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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 a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **HC Group Inc.** (the “Company”), you should at once hand this circular, together with the enclosed proxy form, 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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**HC GROUP INC.**

**慧聪集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 02280)**

**POSSIBLE DEEMED DISPOSAL AND MAJOR TRANSACTION  
IN RELATION TO THE PROPOSED  
LISTING OF BEIJING PANPASS ON BEIJING STOCK EXCHANGE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in this cover page shall bear the same meanings as those defined in the section headed “Definitions” in this circular.

The notice convening the EGM to be held on Monday, 15 May 2023 at 4:00 p.m. at Room B-1 4th Floor, Building 2, Hangxing Science Park, No. 11, Hepingli East Street, Dongcheng District, Beijing 100013, PRC is set out on pages 25 to 26 of this circular. A proxy form for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish. In such event, the proxy form shall be deemed to be revoked.

28 April 2023

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Beijing HC”	Beijing Huicong Zaichuang Technology Co., Ltd., an indirect wholly-owned subsidiary of the Company, and a shareholder of Beijing Panpass
“Beijing Panpass”	Panpass Information Technology Co., Ltd (北京兆信信息技術股份有限公司), an indirect non-wholly owned subsidiary of the Company
“Board”	the board of Directors
“BSE”	Beijing Stock Exchange
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	HC Group Inc., a company incorporated with limited liability under the laws of the Cayman Islands, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Deemed Disposal”	the reduction of the Group’s shareholding interest in Beijing Panpass as a result of allotment of Panpass Shares in the Proposal
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on 15 May 2023 to consider and, if thought fit, to approve the Deemed Disposal, or any adjournment thereof
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and its connected persons

## DEFINITIONS

“Latest Practicable Date”	25 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NEEQ”	National Equities Exchange and Quotations
“Panpass Group”	Beijing Panpass and its subsidiaries
“Panpass Listing”	the proposed listing of the Panpass Shares on the BSE
“Panpass Share(s)”	ordinary share(s) of Beijing Panpass with a nominal value of RMB1 each
“PRC”	the People’s Republic of China, and for the purposes of this circular only, excludes the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposal”	the proposed public offering of shares to unspecified qualified investors and listing on the BSE by Beijing Panpass
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.



**HC GROUP INC.**

**慧聪集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 02280)**

*Executive Directors:*

Mr. Liu Jun  
Mr. Zhang Yonghong  
Mr. Liu Xiaodong

*Registered Office:*

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P.O. Box 847 George Town  
Grand Cayman, Cayman Islands

*Non-executive Directors:*

Mr. Guo Fansheng  
Mr. Sun Yang  
Mr. Lin Dewei

*Head Office and Principal Place of Business:*

Room B-1, 4th Floor  
Building 2  
Hangxing Science Park  
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Dongcheng District  
Beijing 100013  
PRC

*Independent Non-executive Directors:*

Mr. Zhang Ke  
Mr. Zhang Tim Tianwei  
Ms. Qi Yan

28 April 2023

*To the Shareholders*

Dear Sir/Madam,

**POSSIBLE DEEMED DISPOSAL AND MAJOR TRANSACTION  
IN RELATION TO THE PROPOSED  
LISTING OF BEIJING PANPASS ON BEIJING STOCK EXCHANGE**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 24 February 2023 regarding the Proposal. The purpose of this circular is to provide you with information on the Proposal, and to give you notice of the EGM.

## LETTER FROM THE BOARD

### THE PROPOSAL

It is proposed that Beijing Panpass will issue new shares on the BSE by way of an initial public offering to unspecified qualified investors, or other methods as requested or agreed by the CSRC, subject to (among other things) approvals by relevant PRC regulators. The actual number of shares to be offered by Beijing Panpass will depend on the market conditions and the relevant rules and regulations of the CSRC as amended from time to time.

Sets out below is a summary of the proposed offering structure of the Proposal:

*Issuer:*

Beijing Panpass (an indirect non-wholly owned subsidiary of the Company)

*Target subscribers:*

Qualified investors who have completed and obtained the authorisation for dealing of securities of companies listed on the BSE (except those who are prohibited to subscribe under laws, regulations and regulatory documents).

The subscribers of the Panpass Shares in the Proposal are expected to be Independent Third Parties.

*Expected size of the offer:*

The number and offer price of Panpass Shares to be offered under the Proposal are not yet determined at this stage. It will be determined between Beijing Panpass and the lead underwriter(s) of the Panpass Listing at a time closer to the allotment, based on the prevailing market conditions and relevant rules and regulations.

As of the Latest Practicable Date, the total number of Panpass Shares in issue was 70,725,000. Subject to the approval of the BSE and registration with the CSRC, it is expected that the number of Panpass Shares to be offered will be: (i) not more than 23,575,000 Panpass Shares (without taking into account exercise of any over-allotment option which may be granted) (representing approximately 33.33% of the total number of Panpass Shares in issue as of the Latest Practicable Date, and 25% of the total number of Panpass Shares as enlarged by the Proposal); or (ii) not more than 27,111,250 Panpass Shares (assuming full exercise of any over-allotment option which may be granted) (representing approximately 38.33% of the total number of Panpass Shares in issue as of the Latest Practicable Date, and approximately 27.71% of the total number of Panpass Shares as enlarged by the Proposal). Upon completion of the Panpass Listing, at least 25% of the share capital of Beijing Panpass shall be held by public shareholders. Beijing Panpass and its lead underwriter(s) will determine whether the over-allotment option (if granted) is to be exercised based on the actual prevailing circumstances at the time of the allotment.

Based on information currently available, it is expected that the offer price will be not lower than RMB6.5 per Panpass Share. Such minimum offer price is determined with reference to, among other things, the historical operating results and financial performance, business prospects, growth potential, future plans and capital needs of Beijing Panpass, and the prevailing market conditions. Beijing Panpass may adjust the minimum price if there is substantial change in the market conditions.

## LETTER FROM THE BOARD

The final offer price will be determined between Beijing Panpass and its lead underwriter(s) through arm's length negotiation based on (among other things) the responses from online bidding by qualified investors and offline price consultation, and/or other methods recognized by the CSRC and the BSE. In determining the final offer price, Beijing Panpass will take into account the above factors prevailing at that time, (including the results of the aforesaid price consultation) and trading multiples of companies listed on the BSE and in similar industries.

Further information about the financial performance of Beijing Panpass is set out in the section headed "Information about Beijing Panpass" in this Letter from the Board. With reference to the expected gross proceeds from the Proposal assuming full exercise of the over-allotment option in the Proposal, the estimated market capitalization of Beijing Panpass would be approximately RMB640 million; and based on the net profit (after taxation and extraordinary items) of Beijing Panpass for the year ended 31 December 2022 of approximately RMB26 million, the implied profit to equity ("P/E") multiple of Beijing Panpass is estimated to be approximately 24.4 times upon completion of the Proposal.

For reference purposes only, the below chart set forth P/E multiple of all companies classified as engaging in software and information technology industry under the CSRC classification (Beijing Panpass is expected to be classified into this classification), which completed its listing the BSE between September 2022 and the Latest Practicable Date:

Name	Principal business	Date of listing on the BSE	P/E (Offer price) <sup>Note 1</sup>	P/E (Closing price on initial listing date) <sup>Note 1</sup>	P/E (latest practicable date prior to this circular) <sup>Note 2</sup>
(a) Chengdu Leetro Automation Co., Ltd.	Research and development, production and sales of industrial motion control system products, and provision of motion control solutions for emerging intelligent manufacturing equipment manufacturers in mainland China	30 January 2023	14.5	17.9	14.09 <i>Note 3</i>
(b) Hangzhou Meideng Technology Co., Ltd.	Provision of value-added services such as SaaS software and SMS to e-commerce merchants through e-commerce platform	28 December 2022	22.3	19.5	17.29
(c) Henan Cocyber Information and Technology Co., Ltd.	Provision of information system integration service, principally provision of digital solutions and related services in smart city subdivision (such as digital intelligent governmental affairs, digital intelligent livelihood, digital intelligent industries)	23 September 2022	20.5	21.4	38.41
(d) Nanjing Liandi Information Systems Co., Ltd.	Provision of comprehensive software development and information technology, principally provision of digitalization solutions to industry end-users, large and medium-sized information system integrators, software development such as design and development of app for various industries, information technology services, sales of software products, provision of computer system integration service and training	2 September 2022	25.0	21.2	31.04
		Maximum	25.0	21.4	38.41
		Minimum	14.5	17.9	14.09
		Average	20.56	20.01	25.21
		Medium	21.38	20.36	24.17

## LETTER FROM THE BOARD

*Sources: The above chart is prepared based on relevant information available to the public on the official website of the BSE, including prospectus and announcements published on the website by these companies. Figures are subject to rounding adjustment.*

*Notes:*

- (1) Calculated by dividing the respective market capitalization based on the offer price/the closing price as quoted on the BSE on the initial listing date by the respective net profit (after taxation and extraordinary items) based on its full year financial information prior to listing. The Company considers that the P/E multiples based on the offer price, which is usually arrived at by issuer and underwriters after throughout considerations, provide useful references to the trend of stock valuation on the BSE, and is less impacted by market price fluctuation which could be brought by other external factors.
- (2) Calculated by dividing the respective market capitalization based on the average closing price as quoted on the BSE on the five preceding trading days from (and including) 20 April 2023 by the respective net profit (after taxation and extraordinary items) for the year ended 31 December 2022 included in the annual report published on the official website of the BSE unless otherwise stated in Note 3.
- (3) Calculated by dividing the market capitalization based on the average closing price as quoted on the BSE on the five preceding trading days from (and including) 20 April 2023 by the net profit (after taxation and extraordinary items) for the year ended 31 December 2021, as the data for the year ended 31 December 2022 has not yet been published.
- (4) Shareholders and potential investors are reminded that the above chart, the aforesaid minimum offer price, and the calculation of the P/E multiple of Beijing Panpass is for illustrative purpose only. The actual P/E multiple of Beijing Panpass will be subject to the final offer size and final offer price, which will only be determined at a stage closer to completion of the Proposal with reference to (among other things) factors set forth above (and some of which are beyond the Group's control). In the event that the final offer price be lower than the minimum offer price, the Company will re-comply with the applicable Listing Rules (if required) based on the final offering size.

With reference to the information of the comparable companies identified above, the estimated P/E multiple of Beijing Panpass is generally in line with those of the comparable companies.

As of 28 February 2023, the Panpass Share was being quoted at RMB10.99 per Panpass Share on NEEQ. Due to the nature of NEEQ, the Panpass Shares were not actively traded on NEEQ. The Board and Beijing Panpass therefore placed more weights on the other factors mentioned above when determining the minimum offer price compared with the quotations of Panpass Share on NEEQ.

The Company considers the minimum offer price is fair and reasonable to the Company and the Shareholders as a whole.

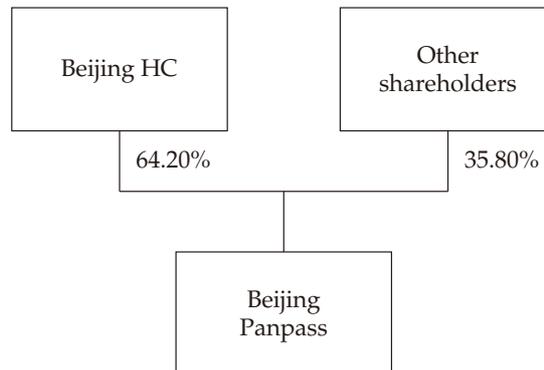
The Company will make further announcement(s) as appropriate after information relating to the final offer price, number of Panpass Shares to be offered and net proceeds from the Proposal is available.

## LETTER FROM THE BOARD

### Effect on the Group's shareholding in Beijing Panpass

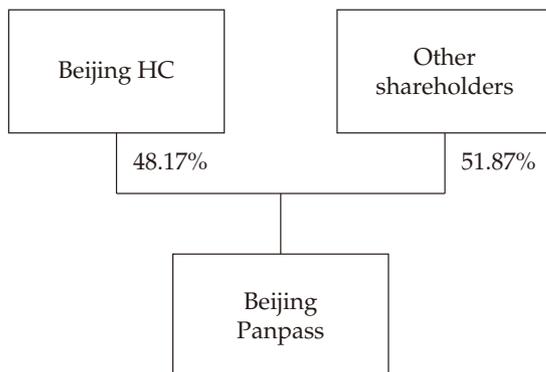
As of the Latest Practicable Date, 70,725,000 Panpass Shares were in issue, out of which the Company indirectly held 45,405,734 Panpass Shares (representing approximately 64.20% of the issued share capital of Beijing Panpass). Set out below are simplified diagrams illustrating the Group's shareholding in Beijing Panpass as of the Latest Practicable Date and upon completion of the Proposal:

As of the Latest Practicable Date:

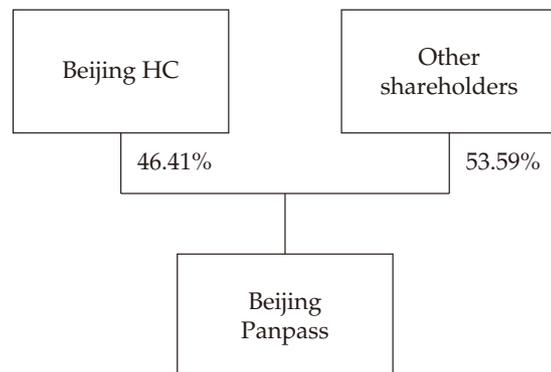


Upon the completion of the Proposal:

*If the over-allotment option  
(if any) is not exercised:*



*If the over-allotment option  
(if any) is fully exercised:*



Notes:

1. Assuming (a) the maximum number of Panpass Shares currently under the Proposal will be issued, and (b) except for the Proposal, there being no changes in the shareholding in Beijing Panpass from the Latest Practicable Date up to the completion of the Proposal.
2. Figures are subject to rounding.
3. The Panpass Shares are currently quoted on the NEEQ. So far as the Company is aware of, as of the Latest Practicable date, other shareholders of Beijing Panpass included (but not limited to): Beijing Xingshi Investment Management Center (Limited Partnership) (19.80%); Tianjin Juxin Zhongcheng Information Consultation Partnership (Limited Partnership) ("JXZC") (8.81%); and senior management and employees of Beijing Panpass (4.28% in aggregate).

Zhang Yonghong (an executive Director and a senior management of Beijing Panpass) holds 40% partnership interest in JXZC. Other partners holding 59% partnership interest in JXZC are senior management and employees of Beijing Panpass.

## LETTER FROM THE BOARD

### **Indicative timetable of the Proposal**

Beijing Panpass has appointed a sponsor for the Proposal. It has submitted the listing counselling materials to the Beijing Supervisory Office of the CSRC on 10 January 2023. The counselling is expected to be completed in the second quarter of 2023. Beijing Panpass currently intends to convene a general meeting to seek its shareholders' approval and authorisation regarding the Proposal and related matters (such as amending its articles of association), and expects to submit the application to the BSE in the second quarter of 2023. As at the Latest Practicable Date, no formal application for the Panpass Listing had been filed with the relevant regulatory authorities in the PRC.

The Panpass Shares will cease to be quoted on the NEEQ on the first day of listing on the BSE.

Shareholders and potential investors are reminded that the above timetable is estimated by Beijing Panpass for reference only. There is no assurance that the Proposal will complete according to the timetable, or at all.

### **Conditions of the Proposal**

The Proposal will be conditional upon:

- (a) approval of the Deemed Disposal by the Shareholders at the EGM;
- (b) approval of the Proposal by the board of directors and the shareholders of Beijing Panpass;
- (c) approval of and/or registration with of the BSE and the CSRC in relation to the Panpass Listing;
- (d) Beijing Panpass having satisfied all applicable listing conditions (including applicable financial performance requirements); and
- (e) any other PRC regulatory approvals required by the relevant laws and regulations.

As of the Latest Practicable Date, the Proposal had been approved by the board of directors of Beijing Panpass. None of the above conditions is waivable. If any one of the conditions is not fulfilled, the Proposal will not proceed.

## LETTER FROM THE BOARD

### Lock up and non-competition undertakings

As required by the relevant listing rules of the BSE, Beijing HC (an indirect wholly-owned subsidiary of the Company, and the direct controlling shareholder of Beijing Panpass) and the Company will undertake that (among other things):

- (a) from the date on which the Proposal is approved by the shareholders of Beijing Panpass at a general meeting, up to the date on which the Panpass Shares are listed on the BSE (the “**BSE Listing Date**”) (unless the Proposal is terminated earlier), it will not dispose of any Panpass Share;
- (b) for a period of 12 months commencing from the BSE Listing Date (the “**Lock-up Period**”), it will not reduce its shareholding (directly or indirectly) in Beijing Panpass, it will not entrust other party to manage its Panpass Shares, or dispose of or otherwise affect the rights attached to those Panpass Shares. The Lock-up Period will be automatically extended for a further six-month period if, within six months of the BSE Listing Date, the closing price of the Panpass Share for 20 consecutive trading days are lower than the offer price;
- (c) for a period of 24 months after the expiry of the Lock-up Period, it will not transfer its Panpass Shares at a price lower than the offer price; and
- (d) it will not directly or indirectly control, invest or engage in any other manner any business or activity which competes or may compete with the business of Beijing Panpass; and it will not produce any products which are the same as (or similar to) those produced by Beijing Panpass. It will also transfer to Beijing Panpass, or terminate the competing business (if any), and will procure business opportunities approaching it of competing business to Beijing Panpass. If competition arise in the future when Beijing Panpass expands, it will exit the competition.

It is also expected that Beijing Panpass, Beijing HC and the Company will provide other undertakings or documents or agreements required by the relevant listing rules of the BSE, or which are customarily provided by an issuer and/or controlling shareholder of an issuer (as may be applicable) in a transaction of similar nature. It is currently expected that these includes undertakings to provide further undertakings in responses to regulatory feedbacks, undertaking to take remedial actions and to compensate loss of investors/Beijing Panpass for breach of undertakings, undertaking to properly exercise its shareholders rights, not to wrongfully interfere the management or impair the corporate interests of Beijing Panpass, undertaking relating to the related party transaction with, lease of, and social insurance and housing provident funds payment of, Beijing Panpass, undertakings on price stabilisation activities, content of prospectus and other listing application documentations, undertakings on legal compliance and other requirements (such as disclosure) relating to disposal of Panpass Shares, undertakings to cooperate relating to Beijing Panpass dividend policy and plan and (if any) such other undertakings as may be required by the CSRC, BSE or other relevant authorities in the application and listing process.

## LETTER FROM THE BOARD

### **Intended use of proceeds**

The net proceeds from the Proposal cannot be determined yet at this stage as the exact offer price and the size of the Proposal are not determined.

Assuming that 27,111,250 Panpass Shares are to be issued at the offer price of RMB6.5 each (being the maximum number of Panpass Shares and the minimum offer price under the Proposal), the gross proceeds to be raised by Beijing Panpass will be approximately RMB176 million. Beijing Panpass currently intends to apply the net proceeds from the Proposal (after deducting related expenses) on, among other things, (i) as to approximately 51%, the project of upgrading its digital management platform for large and medium-sized enterprises, (ii) as to approximately 38%, the project of upgrading its digital identity management SaaS platform for medium and small-sized enterprises, and (iii) as to approximately 11%, the project of upgrading its research center. Residual proceeds, if any, will be applied on the Panpass Group's principal business, or otherwise in compliance with the relevant requirements of the CSRC or the BSE.

### **INFORMATION OF BEIJING PANPASS**

Beijing Panpass is an indirect non-wholly owned subsidiary of the Company. Its shares are currently quoted on the Innovation Tier of the NEEQ (NEEQ stock code: 430073). As of the Latest Practicable Date, Beijing Panpass had a registered capital of RMB70,725,000, divided into 70,725,000 Panpass Shares. Beijing HC (an indirect wholly-owned subsidiary of the Company) held approximately 64.20% of Beijing Panpass' issued share capital as of the Latest Practicable Date.

Panpass Group is a part of the Group's smart industries segment. It is a unique identification digitalization solution provider. Based on the "product digital identity management technology" in which Beijing Panpass has intellectual property right, Beijing Panpass provides end-consumer products industry with digitalization solutions covering the entire product life cycle, SaaS software and services, and labeling products.

## LETTER FROM THE BOARD

Below summarises selected consolidated financial information of Beijing Panpass prepared under the PRC Generally Accepted Accounting Principles for the periods/dates indicated:

	<b>Year ended 31 December</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<i>(RMB'000, audited)</i>	<i>(RMB'000, audited)</i>	<i>(RMB'000, audited)</i>
Net profit (before taxation and extraordinary items)	13,118	22,100	28,137
Net profit (after taxation and extraordinary items)	14,602	20,642	26,012
Revenue	136,219	152,640	147,747
	<b>As of 31 December</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<i>(RMB'000, audited)</i>	<i>(RMB'000, audited)</i>	<i>(RMB'000, unaudited)</i>
Total assets	139,461	253,289	252,430
Net assets	102,844	197,371	203,644

### INFORMATION OF THE GROUP

The Group endeavours to become the leading industrial internet groups in the PRC. By focusing on and integrating advantageous resources, the Group has upgraded its organizational structure, with its business composed of three segments, namely the business groups of technology-driven new retail, smart industries, and platform and corporate services.

### FINANCIAL EFFECT OF THE PROPOSAL ON THE GROUP

The Group considers that it would retain control over Beijing Panpass immediately after completion of the Proposal even though it would not own the majority of the equity interests in Beijing Panpass. Considering that the Group is the single largest shareholder of Beijing Panpass; the expected distribution of the remaining shareholders of Beijing Panpass; and the Group's power to participate in the relevant activities of Beijing Panpass, the Directors are of the view that the Company would have de facto control over Beijing Panpass immediately after the completion of the Proposal. Therefore, Beijing Panpass will continue to be regarded as a subsidiary of the Group and its financial results will continue to be accounted for and consolidated into the financial results of the Group upon completion of the Proposal.

## LETTER FROM THE BOARD

### **Earnings**

It is expected the Deemed Disposal would not result in disposal gain or loss on the Group's consolidated financial results.

The Proposal will constitute a deemed disposal of the Group's interest in Beijing Panpass. It is expected that the difference between the net proceeds from the allotment and the change in share of consolidated net asset value of Beijing Panpass by the non-controlling interests upon completion of the Proposal will be recorded in equity attributable to owners of the Company. Based on the assumption that the allotment will result in a dilution of the Group's interest in Beijing Panpass from 64.20% as at the Latest Practicable Date to 46.41% immediately after the completion of the Proposal, it is expected that the earnings attributable to owners of the Company contributed by Beijing Panpass will decrease while the earnings attributable to the non-controlling interests of the Company will increase.

### **Assets and liabilities**

It is expected the Proposal will increase the amount of cash recorded in the consolidated statement of financial position of the Group and the total assets of the Group correspondingly. As at 31 December 2022, the audited consolidated total assets of the Group amounted to approximately RMB6,658 million. Assuming that 27,111,250 Panpass Shares are to be issued at the offer price of RMB6.5 each (being the maximum number of Panpass Shares and the minimum offer price under the Proposal), the Proposal would be completed on 31 December 2022 and excluding any impact of transaction costs to be incurred, the unaudited pro forma consolidated total assets of the Group would have increased to approximately RMB6,834 million. It is expected the Proposal would not have material impact on the liabilities of the Group as a whole.

The expected minimum offer price of RMB6.5 per Panpass Share represents an excess of approximately RMB3.62 per Panpass Share of the unaudited net asset value per share of Beijing Panpass as of 31 December 2022 (being approximately RMB2.88 per Panpass Share based on the net assets value of approximately RMB203 million and 70,725,000 Panpass Shares in issue).

### **REASONS FOR AND THE BENEFITS OF THE PROPOSAL AND THE DEEMED DISPOSAL**

The Panpass Shares have been quoted on the NEEQ since September 2010. The Group believes that Beijing Panpass' listing on the BSE is commercially beneficial to the Company and Beijing Panpass. The Company believes that the Proposal will strengthen Beijing Panpass' competitiveness and market position in the innovative industry, and contribute to its long-term development. The listing on the BSE will enable Beijing Panpass to further enhance its corporate branding and identity, revealing a clearer picture to the public, potential investors and business partners of its business and operations. The Proposal could provide Beijing Panpass a broader and more diversified shareholders base in the long run, and enhance its corporate governance standard, bringing additional value and facilitate the growth of Beijing Panpass.

## LETTER FROM THE BOARD

The Proposal would bring Beijing Panpass proceeds for its development and expansion, provide Beijing Panpass a broader fundraising platform in the capital market, and improve its financial flexibility and resources.

While there will be dilution in the Group's shareholdings in Beijing Panpass as a result of the Proposal, the Group will retain control over Beijing Panpass immediately following the Panpass Listing and the financial results of the Panpass Group will continue to be consolidated into the accounts of the Company. The Group believes that the Proposal will allow the Group (who will remain as Beijing Panpass' controlling shareholder) and the Shareholders to enjoy the enhanced value of Beijing Panpass.

Having considered the benefits of the Proposal, its terms and how the offer size and offer price will be determined, the Directors believe that the terms of the Proposal (including the Deemed Disposal) will be fair and reasonable, and the Proposal (including the Deemed Disposal) is in the interests of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

As part of the Proposal, Beijing Panpass will allot Panpass Shares, which will reduce the Group's shareholding in Beijing Panpass. Such allotment, if materialised, will constitute a deemed disposal of the interest in a subsidiary of the Group under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules based on the expected size of the Deemed Disposal may be higher than 25% but less than 75%, the Deemed Disposal may constitute a major transaction of the Company under Chapter 14 of the Listing Rules and subject to the reporting, announcement and shareholders' approval requirements. The Company therefore seek the approval of the Shareholders for the Deemed Disposal under Chapter 14 of the Listing Rules.

As illustrated in further details above, the size of offering is currently expected to be around RMB176 million assuming the exercise of over-allotment option and the offer price of RMB6.5 per Panpass Share. With reference to (a) the recent trend of the market prices of the Shares as quoted on the Stock Exchange and the proposed Offer Price, and (b) the financial performance of the Company and Beijing Panpass, the Company considers it is not likely for the Proposal to be classified as a very substantial disposal under Chapter 14 of the Listing Rules based on its highest applicable percentage ratio (computed by applying the relevant financial and pricing figures as of the listing date of the Panpass Shares) assuming that there being no unforeseen material changes. The Group currently under Chapter 14 of the Listing Rules does not expect for the offering size of the Panpass Shares to exceed a level which would render the applicable consideration ratio (as defined under the Listing Rules) to reach 75% or higher (being approximately HK\$362 million, for illustrative purpose only, based on the market capitalisation of the Company with reference to closing prices quoted on the Stock Exchange on five business days preceding (and including) 24 April 2023). If at the time immediately prior to the determination of the final offer price, the percentage ratio of the Deemed Disposal will reach 75% or higher, the Group will only proceed with the final pricing and the Proposed Listing after complying with the additional disclosure and other additional requirements applicable to a very substantial disposal.

## LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, none of the Directors have a material interest in the Proposal (including the Deemed Disposal), and none of them are required to abstain, or has abstained, from voting on the relevant Board resolutions to approve the same.

To the best of the knowledge and belief of the Company, the Proposal is not regarded as a "spin-off" under Practice Note 15 of the Listing Rules.

### **EGM**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Deemed Disposal. A notice convening the EGM is set out on pages 25 to 26 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolution(s) will be put to vote by way of poll at the EGM. As far as the Directors are aware, none of the Shareholders has a material interest in the Deemed Disposal which is different from those of other Shareholders. As such, no Shareholder is required to abstain from voting in respect of the proposed resolution(s) to approve the Deemed Disposal at the EGM.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish. In such event, the proxy form shall be deemed to be revoked.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the EGM, the transfer book and Register of Members of the Company will be closed from 10 May 2023 (Wednesday) to 15 May 2023 (Monday) (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 9 May 2023 (Tuesday).

### **RECOMMENDATION**

The Directors consider that the Deemed Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution set out in the notice of the EGM.

## LETTER FROM THE BOARD

### GENERAL

Details of the Proposal and the Panpass Listing will be finalised at a later stage. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

**The Proposal and its structure are subject to, among other things, the approval of relevant authorities (including the BSE and the CSRC), market conditions, fulfillment of applicable conditions and listing requirements and other considerations. Beijing Panpass is currently at the listing counselling stage only, and there is no assurance that the Proposal will take place, and if so, when it will take place. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its professional adviser(s).

Your attention is drawn to the additional information set out in the appendices to this circular and the notice of the EGM.

Yours faithfully,  
For and on behalf of the Board  
**HC GROUP INC.**  
**Liu Jun**  
*Chairman and Chief Executive Officer*

## 1. FINANCIAL INFORMATION OF THE GROUP

The consolidated financial statements of the Company for each of the years ended 31 December 2019, 2020, 2021 and for the six months ended 30 June 2022 were disclosed in the following documents which are available on the Stock Exchange's website:

- (1) Audited consolidated financial statements for the year ended 31 December 2019: Pages 111 to 304 of the Company's 2019 annual report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042702642.pdf>), which was posted on 27 April 2020.
- (2) Audited consolidated financial statements for the year ended 31 December 2020: Pages 114 to 312 of the Company's 2020 annual report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0419/2021041901102.pdf>), which was posted on 19 April 2021.
- (3) Audited consolidated financial statements for the year ended 31 December 2021: Pages 113 to 316 of the Company's 2021 annual report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0425/2022042501415.pdf>), which was posted on 25 April 2022.
- (4) Unaudited consolidated financial statements for the six months ended 30 June 2022: Pages 19 to 62 of the Company's 2022 interim report (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0929/2022092901171.pdf>), which was posted on 29 September 2022.

The Company's annual results announcement for the year ended 31 December 2022 is available on the Stock Exchange's website (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0324/2023032402121.pdf>)

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 28 February 2023 (being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular), the Group had the following outstanding indebtedness:

- (a) bank borrowings of approximately RMB594,281,000 of which, the current portion of RMB589,281,000 will mature in next twelve months, and the remaining portion of RMB5,000,000 will mature between two to three years. Out of the total balances, the followings bank borrowings were secured by certain properties of the Group:
  - (i) bank borrowing of RMB512,000,000 which was guaranteed by subsidiaries and associates of the Group; and
  - (ii) bank borrowing of RMB10,000,000 which was guaranteed by a subsidiary of the Group.

The remaining bank borrowings were unsecured and mainly included:

- (i) bank borrowings of RMB40,000,000 which were guaranteed by subsidiaries of the Group; and
  - (ii) bank borrowings of RMB12,000,000 which were unguaranteed.
- (b) other borrowings of approximately RMB268,790,000 of which will mature in next twelve months. Out of the total balances, the following other borrowings were secured by certain equity interest of a subsidiary of the Group or prepayment of cotton:
- (i) other borrowing of RMB230,000,000 provided by an independent third party which was guaranteed by a subsidiary of the Group;
  - (ii) other borrowings of RMB5,443,000 provided by an independent third party which were unguaranteed;

The remaining other borrowings were unsecured and unguaranteed, which mainly included:

- (i) other borrowings of RMB10,600,000 provided by a non-controlling shareholder and certain key management personnels of subsidiaries of the Group; and
  - (ii) other borrowing of RMB9,717,000 provided by an independent third party.
- (c) lease liabilities of approximately RMB15,664,000 for the remainder of the relevant lease terms amounting in aggregate, all of which were unsecured and unguaranteed.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business on 28 February 2023, the Group did not have any other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, lease liabilities under finance lease and operating lease or hire purchase lease commitments, liabilities under acceptance or acceptance credit, guarantees or other material contingent liabilities.

### 3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources available to the Group, including the internally generated funds, available facilities, as well as the impact of and proceeds from the Deemed Disposal, the Group will have sufficient working capital to satisfy its requirements for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

#### 4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The past year of 2022 has posted challenges for the Group, including effects of COVID-19, pressure on logistic and global supply chain, energy crisis, and global inflating costs. These challenges have impacted the Group in 2022, but the Group also believes there are opportunities to be grasped in the face of challenges. Digital economy and intellectual economy have become the socio-economic development direction, and the internet industry is now undermining how business are being promoted and developed more than ever.

Going forward, the Group wishes to focus its resources on business and operations aligned to the strategic corporate goal, with sustainable prospects and development bandwidth. To this end, the Group aims to optimize resource utilization by prioritizing its core business components, ZOL and Beijing Panpass particularly. As an ongoing process, the Group strives to reduce its indebtedness level, and is prudently assessing the prospects and quality of its other business components and assets, especially those that have underperformed in recent years or shows limitation in growth prospect. The Group wishes to accelerate the flowing of resources to components with profitability prospects step-by-step in this year. Updates will be made to the Shareholders as and when required by the Listing Rules.

Beijing Panpass will continue its endeavours to be one of the leaders and revolutionists in the field of unique identification digitalization solution and integrating. The Proposal will also be one of Beijing Panpass' key goal in 2023.

ZOL, supported by its over two decades of operating experience in the technology vertical field, will continue its emphasis on becoming the preferred living technology shopping guide platform, through promoting the delivery of good quality contents, R&D, strategic cooperation with brands and suppliers, and promoting global users' acknowledgment of "Made in China" products.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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.

## 2. INTEREST IN SECURITIES

### Directors and chief executives

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or which have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the “**Model Code**”) in Appendix 10 to the Listing Rules, were as follows:

#### *Long position in Shares*

Name of Director	Capacity	Number of Shares interested	% of Shares in issue (approximate)
Liu Jun <sup>(Note 1)</sup>	Beneficial owner	79,252,100	6.05%
Zhang Yonghong <sup>(Note 2)</sup>	Beneficial owner	13,600,000	1.04%
Liu Xiaodong <sup>(Note 3)</sup>	Beneficial owner and interest of controlled corporation	67,441,879	5.15%
Guo Fansheng <sup>(Note 4)</sup>	Beneficial owner	57,749,015	4.41%

#### *Notes:*

- (1) Such interests in the Company comprise: (i) 50,220,000 Shares and (ii) 29,032,100 underlying Shares derived from the share options under the Company’s share option schemes (“**Options**”) held by Mr. Liu Jun.
- (2) Such interests in the Company comprise: (i) 100,000 Shares; (ii) 4,000,000 underlying Shares derived from the awarded shares granted to Mr. Zhang Yonghong under the employees’ share award scheme adopted on 17 November 2011 and (iii) 9,500,000 underlying Shares derived from the Options held by Mr. Zhang Yonghong.

- (3) Such interests in the Company comprise: (i) 3,168,085 underlying Shares from the Options held by Mr. Liu Xiaodong; (ii) 2,000,000 underlying Shares derived from the awarded shares granted to Mr. Liu Xiaodong under the employees' share award scheme adopted on 17 November 2011 and (iii) 62,273,794 Shares held by Wisdom Limited (a company wholly and beneficially owned by Mr. Liu Xiaodong). Mr. Liu Xiaodong is deemed, or taken to have, interested in all the Shares held by Wisdom Limited pursuant to the SFO.
- (4) Such interests in the Company comprise: (i) 2,088,000 Shares held by Mr. Guo Fansheng; and (ii) 55,661,015 Shares held by a trustee of a trust of which Mr. Guo Fansheng is a founder of a discretionary trust who can influence how the trustee exercises his discretion.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

#### Substantial shareholders and other persons

As at the Latest Practicable Date, as far as the Directors are aware of, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

##### *Long position in Shares*

Name	Capacity	Number of Shares interested	% of Shares in issue (approximate)
<i>Substantial shareholders</i>			
Talent Gain Developments Limited <i>(Note 5)</i>	Beneficial owner and interest in controlled corporation	253,671,964	19.37%
Digital China (BVI) Limited <i>(Note 5)</i>	Interest of controlled corporation	253,671,964	19.37%
Digital China Holdings Limited <i>(Note 5)</i>	Interest of controlled corporation	253,671,964	19.37%

Name	Capacity	Number of Shares interested	% of Shares in issue (approximate)
<i>Other persons</i>			
Ideal South Limited <sup>(Note 6)</sup>	Beneficial owner	80,000,000	6.11%
Wong Luen Hei <sup>(Note 6)</sup>	Interest of controlled corporation and founder of a discretionary trust who can influence how the trustee exercises his discretion	129,705,000	9.90%
Fortune Value Investment Holdings Limited <sup>(Note 7)</sup>	Beneficial owner	104,562,000	7.98%
Zhu Lemin <sup>(Note 7)</sup>	Interest of controlled corporation	104,562,000	7.98%

*Notes:*

So far as the Directors were aware of, as of the Latest Practicable Date:

5. Such interests in the Company comprise: (i) 230,263,964 Shares held by Talent Gain Developments Limited and (ii) 23,408,000 Shares held by Unique Golden Limited (which was 100% controlled by Talent Gain Developments Limited). Talent Gain Developments Limited was wholly and beneficially owned by Digital China (BVI) Limited and indirectly wholly and beneficially owned by Digital China Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 861). Therefore, Talent Gain Developments Limited was deemed to be interested in the Shares held by Unique Golden Limited, and each of Digital China (BVI) Limited and Digital China Holdings Limited was deemed to be interested in the Shares held by Talent Gain Developments Limited and Unique Golden Limited.
6. Ideal South Limited was 100% controlled by Mr. Wong Luen Hei.
7. Fortune Value Investment Holdings Limited is 100% controlled by Mr. Zhu Lemin.
8. Mr. Sun Yang, a non-executive Director, is a senior vice president of Digital China Holdings Limited and the chairman of Digital China Software Limited. Save as the above, as of the Latest Practicable Date none of the Directors have any directorship or other position in Talent Gain Developments Limited, Digital China Digital China Holdings Limited, Ideal South Limited or Fortune Value Investment Holdings Limited.

Save as disclosed above, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company as at the Latest Practicable Date.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not expiring or determinable by the employer within one year without payment of any compensation (other than statutory compensation).

### 4. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors and their respective close associates had any interest in a business which competes or is likely to compete with the businesses of the Group as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were treated as a controlling shareholder.

### 5. DIRECTORS' INTERESTS IN THE ASSETS AND CONTRACTS

As at the Latest Practicable Date, (i) none of the Directors had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021 (being the date to which the latest published audited financial statements of the Company were made up); and (ii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting and which was significant in relation to the businesses of the Group.

### 6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up).

### 7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Group within the two years immediately preceding the date of this circular and which are or may be material to the Group:

- (1) a loan agreement dated 29 June 2022 between Beijing Huicong Internet Information Technology Co., Ltd (a wholly-owned subsidiary of the Group, as lender) and Chongqing Digital China Huicong Micro-Credit Co., Ltd. (a 70%-owned subsidiary of the Group, as borrower), pursuant to which the lender agreed to grant the borrower an unsecured loan in the principal amount up to RMB25,000,000, bearing interest at a rate of 8% per annum; and

- (2) an investment agreement dated 9 August 2021 among Beijing HC, Tianjin Huicong Technology Co., Limited (a wholly-owned subsidiary of the Group), Juekun (Shanghai) Technology Development Co., Limited, Shanghai Jueshi Network Technology Co., Limited, Huizhou Union Cotton Cloud Technology Co., Limited, Shanghai Mianlian E-Commerce Co., Limited, the Company and Huizhou Daya Bay Sci-Tech No. 2 Investment Partnership Enterprise (Limited Partnership), pursuant to which Huizhou Daya Bay Sci-Tech No. 2 Investment Partnership Enterprise (Limited Partnership) conditionally agreed to make an investment of RMB150,000,000 to Huizhou Union Cotton Cloud Technology Co., Limited.

## 8. LITIGATION

As set out in the Company's 2022 interim report, in January 2021, the Group and an independent third party purchaser entered into an agreement for the disposal of Tianjin Guokai Ruitou Education Technology Co., Ltd. ("**Guokai**"). An arbitration proceeding has been commenced in which the purchaser requested the Group to bear possible losses and requested the Group to effect the transfer, and the Group raised its disputes and counterclaim. Further details are set out in the Company's 2022 interim report. As of the Latest Practicable Date, main hearing of the arbitration has been completed. It is currently expected that the arbitration award will be made in the first half of 2023. Further disclosure will be made by the Company as and when required by the Listing Rules.

As at the Latest Practicable Date, so far as the Directors are aware of, except the above, no litigation or claim of material importance is pending or threatened against any member of the Group.

## 9. GENERAL

- (1) The company secretary of the Company is Ms. Kwong Yin Ping Yvonne (HKFCG).
- (2) The Company's registered office is at 4th Floor, One Capital Place, P.O. Box 847 George Town, Grand Cayman, Cayman Islands.

The Company's head office and principal place of business in the PRC is at Room B-1, 4th Floor, Building 2, Hangxing Science Park, No. 11, Hepingli East Street, Dongcheng District, Beijing 100013, the PRC.

- (3) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The Cayman Islands share registrar of the Company is Suntera (Cayman) Limited at Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman, KY1-1100, Cayman Islands.

- (4) In this circular, certain Chinese names of institutions or other entities have been translated into English and included as unofficial translations for identification purpose only, the Chinese names shall prevail in the event of inconsistency.
- (5) The English text of this circular, the notice of EGM and the proxy form shall prevail over the Chinese text in case of inconsistency, unless stipulated otherwise.



**HC GROUP INC.**  
**慧聪集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 02280)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of HC Group Inc. (the “**Company**”) will be held on Monday, 15 May 2023 at 4:00 p.m. at Room B-1, 4th Floor, Building 2, Hangxing Science Park, No. 11, Hepingli East Street, Dongcheng District, Beijing 100013, the People’s Republic of China for considering and, if thought fit, passing, with or without amendments, the following resolution:

**ORDINARY RESOLUTION**

**“THAT:**

- (a) the proposed allotment and public offering of shares and listing on the Beijing Stock Exchange by Panpass Information Technology Co., Ltd be approved; and
- (b) any one director of the Company be and is hereby authorised, for and on behalf of the Company, to do all acts and things as he/she considers to be necessary, appropriate or expedient in connection with and to implement or give effect to the above, and to execute all documents (and where required, to affix the common seal thereon) deemed by him/her to be incidental to, ancillary to or in connection with the above, and to attend to any necessary registration and/or filing for and on behalf of the Company.”

By Order of the Board  
**HC GROUP INC.**

**Liu Jun**

*Chairman and Chief Executive Officer*

Hong Kong, 28 April 2023

## NOTICE OF THE EGM

*Notes:*

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.

Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

2. Where there are joint holders of any shares, any one of such joint holder may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
3. For determining the entitlement to attend and vote at the Meeting, the transfer book and Register of Members of the Company will be closed from 10 May 2023 (Wednesday) to 15 May 2023 (Monday) (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 9 May 2023 (Tuesday).
4. References to time and dates in this notice are to Hong Kong time and dates.
5. The Company may be required to change the meeting arrangements at short notice due to the COVID-19 pandemic situation. Shareholders should regularly assess for themselves potential risks associated with, and whether they should attend, the physical meeting. While the Company proposes and endeavours to implement measures to safeguard the health of the attendees, no obligation or liability whatsoever will be assumed by the Company in connection with the successful implementation or otherwise of any or all of those measures.