly care facilities, which has continued to impede the Group’s ability to pursue organic growth; (iii) the increments in salary costs are far higher than the inflation rate while the problem of caretaker labour shortage continues to persist in the industry in general; and (iv) the increasingly stringent licensing and compliance requirements and extended licensing approval process associated with the operations of elderly care facilities has further hindered the Group’s efforts to expand organically. Such operating challenges have not only impeded the Group’s ability to pursue growth, but also imposed increasing pressure on the Group’s ability to control costs and maintain its profitability.

In light of these circumstances, particularly with the uncertain sector dynamics and prospects in the foreseeable near term, the Proposal presents a valuable opportunity for the Scheme Shareholders to reduce exposure to the volatile elderly service industry and mitigate the risks associated with the broader macro-economic and business uncertainties.

Low trading liquidity of the Shares

The trading liquidity of the Shares has been at a low level over a long period in recent years. The average daily trading volume was approximately 165,000 Shares for the 12 months up to and including the Last Trading Day, representing less than approximately 0.041% of the total issued Shares as at the Last Trading Day. The low trading liquidity of the Shares has rendered it difficult for the Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares, if at all feasible. Due to the considerably low liquidity in the trading of the Shares, the Offeror considers that the Company's current listing platform may no longer serve as an effective fund-raising platform for the Company's business and future growth.

For the Offeror and the Company

The listed platform has provided limited equity financing capabilities

Since the Company was listed on GEM of the Stock Exchange, the Company has not engaged in any equity fundraising activities, which is typically one of the main benefits of being publicly listed. This is largely due to the low liquidity of the Shares and the underperformance in the trading of the Shares. As a result, the Company has been unable to effectively utilize its listing platform as a viable source of funding for its long-term growth.

Facilitate long-term growth

Implementation of the Proposal will permit the Offeror and the Company to make strategic decisions focused on long-term growth and benefits, free from regulatory constraints, the pressure of market expectations and share price fluctuations which arise from being a publicly listed company. The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements and, in turn, allows greater flexibility for the Offeror and the Company to manage the Group's business.

5. 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. 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.

Based on the published consolidated financial statements of the Company, the table below sets out the financial information of the Group for the three financial years ended 31 December 2023 and the six months ended 30 June 2023 and 30 June 2024:

	<i>For the six months ended 30 June</i>		<i>For the financial years ended 31 December</i>		
	2024	2023	2023	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Revenue	112,645	102,551	211,214	193,041	203,849
EBITDA	43,566	36,016	81,587	91,117	97,872
Profit for the year/period	14,236	9,802	26,204	38,610	52,191
Net assets	193,791	180,953	197,355	211,151	179,141

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 Announcement Date, Mr. Yik Tak Chi is a director of the Offeror and an executive Director.

6. INTENTION OF THE OFFEROR WITH REGARD TO THE COMPANY

As at the Announcement 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 Offeror will conduct a strategic review of the Group's assets, corporate structure, capitalisation, operations, properties, policies and management to determine if any changes would be appropriate and desirable following the implementation of the Proposal with a view to optimising the Group's activities and development under the challenging sector dynamics and operating environment, and may make any adjustments and changes as the Offeror deems necessary and appropriate in light of its review of the Group or any future development.

7. 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.

8. 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, or 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.

9. OVERSEAS SHAREHOLDERS

The making of the Proposal to the Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders are located.

Such Scheme Shareholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders wishing to take an action in relation to 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, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes in such jurisdiction.

Any approval by such Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror and their respective advisers (including Ping An), 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 Scheme 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 not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will 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 Scheme 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 Scheme Shareholders.

As at the Announcement Date, there was no overseas Scheme Shareholder whose address as shown in the register of members of the Company was outside Hong Kong.

10. 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.

11. INDEPENDENT BOARD COMMITTEE

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.

12. 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.

13. DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among other things: (a) further details of the Proposal and the Scheme; (b) the expected timetable in relation to the Proposal and the Scheme; (c) an explanatory memorandum as required under the Companies Act; (d) a letter from the Independent Board Committee containing its recommendations to the Scheme Shareholders in respect of the Proposal and the Scheme; (e) a letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme; and (f) notices of the Court Meeting and the EGM, together with proxy forms in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the rules and orders of the Grand Court and any other applicable laws and regulations.

The Scheme Document will contain important information and the Scheme 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 the EGM.

14. SCHEME SHARES, COURT MEETING AND EGM

As at the Announcement 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 Announcement 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.

15. DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Offeror and the Company (as defined in the Takeovers Code, including any person who own or control 5% or more of the relevant securities (as defined 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 any 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, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“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.”

16. 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.

The Directors (excluding members of the Independent Board Committee) believe that the terms of the Proposal and the Scheme are fair and reasonable and in the interests of the Shareholders as a whole.

17. RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on GEM of the Stock Exchange was halted from 9 a.m. on 25 October 2024 pending issuance of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on GEM of the Stock Exchange with effect from 9:00 a.m. on 6 November 2024.

18. DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code and “concert party” shall be construed accordingly
“Announcement Date”	6 November 2024, being the date of this joint announcement
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Authorisations”	all the necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Board”	the board of Directors
“Cancellation Price”	the Cancellation Price of HK\$0.70 for every Scheme Share cancelled and extinguished payable in cash by the Offeror to the Scheme Shareholders as at the Scheme Record Date pursuant to the Scheme
“CCIC” or “Independent Financial Adviser”	Central China International Capital Limited (中州國際金融控股有限公司), a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and 6 (advising on corporate finance) regulated activities, being the independent financial adviser appointed by the Independent Board Committee in relation to the Proposal
“Company”	Hang Chi Holdings Limited (恒智控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange (stock code: 8405)
“Companies Act”	the Companies Act (2023 Revision) of the Cayman Islands, as consolidated and revised from time to time
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as set out in the section headed “Conditions to the Proposal and the Scheme” of this joint announcement

“Court Meeting”	a meeting of the Scheme Shareholders to be convened and held at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Scheme, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Act, being the date on which a copy of the order of the Grand Court sanctioning the Scheme is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Act
“EGM”	an extraordinary general meeting of the Company to be convened and held as soon as practicable following the conclusion or adjournment of the Court Meeting for the purposes of passing all necessary resolution(s) for, amongst other things, a special resolution to approve and give effect to (i) any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; (ii) contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme; and (iii) apply the credit arising in the Company’s books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company established by the Board to make a recommendation to the Scheme Shareholders in respect of the Proposal and the Scheme, comprising 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
“Last Trading Day”	24 October 2024, being the last trading day on which the Shares were traded on the Stock Exchange before publication of this joint announcement
“Long Stop Date”	30 April 2025 (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)
“Mr. Yik Tak Chi”	an executive Director of the Company and a director and the ultimate beneficial owner of the Offeror
“Multifield Investment Development Limited”	a company incorporated in the British Virgin Islands with limited liability, the immediate holding company of the Offeror
“Offer Period”	has the meaning ascribed to it under the Takeovers Code and commencing from the Announcement Date, and ending on the date at which the Proposal closes, lapses or is withdrawn, as the case may be
“Offeror”	Hang Chi Development & Investment Limited, a company incorporated in Hong Kong with limited liability

“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code, including Shui Wah Limited, Mr. Yik Tak Chi, Mr. Lui Chi Tat, Ms. Au Hoi Lam, Ms. Au Tung Ming, Mr. Chung Kin Man, Ms. Chung Wai Man, Mr. Yi Shaoguang, Mr. Yik Siu Tim, Ms. Wong Kit Yi, Ms. Huang Weiyi, Ms. Zhong Huimei, and Ms. Yi Weiji
“Ping An”	Ping An of China Capital (Hong Kong) Company Limited (中國平安資本(香港)有限公司), a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in relation to the Proposal
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme on the terms and subject to the Conditions
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Scheme”	a scheme of arrangement between the Company and the Scheme Shareholders under Section 86 of the Companies Act (subject to the Conditions) involving the cancellation and extinguishment of all the Scheme Shares and the maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation and extinguishment of the Scheme Shares
“Scheme Document”	the composite scheme document to be despatched by the Company and the Offeror to the Shareholders containing, among other things, further details of the Proposal and the Scheme, together with the additional information specified in the section headed “Despatch of Scheme Document” of this joint announcement
“Scheme Record Date”	the record date to be announced for determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
“Scheme Share(s)”	Share(s) in issue other than those directly or indirectly held by the Offeror or the Offeror Concert Parties

“Scheme Shareholder(s)”	holders of Scheme Shares
“SFC”	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 HK\$0.01 each in the share capital 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
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“%”	per cent.

**Hang Chi Development & Investment
Limited
Yik Tak Chi
Director**

**By order of the Board of
Hang Chi Holdings Limited
恒智控股有限公司
Yik Tak Chi
Chairman and Executive Director**

Hong Kong, 6 November 2024

As at the Announcement Date, the directors of the Offeror are Mr. YIK Tak Chi and Ms. CHUNG Shuk Man.

The directors of the Offeror 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 the Directors) and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as directors of the Company) 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 executive Directors are Mr. YIK Tak Chi, Mr. LUI Chi Tat, Mr. CHUNG Kin Man and Ms. CHUNG Wai Man, the non-executive Director is Mr. LAU Joseph Wan Pui and the independent non-executive Directors are Mr. WONG Wai Ho, Mr. LAU Tai Chim and Mr. CHAN Ching Sum Sam.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by directors of the Offeror in their capacity as the directors of the Offeror) 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.

This joint announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and will also be published on the Company’s website at www.shuionnc.com.