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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE PROPERTY

Reference is made to the announcement of the Company dated 14 October 2022 in relation to the Provisional Agreement.

THE ACQUISITION

The Board is pleased to announce that on 7 November 2022 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the Formal Agreement in relation to the Acquisition, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Property at the Consideration of HK\$16,474,500 (before the Purchaser's costs and expenses).

IMPLICATIONS UNDER GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the Acquisition exceeds 5% but all the applicable percentage ratios are below 25%, the Acquisition constitutes a discloseable transaction for the Company pursuant to Chapter 19 of the GEM Listing Rules and is therefore subject to the announcement and reporting requirements under Chapter 19 of the GEM Listing Rules.

FORMAL AGREEMENT

Date

7 November 2022

Parties

- (1) Vendor
- (2) Purchaser

Property to be acquired

Pursuant to the Formal Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Property which consists of Unit 1107 on 11/F of Tower III Enterprise Square, No.9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

Consideration

The total Consideration is HK\$16,474,500 which shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit of HK\$823,725 which has been paid by the Purchaser to the Vendor's solicitors as stakeholder upon signing of the Provisional Agreement;
- (b) a further deposit of HK\$823,725 which shall be paid by the Purchaser to the Vendor's solicitors as stakeholder upon signing of the Formal Agreement; and
- (c) the balance of the Consideration in the sum of HK\$14,827,050 which shall be paid by the Purchaser to the Vendor on the Completion Date.

The initial deposit and the further deposit will be released to the Vendor provided that the balance of the Consideration is sufficient to discharge the existing charge/mortgage against the Property.

The Consideration was agreed between the Vendor and the Purchaser after arm's length negotiations with reference to the current market value of comparable properties in the proximity of the Property. The Consideration will be funded by the Group's internal resources and/or bank loans. It is estimated that the Consideration together with the Purchaser's costs and expenses such as stamp duty, property agent commission, registration fee and legal costs will amount to approximately HK\$17,402,039.

After Completion, the Company intends to record the Property as an own-used property for daily operation purpose in its account at the cost of the Consideration (i.e. HK\$16,474,500).

Completion

Completion is scheduled to take place on or before 30 December 2022. Vacant possession of the Property shall be given to the Purchaser on Completion.

INFORMATION ABOUT THE GROUP AND THE PURCHASER

The Group is an established operator of elderly residential care homes in Hong Kong providing comprehensive residential care home services to the elderly residents.

The Purchaser is incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. Its principal activities are investment holding and provision of management services.

INFORMATION ABOUT THE VENDOR

The Vendor is a company incorporated in Hong Kong. To the best knowledge, information and belief of the Directors, having made all reasonable enquires, the purpose of the Vendor is solely to hold the Property and the Vendor has no business activity other than the aforementioned purpose. To the best knowledge, information and belief of the Directors, having made all reasonable enquires, the ultimate owner of the Vendor is Huang Zhiyong (黃志勇).

To the best knowledge, information and belief of the Directors, having made all reasonable enquires, the Vendor and its ultimate owner are third parties independent of and not connected with the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group intends to use the Property as office. Instead of paying the high rent, the Directors consider that the Acquisition will be more cost-effective in the long run and is in line with the Group's development needs.

The Directors are of the view that the terms of the Formal Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER GEM LISTING RULES

As one of the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Acquisition exceeds 5% and is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Formal Agreement
“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 of the Stock Exchange (stock code: 8405)
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Formal Agreement
“Completion Date”	the day on which the Completion shall take place, which shall be on or before 30 December 2022
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Consideration”	the purchase price payable by the Purchaser to the Vendor in respect of the Acquisition, being HK\$16,474,500
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement for sale and purchase of the Property dated 7 November 2022 entered into between the Vendor and the Purchaser in relation to the acquisition of the Property
“GEM”	GEM of 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 dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Midland Realty (Comm.) Limited”	a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Legend Upstar Holdings Limited (Stock Code: 459)
“Property”	Unit 1107 on 11/F of Tower III Enterprise Square, No.9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 14 October 2022 entered into between the Vendor, the Purchaser and Midland Realty (Comm.) Limited (being the property agent) in relation to the acquisition of the Property
“Purchaser”	Shui On Nursing Home Holdings Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Telecom World Limited, a company incorporated in Hong Kong
“%”	per cent

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

Hong Kong, 7 November 2022

As at the date of this announcement, 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.

This announcement, for which all the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at 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.