

LETTER FROM THE BOARD



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

**(Stock Code: 3638)**

*Executive Directors:*

Mr Cheung Lit Wan Kenneth (*Chairman*)

Mr Chan Wing Sum

Mr Qu Hongqing

*Independent Non-Executive Directors:*

Mr Loo Hong Shing Vincent

Mr Leung Wai Kwan

Mr Lee Ka Leung Daniel

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office and Principal Place of*

*Business in Hong Kong:*

22/F, Sun Hung Kai Centre

30 Harbour Road

Wan Chai, Hong Kong

12 March 2025

*To Qualifying Shareholders*

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY  
ZHESHANG INTERNATIONAL FINANCIAL HOLDINGS CO., LIMITED  
ON BEHALF OF  
TALENT VIRTUE INTERNATIONAL LIMITED  
TO ACQUIRE A MAXIMUM OF  
19,439,034 ISSUED SHARE CAPITAL OF HUNLICAR GROUP LIMITED  
FROM QUALIFYING SHAREHOLDERS**

**INTRODUCTION**

On 20 February 2025, the Offeror and the Company jointly announced that Zheshang International, on behalf of the Offeror, would make a voluntary conditional cash partial offer to acquire a maximum of 19,439,034 Shares (representing approximately 25.11% of the Shares in issue as at the Latest Practicable Date) from the Qualifying Shareholders at the Offer Price of HK\$4.50 per Offer Share in cash.

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The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) further information relating to each of the Group, the Offeror, and the Partial Offer; (ii) the letter from Zheshang International containing details of the Partial Offer; (iii) the letter from the Independent Board Committee containing its recommendation and advice to the Qualifying Shareholders in respect of the Partial Offer; and (iv) the letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee on whether the Partial Offer is fair and reasonable so far as the Independent Shareholders are concerned and as to approval and acceptance in respect of the Partial Offer.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr Loo Hong Shing Vincent, Mr Leung Wai Kwan and Mr Lee Ka Leung Daniel, has been established to make a recommendation to the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable, and as to approval and acceptance of the Partial Offer.

The Company has appointed Emperor Corporate Finance Limited as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the terms of the Partial Offer are fair and reasonable and as to acceptance pursuant to Rule 2.1 of the Takeovers Code. Such appointment has been approved by the Independent Board Committee.

### **THE PARTIAL OFFER**

#### **Offer Price**

The Partial Offer will be made by Zheshang International, for and on behalf of the Offeror, in compliance with the Takeovers Code on the basis set out below:

For each Offer Share ..... HK\$4.50 in cash

#### **Conditions to the Partial Offer**

The Partial Offer is subject to the fulfilment of the following Conditions:

- (i) valid acceptances being received in respect of the Minimum Number of Offer Shares (i.e. 15,567,034 Offer Shares) and which would result in the Offeror and parties acting in concert with it holding the interest in more than 50% of the Shares in issue at or before 4:00 p.m. (Hong Kong time) on the First Closing

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Date (or such later date as the Offeror may decide and the Executive may approve), provided that the Offeror shall purchase from the Qualifying Shareholders as many Offer Shares as are tendered by the Qualifying Shareholders up to the Maximum Number of Offer Shares (i.e. 19,439,034 Offer Shares); and

- (ii) approval of the Partial Offer pursuant to Rule 28.5 of the Takeovers Code by the shareholders holding over 50% of the Shares not held by the Offeror and parties acting in concert with it, signified by means of a separate tick box on the Form of Approval and Acceptance specifying the number of Shares in respect of which the Partial Offer is approved.

Further details of the Partial Offer are set out in the letter from Zheshang International in this Composite Document, Appendix I to this Composite Document and the accompanying Form of Approval and Acceptance.

As at the Latest Practicable Date, there were 77,423,775 Shares in issue. The Company had no other share, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest as at the Latest Practicable Date.

### **SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER**

The shareholding structure of the Company as at the Latest Practicable Date and after the closing of the Partial Offer (assuming that there are no changes to the total number of Shares in issue between the Latest Practicable Date and the Final Closing Date) is set out in the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER” in the letter from Zheshang International in this Composite Document.

### **REASONS FOR AND BENEFITS OF THE PARTIAL OFFER**

Your attention is drawn to the sections headed “REASONS FOR AND BENEFITS OF THE PARTIAL OFFER AND INTENTION OF THE OFFEROR” respectively in the letter from Zheshang International in this Composite Document.

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### **INTENTION OF THE OFFEROR**

Your attention is drawn to the letter from Zheshang International in this Composite Document which sets out, among other things, the intentions of the Offeror regarding the business of the Company. The Board notes that the Offeror intends that the Company will continue its existing business and the employment of employees of the Group in their ordinary courses. The Offeror has no intention to introduce any major changes in the business of the Company and any redeployment of the fixed assets of the Company, or to scale down, cease or dispose of any of the Company's existing businesses.

The Board is pleased to acknowledge the intention of the Offeror in respect of the Group.

### **INFORMATION ON THE GROUP**

The Company is a company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in (i) computer and electronic products trading business (including computer and peripheral products and electronics products business), (ii) food trading business, (iii) financial services business (including securities brokerage business, advisory services business and money lending business) and (iv) family office services business.

Your attention is drawn to Appendices II, III and IV to this Composite Document which contain further information in relation to the financial information of the Group, the property valuation report, and the general information of the Group.

### **PUBLIC FLOAT**

The Stock Exchange has stated that if, at the closing of the Partial Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares) are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

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As at the date of the Latest Practicable Date, the Company has a public float of approximately 57.35% of the Shares in issue. Assuming full acceptances of the Maximum Number of Offer Shares under the Partial Offer by the Qualifying Shareholders and that there are no changes to the issued share capital of the Company between the Latest Practicable Date and up to the Final Closing Date, the Company will have at least a public float of approximately 32.24% of the Shares in issue immediately following the close of the Partial Offer (being 57.35% minus 25.11%, assuming the full and maximum amount of the Offer Shares are tendered for acceptance by the public shareholders as at the Latest Practicable Date). Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 8.08 of the Listing Rules. The Offeror intends to maintain the listing status of the Shares on the Stock Exchange upon completion of the Partial Offer.

### **RECOMMENDATION**

An Independent Board Committee, which comprises all of the independent non-executive Directors, namely Mr Loo Hong Shing Vincent, Mr Leung Wai Kwan and Mr Lee Ka Leung Daniel, has been established by the Board in accordance with Rules 2.1 and 2.8 of the Takeovers Code to make a recommendation to the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable and as to approval and acceptance taking into account the advice from the Independent Financial Adviser to the Independent Board Committee.

The Independent Financial Adviser has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the Partial Offer is fair and reasonable and as to approval and acceptance.

### **GENERAL**

Your attention is drawn to the letter from Zheshang International and to Appendix I to this Composite Document and the accompanying Form of Approval and Acceptance for the principal terms and the acceptance and settlement procedures in relation to the Partial Offer.

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Your attention is also drawn to (1) the letter from the Independent Board Committee in this Composite Document which contains the Independent Board Committee's advice to Qualifying Shareholders in respect of approval and acceptance of the Partial Offer and (2) the letter from the Independent Financial Adviser in this Composite Document which contains, among other things, the Independent Financial Adviser's advice to the Independent Board Committee in respect of the Partial Offer and principal factors and reasons considered by it in arriving at such advice.

Your attention is further drawn to the property valuation report as set out in Appendix III and the general information as set out in Appendix IV to this Composite Document.

Yours faithfully,  
By Order of the Board  
**Hunlicar Group Limited**



**Chan Wing Sum**  
*Executive Director*