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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hang Chi Holdings Limited (“**Company**”), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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Hang Chi Holdings Limited
恒智控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8405)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS AND
GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at Unit 09, 7/F., FTLife Tower, No.18 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong on Tuesday, 16 May 2023, at 3 p.m. is set out on pages 19 to 23 of this circular.

A form of proxy for the Annual General Meeting is also enclosed with this circular. Whether or not you intend to attend and vote at the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to Boardroom Share Registrars (HK) Limited, the branch share registrar of the Company in Hong Kong, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

This circular 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.

31 March 2023

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this circular:

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| “Annual General Meeting” or “AGM” | the annual general meeting of the Company to be held at Unit 09, 7/F., FTLife Tower, No.18 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong on Tuesday, 16 May 2023 at 3 p.m., or any adjournment thereof, the notice of which is set out on pages 19 to 23 of this circular, or any adjournment thereof |
| “Articles of Association” or “Articles” | the articles of association of the Company as amended, supplemented or modified from time to time |
| “associate(s)” | has the same meaning ascribed to it under the GEM Listing Rules |
| “Board” | the board of Directors |
| “Company” | Hang Chi Holdings Limited (恒智控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on GEM (stock code: 8405) |
| “connected person(s)” | has the same meaning ascribed to it under the GEM Listing Rules |
| “Controlling Shareholder(s)” | has the same meaning ascribed to it under the GEM Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “GEM” | GEM operated by the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| “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 |

DEFINITIONS

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| “Issue Mandate” | a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the relevant resolution |
| “Latest Practicable Date” | 22 March 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular |
| “Repurchase Mandate” | a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase Shares on the Stock Exchange not exceeding 10% of the total number of issued Shares as at the date of passing of the relevant resolution |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time |
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Substantial Shareholder(s)” | has the same meaning ascribed to it under the GEM Listing Rules |
| “Takeovers Code” | The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong |
| “%” | per cent. |

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

LETTER FROM THE BOARD



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. Chung Kin Man
Ms. Chung Wai Man
Mr. Lui Chi Tat

Non-executive Director:

Mr. Lau Joseph Wan Pui

Independent non-executive Directors:

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

Registered office:

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

*Head office and principal place
of business in Hong Kong:*

Unit 09, 7/F., FTLife Tower
No.18 Sheung Yuet Road
Kowloon Bay, Kowloon
Hong Kong

31 March 2023

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS AND
GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information relating to (i) the re-election of Directors; and (ii) the granting to the Directors of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently consists of eight Directors, including four executive Directors, namely, Mr. Yik Tak Chi, Mr. Chung Kin Man, Ms. Chung Wai Man and Mr. Lui Chi Tat, one non-executive Director, namely, Mr. Lau Joseph Wan Pui and three independent non-executive Directors, namely, Mr. Chan Ching Sum Sam, Mr. Lau Tai Chim and Mr. Wong Wai Ho.

Pursuant to Article 84(1) of the Articles, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat.

Accordingly, Mr. Yik Tak Chi, Mr. Lui Chi Tat and Mr. Lau Joseph Wan Pui shall retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election at the AGM.

The nomination committee of the Company (the “**Nomination Committee**”) has reviewed the composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company’s Board Diversity Policy and Nomination Policy, and the independence of all independent non-executive directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors. The Nomination Committee has also assessed and reviewed each of the independent non-executive Directors’ annual written confirmation of independence based on the independence criteria as set out in Rule 5.09 of the GEM Listing Rules and confirmed that all independent non-executive Directors remain independent.

Details of the Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular in accordance with the relevant requirements of the GEM Listing Rules.

GENERAL MANDATE TO ISSUE NEW SHARES

The current general mandate previously granted to the Directors to issue Shares by written resolution of the then Shareholders passed on 27 June 2022 will expire at the conclusion of the AGM. Up to the Latest Practicable Date, such mandate had not been used.

An ordinary resolution will be proposed at the AGM to grant to the Directors a general and unconditional mandate to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed resolution of the Issue Mandate.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the number of Shares in issue was 400,000,000. Subject to the passing of the resolution approving the Issue Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company will be authorised to allot, issue and deal with up to a maximum of 80,000,000 Shares.

In addition, if the Repurchase Mandate is granted, a separate ordinary resolution will be proposed at the AGM to extend the number of new Shares which may be allotted, issued and dealt with under the Issue Mandate by the number of Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the total number of issued Shares as at the date of the grant of the Repurchase Mandate).

The Issue Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolution contained in item 5 of the notice of the AGM as set out on pages 19 to 23 of this circular.

GENERAL MANDATE TO REPURCHASE SHARES

The current general mandate previously granted to the Directors to repurchase Shares passed on 27 June 2022 will expire at the conclusion of the AGM. Up to the Latest Practicable Date, such mandate had not been used.

An ordinary resolution will be proposed at the AGM to grant to the Directors a general and unconditional mandate to repurchase Shares up to 10% of the total number of issued Shares as at the date of passing of the proposed resolution of the Repurchase Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 400,000,000. Subject to the passing of the resolution approving the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company will be authorised to repurchase up to a maximum of 40,000,000 Shares.

The Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolution contained in item 6 of the notice of the AGM as set out on pages 19 to 23 of this circular.

The explanatory statement required to be sent to the Shareholders under the GEM Listing Rules is set out in Appendix II to this circular to provide the Shareholders with the requisite information pertaining the Repurchase Mandate.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

NOTICE OF AGM

A notice convening the AGM to be held at Unit 09, 7/F., FTLife Tower, No.18 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong on Tuesday, 16 May 2023, at 3 p.m. is set out on pages 19 to 23 of this circular. At the AGM, resolutions will be proposed to approve, among others, (i) the re-election of Directors; and (ii) the granting to the Directors of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate.

A form of proxy for use at the AGM is enclosed with this circular. Please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office, Boardroom Share Registrars (HK) Limited, 2103B, 21/F, 148 Electric Road, North Point, Hong Kong and in any event no less than 48 hours before the time appointed for holding the AGM (i.e., no later than 3:00 p.m. on Sunday, 14 May 2023) or any adjournment thereof. The Company reminds Shareholders who wish to exercise his/her/its voting rights that they may appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM.

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder (or its/his/her close associates) had any material interest in any of the resolution to be proposed at the AGM and will be required to abstain from voting at the AGM to approve the relevant resolutions.

VOTING PROCEDURES BY SHAREHOLDERS

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes at the AGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the AGM will demand a poll for each and every resolution put forward at the AGM pursuant to the Articles of Association. An announcement on the poll vote results will be published by the Company after the AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Board considers that (i) the re-election of Directors and (ii) the granting to the Directors of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Hang Chi Holdings Limited
Yik Tak Chi
Chairman and Executive Director

The particulars of the Directors proposed for re-election at the AGM are set out as follows:

1. **Mr. Yik Tak Chi** (易德智先生) (“**Mr. Yik**”), aged 70, was appointed as a Director on 16 February 2016, and was redesignated as the Chairman and an executive Director, and appointed as the CEO on 7 February 2017. Mr. Yik stepped down as the CEO with effect from 22 January 2018. He is also the chairman of the Nomination Committee. Mr. Yik is the founder of the Group, who also serves as a director of all of the subsidiaries of the Company. Mr. Yik is responsible for the overall management, strategic planning, business development and major decision-making of the Group.

After Mr. Yik received approximately six years of primary education in the PRC in the 1960s, he moved to Hong Kong in 1979 to start working as an apprentice in the renovation industry. After gaining experience in the renovation industry for approximately six years, Mr. Yik worked in a construction company which mainly engaged in the building maintenance works during the period between 1982 and 1985. In 1985, he set up his own company to undertake projects in the field of building maintenance until 1992. During such period, he had started gaining relevant knowledge and experience in elderly residential care home business in Hong Kong when he was involved in renovation projects for elderly residential care homes and assisted in the design of two elderly residential care homes, namely Shui On Aged Home and Kowloon Tong Shui On Convalescent Home, established by his sister to meet the relevant requirements for obtaining the operating licence.

In 1993, Mr. Yik and his sister co-founded Shui On Aged Home (Prince Edward Road), a private elderly residential care home located in Kowloon. Since then, he has been actively involved in the planning and establishment, the daily management and operation of elderly residential care homes and has accumulated more than 28 years of experience in the operation and management of elderly residential care homes. Other than the elderly residential care homes of the Group, Mr. Yik also assisted in management and operation of three other elderly residential care homes before the establishment of the Group.

Mr. Yik is the brother-in-law of Mr. Chung Kin Man and Ms. Chung Wai Man, the other two executive Directors, and also the uncle of Mr. Lui Chi Tat, the CEO.

As at the Latest Practicable Date, Mr. Yik was deemed within the meaning of Part XV of the SFO to be interested in 257,088,000 Shares, representing approximately 64.27% of the issued share capital of the Company, of which 8,388,000 Shares were directly held by Mr. Yik and the remaining 248,700,000 Shares were directly held by his controlled corporation, Shui Wah Limited.

Save as disclosed above, Mr. Yik: (i) does not hold any other major appointment or professional qualifications; (ii) does not have any relationship with any Directors, senior management, Substantial Shareholders or Controlling Shareholders of the Company; (iii) does not hold any other positions in the Group; (iv) has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (v) does not have any other interests within the meaning of Part XV of the SFO.

Mr. Yik has entered into a service contract with the Company for an initial fixed term of three years commencing from 7 February 2017 renewable automatically until terminated by not less than three months' notice in writing served by either party on the other at the end of the initial term or any time thereafter or Mr. Yik has not been re-elected as a Director at any general meeting of the Company. Mr. Yik is subject to retirement by rotation and re-election at the AGM in accordance with the Articles. The current director's fee payable to Mr. Yik is HK\$180,000 per year and shall be reviewed by the Remuneration Committee annually. The remuneration package of Mr. Yik is determined by reference to his experiences, qualifications, duties and responsibilities with the Group and the prevailing market benchmark.

Save as disclosed above, there is no other information relating to the re-election of Mr. Yik as a Director that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules nor any matters that need to be brought to the attention of the Shareholders.

2. **Mr. Lui Chi Tat** (雷志達先生) (“**Mr. Lui**”), aged 49, was appointed as the CEO on 22 January 2018. He has been appointed as an executive Director on 27 February 2019. Mr. Lui also serves as a director of all of the subsidiaries of the Company, except Shui On Nursing Home Holdings (BVI) Limited. He is currently responsible for the daily operation and management of the Group.

Mr. Lui started working as an apprentice in the renovation industry after his graduation from secondary school in 1991. He then joined the industry of elderly residential care homes by working in Jun Pak Limited (formerly known as Shui On Nursing Centre Limited), which operated an elderly residential care home in Yau Tong district, as a general clerk in 1994. Mr. Lui subsequently became the deputy home manager of the aforesaid elderly residential care home from 2001 to 2004 and the home manager of an elderly residential care home in Shatin district, from 2004 to 2010. Since 2010, Mr. Lui has been appointed as a director of Shui On Nursing Centre (Kwai Shing E.) Co. Limited (“**Shui On (Kwai Shing E.)**”). He also served as the home manager of Shui On (Kwai Shing E.) from July 2010 to June 2016. As a home manager, Mr. Lui has been responsible for daily operation, management and administration of the above elderly residential care homes during the relevant period. Mr. Lui has accumulated more than 21 years of experience in the management and operation of elderly residential care homes.

Mr. Lui is the nephew of Mr. Yik, an executive Director and the Chairman, and the son of Ms. Yik Wai Hang, one of the controlling shareholders (as defined under the GEM Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Lui is deemed within the meaning of Part XV of the SFO to be interested in a total of 36,032,000 Shares, representing approximately 9.01% of the issued share capital of the Company, of which 36,020,000 Shares are directly held by himself and 12,000 Shares are held by his spouse. By virtue of SFO, Mr. Lui is deemed to be interested in all the Shares held by his spouse.

Save as disclosed above, Mr. Lui: (i) does not hold any other major appointment or professional qualifications; (ii) does not have any relationship with any Directors, senior management, Substantial Shareholders or Controlling Shareholders of the Company; (iii) does not hold any other positions in the Group; (iv) has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (v) does not have any other interests within the meaning of Part XV of the SFO.

Mr. Lui has entered into a service contract with the Company for an initial fixed term of three years commencing from 27 February 2019 renewable automatically until terminated by not less than three months' notice in writing served by either party on the other at the end of the initial term or any time thereafter or Mr. Lui has not been re-elected as a Director at any general meeting of the Company. Mr. Lui is subject to retirement by rotation and re-election at the AGM in accordance with the Articles. The current director's fee payable to Mr. Lui is HK\$180,000 per year and shall be reviewed by the Remuneration Committee annually. The remuneration package of Mr. Lui is determined by reference to his experiences, qualifications, duties and responsibilities with the Group and the prevailing market benchmark.

Save as disclosed above, there is no other information relating to the re-election of Mr. Lui as a Director that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules nor any matters that need to be brought to the attention of the Shareholders.

3. **Mr. Lau Joseph Wan Pui** (劉允培先生) (“**Mr. Joseph Lau**”), aged 71, was appointed as a non-executive Director on 7 February 2017. He is also the chairman of the Remuneration Committee. Mr. Joseph Lau is currently responsible for providing advice on the business strategies of the Group.

Mr. Joseph Lau obtained a degree of Bachelor of Science from Concordia University in May 1975 and a degree of Master of Business Administration from The University of Ottawa in Canada in May 1997. He was a Dean’s Advisory Board Member of Telfer School of Management of The University of Ottawa. Mr. Joseph Lau has extensive experience in finance and planning, marketing and international business. He is currently chairman and co-founder of Rockhound Limited, a mineral professional firm. Mr. Joseph Lau was appointed as a non-executive director of Wealth Glory Holdings Limited (stock code: 8269) from September 2013 to October 2016, the shares of which are listed on GEM. He also served as a director of the Shui On (Kwai Shing E.) from January 2008 to March 2011.

From 2002 to 2004, Mr. Joseph Lau was appointed as an executive director and chief executive officer of WLS Holdings Limited (stock code: 8021), the shares of which are listed on GEM. From 1997 to 1999, he was appointed as an executive director of Tse Sui Luen Jewellery (International) Limited (stock code: 0417), the shares of which are listed on the Main Board. From 1995 to 1996, he was appointed as an executive director of Build King Holdings Limited (formerly known as Seapower International Holdings Limited) (stock code: 0240), the shares of which are listed on the Main Board. He also served as an independent non-executive director of Larry Jewelry International Company Limited (stock code: 8351) from November 2012 to June 2013, the shares of which are listed on GEM, and re-designated as its non-executive director from June 2013 to December 2013.

Mr. Lau Joseph Wan Pui has been appointed as a director of Auxico Resources Canada Inc. whose shares are listed on the Canadian Securities Exchange, with effect from 1 April 2019.

Save as disclosed above, Mr. Joseph Lau: (i) does not hold any other major appointment or professional qualifications; (ii) does not have any relationship with any Directors, senior management, Substantial Shareholders or Controlling Shareholders of the Company; (iii) does not hold any other positions in the Group; (iv) has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (v) does not have any other interests within the meaning of Part XV of the SFO.

Mr. Joseph Lau has entered into a letter of appointment with the Company for an initial fixed term of three years commencing from 21 June 2017, and provided that either party can at any time terminate the appointment by giving the other party not less than three months' prior notice in writing. Mr. Joseph Lau is subject to retirement by rotation and re-election at the AGM in accordance with the Articles. The current director's fee payable to Mr. Joseph Lau is HK\$180,000 per annum and shall be reviewed by the Remuneration Committee annually. The remuneration package of Mr. Joseph Lau is determined by reference to his duty, qualification and experience and the prevailing market benchmark.

Save as disclosed above, there is no other information relating to the re-election of Mr. Joseph Lau as a Director that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules nor any matters that need to be brought to the attention of the Shareholders.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This explanatory statement, as required under the GEM Listing Rules, serves to provide the Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate at the AGM.

1. SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 400,000,000. Subject to the passing of the resolution approving the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be authorised to repurchase up to a maximum of 40,000,000 Shares, representing 10% of the total number of issued Shares as at the date of AGM.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchase may, depending on market conditions and funding arrangement at the time, result in enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors consider that such repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASE

Any repurchase will only be made out of funds which are legally available for such purpose in accordance with the Articles, the Cayman Islands law and the GEM Listing Rules.

As compared with the financial position disclosed in the latest published audited financial statements of the Company as at 31 December 2022 there might have adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full. However, the Directors do not propose to make any repurchase to the extent that would have a material adverse effect on the working capital or gearing level of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

4. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of repurchase of Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's voting right at the time, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

As at the Latest Practicable Date and so far as was known to the Directors or chief executive of the Company, the following parties had an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

| Name of Shareholder | Capacity/ Nature of interests | Number of Shares held/ interested in | Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date | Approximate percentage of the issued share capital of the Company if the Repurchase Mandate is exercised in full |
|--|--|--|---|--|
| Mr. Yik Tak Chi ("Mr Yik") | (i) Interest of controlled corporation ^(Note 1) | 257,088,000 | 64.27% | 71.41% |
| | (ii) Beneficial owner ^(Note 1) | | | |
| Multifield Investment Development Limited ("Multifield") | (i) Interest in controlled corporation ^(Note 1) | 257,088,000 | 64.27% | 71.41% |
| | (ii) Interest held jointly with other person ^(Note 2) | | | |
| Hang Chi Development & Investment Limited ("HCDI") | (i) Interest in controlled corporation ^(Note 1) | 257,088,000 | 64.27% | 71.41% |
| | (ii) Interest held jointly with other person ^(Note 2) | | | |
| Ms. Yik Wai Hang | Interest held jointly with other person ^(Note 2) | 257,088,000 | 64.27% | 71.41% |
| Ms. Chung Shuk Man | Interest of spouse ^(Note 3) | 257,088,000 | 64.27% | 71.41% |

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

| Name of Shareholder | Capacity/ Nature of interests | Number of Shares held/ interested in | Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date | Approximate percentage of the issued share capital of the Company if the Repurchase Mandate is exercised in full |
|---|---|---|--|---|
| Shui Wah Limited ("Shui Wah") | Beneficial owner <i>(Note 1)</i> | 248,700,000 | 62.18% | 69.08% |
| Lucky Expert Investments Limited ("Lucky Expert") | Interest in controlled corporation <i>(Note 1)</i> | 248,700,000 | 62.18% | 69.08% |
| Mr. Lui Chi Tat ("Mr. Lui") | (i) Beneficial owner <i>(Note 4)</i> (ii) Interest of spouse <i>(Note 4)</i> | 36,032,000 | 9.01% | 10.01% |
| Yingfeng International Investment Limited ("Yingfeng International") | Beneficial owner <i>(Notes 5 and 6)</i> | 32,000,000 | 8.00% | 8.89% |
| Ruipei Investment (Shanghai) Co., Ltd.* (芮沛投資(上海)有限 公司) ("Ruipei") | Interest in controlled corporation <i>(Notes 5 and 6)</i> | 32,000,000 | 8.00% | 8.89% |
| Zhongchuang Investment (Holdings) Limited ("Zhongchuang") | Interest in controlled corporation <i>(Notes 5 and 6)</i> | 32,000,000 | 8.00% | 8.89% |

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

| Name of Shareholder | Capacity/ Nature of interests | Number of Shares held/ interested in | Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date | Approximate percentage of the issued share capital of the Company if the Repurchase Mandate is exercised in full |
|--|--|--|---|--|
| China Minsheng Futurelife Holding Group Co., Ltd.* (中 民未來控股集團有限 公司) (“ CMIG Futurelife ”) | Interest in controlled corporation <i>(Notes 5 and 6)</i> | 32,000,000 | 8.00% | 8.89% |
| China Minsheng Investment Group Co., Ltd.* (中國民生投資 股份有限公司) (“ CMIG ”) | Interest in controlled corporation <i>(Notes 5 and 6)</i> | 32,000,000 | 8.00% | 8.89% |

Notes:

- As at the Latest Practicable Date, Mr. Yik was interested in 257,088,000 Shares, of which 248,700,000 Shares were held by Shui Wah and 8,388,000 Shares were directly held by him. Shui Wah is wholly owned by Lucky Expert, which is in turn owned as to 59.88% by HCDI. Mr. Yik indirectly owns the entire issued share capital of HCDI through Multifield. By virtue of the SFO, Mr. Yik is deemed to be interested in the same number of shares in Lucky Expert held by HCDI, same number of shares in Shui Wah held by Lucky Expert, and all the Shares held by Shui Wah.
- On 13 December 2016, Mr. Yik, Multifield, HCDI and Ms. Yik Wai Hang entered into an acting in concert agreement (the “**Acting In Concert Agreement**”) to acknowledge and confirm, among other things, that they are parties acting in concert (having the meaning as ascribed thereto in the Takeovers Code) in respect of each of the members of the Group from the date of which both Mr. Yik and Ms. Yik Wai Hang became the shareholders of Shui On Nursing Home Holdings Limited (i.e. 31 July 2013) and will continue to be parties acting in concert until such arrangement is terminated in writing by them pursuant to the Acting In Concert Agreement. As such, they are deemed to be interested in the Shares held by the others.

As disclosed above, as at the Latest Practicable Date, Mr. Yik was interested in 257,088,000 Shares. Accordingly, by virtue of the Acting in Concert Agreement, Mr. Yik, Multifield, HCDI and Ms. Yik Wai Hang were controlling approximately 64.27% the issued share capital of the Company.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

3. Ms. Chung Shuk Man is the spouse of Mr. Yik. By virtue of the SFO, Ms. Chung Shuk Man is deemed to be interested in all the Shares in which Mr. Yik is interested.
4. As at the Latest Practicable Date, Mr. Lui is interested in 36,032,000 Shares, of which 36,020,000 Shares are directly held by him and 12,000 Shares are directly held by his spouse. By virtue of the SFO, Mr. Lui is deemed to be interested in all the Shares held by his spouse.
5. On 21 June 2017, Yingfeng International, as cornerstone investor, entered into a cornerstone investment agreement with the Company, pursuant to which Yingfeng International subscribed for a total number of 32,000,000 Shares.
6. Yingfeng International is a company incorporated under the laws of the British Virgin Islands. To the best of the Directors' knowledge, information and belief, after making all reasonable enquiries, Yingfeng International is wholly-owned by Zhongchuang, a company incorporated in Hong Kong. Zhongchuang is wholly owned by Ruipei, which is in turn wholly owned by CMIG Futurelife. CMIG Futurelife is held as to 65% by CMIG and 35% by an independent third party, Each of Ruipei, CMIG Futurelife and CMIG is established under the laws of the People's Republic of China.

In the event that the Directors fully exercise the proposed Repurchase Mandate, the total interests of Mr. Yik, Multifield, HCDI, Lucky Expert, Shui Wah, Ms. Yik Wai Hang and Ms. Chung Shuk Man, being the Controlling Shareholders, would be increased to approximately the percentages shown in the last column of the above table and such increase will not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code and will not reduce the number of Shares held by the public to be less than 25% of the total number of issued Shares.

The Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that will result in a public shareholding of less than the minimum public float requirement of 25% of the total number of issued share capital of the Company as required by the GEM Listing Rules.

5. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Share (whether on the Stock Exchange or otherwise) during the previous six (6) months proceeding to the Latest Practicable Date.

6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:

| | Price per Share | |
|---|------------------------|-----------------------|
| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
| 2022 | | |
| March | 0.8800 | 0.8100 |
| April | 0.9000 | 0.8500 |
| May | 0.9400 | 0.8500 |
| June | 0.9200 | 0.8700 |
| July | 0.8700 | 0.8500 |
| August | 0.8600 | 0.8300 |
| September | 0.8500 | 0.7800 |
| October | 0.8300 | 0.7600 |
| November | 0.8300 | 0.8100 |
| December | 0.8100 | 0.7600 |
| 2023 | | |
| January | 0.8000 | 0.7700 |
| February | 0.8100 | 0.8000 |
| March (up to the Latest Practicable Date) | 0.8500 | 0.8100 |

GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their respective close associates have any present intention to sell any of the Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

No core connected persons (as defined in the GEM Listing Rules) of the Company has notified the Company that they have a present intention to sell any Share to the Company, or have undertaken to the Company not to do so, in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



Hang Chi Holdings Limited 恒智控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8405)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Hang Chi Holdings Limited (the “**Company**”) will be held at Unit 09, 7/F., FTLife Tower No. 18 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong on Tuesday, 16 May 2023, at 3 p.m. for the purpose of transacting the following business:

1. To receive and consider the audited financial statements of the Company and its subsidiaries, and the reports of the directors of the Company (the “**Directors**”) and of the independent auditor of the Company (the “**Auditor**”) for the year ended 31 December 2022.
2. To declare a final dividend for the year ended 31 December 2022.
3.
 - (a) To re-elect Mr. Yik Tak Chi as executive Director.
 - (b) To re-elect Mr. Lui Chi Tat as executive Director.
 - (c) To re-elect Mr. Lau Joseph Wan Pui as non-executive Director.
 - (d) To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint Prism Hong Kong and Shanghai Limited as Auditor and to authorise the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

5. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue, grant, distribute and deal with additional shares of the Company (the “**Shares**”) and to make, issue or grant offers, agreements, options (including bonds, warrants and debentures convertible into Shares) and rights of exchange or conversion which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to make, issue or grant offers, agreements, options (including bonds, warrants and debentures convertible into Shares) and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of the Shares allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, a conversion or otherwise) and issued by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares; (iii) the exercise of any options granted under any option scheme adopted by the Company or similar arrangement for the time being adopted for the granting or issuance of Shares, or rights to acquire Shares; or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles**”) from time to time, shall not exceed 20% of the total number of Shares in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (d) subject to the passing of each of the paragraphs (a), (b) and (c) above, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) above which had been granted to the Directors and which are still in effect be and are hereby revoked; and

NOTICE OF ANNUAL GENERAL MEETING

(e) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the Cayman Companies Law or any other applicable laws of the Cayman Islands to be held; or
- (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting; and

“**Rights Issue**” means the allotment, issue or grant of Shares or other securities which would or might require Shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (the “**Shareholders**”) (excluding for such purpose any Shareholder who is resident in a place where it would or might be unlawful or impracticable to offer Shares in compliance with any legal or regulatory requirements or special formalities in such place under the laws of that place) and, where appropriate, the holders of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of Shares or such other equity securities.”

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase issued Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) or of any other stock exchange as amended from time to time and the manner of any such repurchase be and is hereby generally and unconditionally approved;
- (b) the aggregate number of the Shares which are authorised to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue as at the date of passing of this resolution, and the said approval under paragraph (a) above shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (d) subject to the passing of each of the paragraphs (a), (b) and (c) above, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) above which had been granted to the Directors and which are still in effect be and hereby revoked; and
- (e) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of our Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the Cayman Companies Law or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”
7. “**THAT** conditional upon the passing of resolutions number 5 and number 6 above, the general mandate granted to the Directors pursuant to resolution number 5 above be and is hereby extended by the addition to the aggregate number of the Shares repurchased by the Company pursuant to the repurchase mandate under resolution number 6 above, provided that such amount shall not exceed 10% of the total number of Shares in issue as at the date of passing of this resolution.”

By order of the Board
Hang Chi Holdings Limited
Yik Tak Chi
Chairman and Executive Director

Hong Kong, 31 March 2023

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

*Head office and principal place
of business in Hong Kong:*
Unit 09, 7/F., FTLife Tower
No. 18 Sheung Yuet Road
Kowloon Bay, Kowloon
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of Association, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the AGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. Whether or not you intend to attend and vote at the meeting, you are requested to complete and return the form of proxy. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.
5. For the purposes of determining the Shareholders' eligibility to attend and vote at the forthcoming Meeting to be held on 16 May 2023 (Tuesday), the transfer books and register of members of the Company will be closed from 11 May 2023 (Thursday) to 16 May 2023 (Tuesday), both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the office of the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on 10 May 2023 (Wednesday).
6. Particulars of the Directors proposed for re-election are set out in Appendix I to this circular which this notice forms part.
7. The record date for entitlement of the proposed final dividend is Thursday, 25 May 2023. For determining the entitlement to the proposed final dividend, the transfer books and register of members of the Company will be closed from Tuesday, 23 May 2023 to Thursday, 25 May 2023, both days inclusive. During such period, no share transfers will be effected. In order to qualify for the proposed final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the office of the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Monday, 22 May 2023. If the resolution for approving the proposed final dividend is passed at the AGM, the proposed final dividend will be payable on Friday, 9 June 2023.