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## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Ling Yui Holdings Limited**, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.

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### HAPBIOTECH INVESTMENT HOLDING LIMITED

*(incorporated in the British Virgin Islands with limited liability)*

### LING YUI HOLDINGS LIMITED

*(incorporated in the Cayman Islands  
with limited liability)*  
**(Stock code: 784)**

**COMPOSITE DOCUMENT  
(I) UNCONDITIONAL MANDATORY CASH OFFER BY  
RED SUN CAPITAL LIMITED  
FOR AND ON BEHALF OF HAPBIOTECH INVESTMENT HOLDING LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
LING YUI HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY HAPBIOTECH INVESTMENT HOLDING LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT); AND  
(II) PROPOSED CHANGE OF COMPANY NAME  
Financial Adviser to Hapbiotech Investment Holding Limited**



紅日資本有限公司  
RED SUN CAPITAL LIMITED

**Independent Financial Adviser to the Independent Board Committee of  
Ling Yui Holdings Limited**

**VEDA | CAPITAL**  
**智略資本**

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Terms used in this cover shall have the same meanings as defined in this Composite Document.

A letter from Red Sun Capital containing, amongst other things, details of the terms and conditions of the Offer is set out on pages 12 to 23 of this Composite Document. A letter from the Board is set out on pages 24 to 33 of this Composite Document. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholder in respect of the Offer is set out on pages 34 to 35 of this Composite Document. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee in respect of the Offer is set out on pages 36 to 55 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptance of the Offer should be received by the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong as soon as possible and in any event no later than 4:00 p.m. on Tuesday, 26 May 2026 or such later time and/or date(s) as the Offeror may determine and announce with the consent of the Executive, in accordance with the requirements of the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "7. OVERSEAS INDEPENDENT SHAREHOLDERS" in Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder wishing to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdiction. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

This Composite Document will remain on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.lingyui.com.hk/>) as long as the Offer remains open.

5 May 2026

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## EXPECTED TIMETABLE

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*The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all references to time and dates in this Composite Document and the Form of Acceptance refer to Hong Kong local time and dates.*

**2026**

Despatch date of this Composite Document and the accompanying  
Form of Acceptance and commencement date of the Offer <sup>(Note 1)</sup> . . . . . Tuesday, 5 May

Latest time and date for acceptance of the Offer <sup>(Notes 2 and 4)</sup> . . . . . by 4:00 p.m. on  
Tuesday, 26 May

Closing Date <sup>(Notes 2 and 4)</sup> . . . . . Tuesday, 26 May

Announcement of the results of the Offer as at the Closing Date,  
to be posted on the website of the Stock Exchange <sup>(Note 2)</sup> . . . no later than 7:00 p.m. on  
Tuesday, 26 May

Latest date for posting of remittances for the amount  
due in respect of valid acceptances received under the Offer on or  
before 4:00 p.m. on the Closing Date <sup>(Note 3 and 4)</sup> . . . . . Thursday, 4 June

*Notes:*

1. The Offer, which are unconditional in all respects, are made on the date of posting of this Composite Document, and are capable of acceptance on and from that date until the Closing Date, unless the Offeror revise or extend the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and shall not be capable of being withdrawn, except in the circumstances set out in the section headed “6. Right of Withdrawal” in Appendix I to this Composite Document.
2. In accordance with the Takeovers Code, the Offer must initially be opened for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offer is 4:00 p.m. on Tuesday, 26 May 2026. An announcement will be jointly issued by the Company and the Offeror through the website of the Stock Exchange by 7:00 p.m. on Tuesday, 26 May 2026 stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to revise or extend the Offer and the announcement does not specify the next closing date, at least 14 days’ notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.
3. Remittances in respect of the cash consideration (after deducting the seller’s Hong Kong ad valorem stamp duty in respect of acceptances of the Offer) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of a duly completed acceptance by the Registrar in accordance with the Takeovers Code.
4. If there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning:
  - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the Closing Date, the time and date of the close of the Offer will remain at 4:00 p.m. on the same Business Day; or

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## EXPECTED TIMETABLE

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- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Closing Date, the time and date of the close of the Offer will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve.

Save as mentioned above, if the latest time for acceptance of the Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

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## **IMPORTANT NOTICE**

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### **NOTICE TO THE OVERSEAS SHAREHOLDERS**

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions. Overseas Shareholders (including beneficial owners of Shares and other securities of the Company) who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer.

It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions.

Any acceptance by the Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be lawful, valid and binding in accordance with all applicable laws. Such Overseas Shareholders should consult their respective professional advisers if in doubt.

The Offeror and parties acting in concert with it, the Company, Red Sun Capital, Veda Capital, the Registrar, the company secretary of the Company or any of their respective ultimate beneficial owners, directors, officers, advisers and associates, agents or any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes or duties as such person may be required to pay. Please see the paragraph headed “Overseas Shareholders” in the Letter from Red Sun Capital and “7. OVERSEAS INDEPENDENT SHAREHOLDERS” in the Appendix I to this Composite Document for details.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Offeror and the Company assume no obligation and do not intend to update these forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

The Company will notify the Independent Shareholders of any material change to information contained or referred to in the Composite Document as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

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## DEFINITIONS

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*In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meaning:*

“6M2024”	the six months ended 30 September 2024
“6M2025”	the six months ended 30 September 2025
“acting in concert”	having the meaning ascribed thereto under the Takeovers Code
“associate(s)”	having the meaning ascribed thereto under the Listing Rules or the Takeovers Code, where the context requires
“Audit Certificate”	The audit certificate to be issue by the Company’s auditor, jointly caused by the First Guarantor and the Offeror, on the audited revenue and consolidated EBTDA (excluding any special items) of the Existing Subsidiaries. Please refer to the sub-section headed “Guaranteed Revenue and Guaranteed EBTDA” in the “Letter from the Board” in this Composite Document
“Audited Financial Statements”	audited consolidated financial statements to be issued by the Auditors
“Auditor” or “HLB”	HLB Hodgson Impey Cheng Limited, the auditor of the Company
“Antropy”	Antropy Ltd
“Beijing Bairui”	Beijing Bairui Management Consulting Partnership (Limited Partnership) (北京柏睿管理諮詢合夥企業(有限合夥))
“Beijing Haishi”	Beijing Haishi Management Consulting Partnership (Limited Partnership) (北京海誓管理諮詢合夥企業(有限合夥))
“Beijing Jiechuangda”	Beijing Jiechuangda Enterprise Management Partnership (Limited Partnership) (北京傑創達企業管理合夥企業(有限合夥))
“Beijing Luozhi”	Beijing Luozhihaipu Enterprise Management Partnership (Limited Partnership) (北京邏之海普企業管理合夥企業(有限合夥))

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## DEFINITIONS

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“Beijing Sirius”	Beijing Sirius Shengxin Management Consulting Partnership (Limited Partnership) (北京天狼星晟昕管理諮詢合夥企業(有限合夥))
“Beijing Yitingluo”	Beijing Yitingluo Enterprise Management Partnership (Limited Partnership) (北京醫廷洛企業管理合夥企業(有限合夥))
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
“Closing Date”	Tuesday, 26 May 2026, the closing date of the Offer, which is no less than 21 days following the date on which this Composite Document is posted, or if the Offer is extended, any subsequent closing date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code
“Company”	Ling Yui Holdings Limited (凌銳控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange with stock code 784
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms of the Sale and Purchase Agreement which took place on 9 April 2026
“Completion Date”	the date on which Completion took place (i.e. 9 April 2026), being the date on which the last of the conditions precedent under the Sale and Purchase Agreement is fulfilled (or otherwise waived)

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## DEFINITIONS

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“Composite Document”	this composite offer and response document regarding the Offer jointly despatched by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the Form of Acceptance) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“Consideration”	collectively, the First Vendor Sale Shares Consideration, the Second Vendor Sale Shares Consideration, the Third Vendor Sale Shares Consideration and the Fourth Vendor Sale Shares Consideration
“Dark Forest”	Dark Forest Ltd
“Director(s)”	director(s) of the Company
“Dr. Chen”	Dr. CHEN Shifu (陳實富), executive director of HI and held approximately 8.14% of HI Shares through Dark Forest and Antropy
“Dr. Xu”	Dr. Xu Mingyan (許明炎), executive director of HI and held approximately 28.97% of HI Shares through XU Future and XU Beyond
“EBTDA”	With respect to a given period of time, the earnings before taxes, depreciation, and amortization of the Existing Subsidiaries
“EGM”	the extraordinary general meeting to be held by the Company for the purpose of considering and approving the Proposed Change of Company Name
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same and “Encumber” shall be construed accordingly
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

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## DEFINITIONS

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“Existing Subsidiaries”	all subsidiaries of the Company as at the date of the Sale and Purchase Agreement
“Financial Adviser” or “Red Sun Capital”	Red Sun Capital Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the Financial Adviser to the Offeror in respect of the Offer and the agent making the Offer on behalf of the Offeror
“Forecast Financial Information”	the Guaranteed Revenue and the Guaranteed EBTDA
“First Vendor”	Reach Goal Development Limited, a company incorporated in the BVI with limited liability and owned as to 100.00% by Mr. Ling
“First Vendor Sale Shares”	an aggregate of 331,220,000 Shares to be transferred from the First Vendor to the Offeror pursuant to the Sale and Purchase Agreement, representing 41.40% of the total number of issued Shares as at the Latest Practicable Date
“First Vendor Sale Shares Consideration”	HK\$78,664,750, being the aggregate consideration to be paid by the Offeror to the First Vendor for the purchase of the First Vendor Sale Shares under the Sale and Purchase Agreement
“First Vendor’s Deposit”	the sum of HK\$3,000,000 shall be paid on the date of the Sale and Purchase Agreement to the First Vendor for the sale and purchase of the First Vendor Sale Shares
“Form of Acceptance”	the form of acceptance in respect of the Offer accompanying the Composite Document
“Fourth Vendor”	Mr. Keung Yun Yuen (姜潤元先生), ultimate beneficial owner of one of the customers of the Group
“Fourth Vendor Sale Shares”	an aggregate of 17,000,000 Shares to be transferred from the Fourth Vendor to the Offeror pursuant to the Sale and Purchase Agreement, representing 2.13% of the total number of issued Shares as at the Latest Practicable Date
“Fourth Vendor Sale Shares Consideration”	HK\$4,037,500, being the aggregate consideration to be paid by the Offeror to the Fourth Vendor for the purchase of the Fourth Vendor Sale Shares under the Sale and Purchase Agreement

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## DEFINITIONS

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“FY2023”	the financial year ended 31 March 2023
“FY2024”	the financial year ended 31 March 2024
“FY2025”	the financial year ended 31 March 2025
“FY2027”	the financial year ending 31 March 2027
“FY2028”	the financial year ending 31 March 2028
“FY2029”	the financial year ending 31 March 2029
“Grains Valley VC”	Beijing Grains Valley Venture Capital Co., Ltd. (北京磐谷創業投資有限責任公司)
“Group”	the Company and its subsidiaries
“Guaranteed EBTDA”	the guarantee that the EBTDA of the Group shall not be negative for each of FY2027, FY2028 and FY2029, provided by the First Guarantor in favour of the Offeror pursuant to the Sale and Purchase Agreement
“Guaranteed Revenue”	the guarantee that the audited consolidated revenue of the Group shall not be less than HK\$100,000,000 for each of FY2027, FY2028 and FY2029, provided by the First Guarantor in favour of the Offeror pursuant to the Sale and Purchase Agreement
“Guarantors”	the First Guarantor and the Second Guarantor
“Heyue Guyu”	Tianjin Heyue Guyu Equity Investment Fund Partnership (Limited Partnership) (天津和悦毅兩股權投資基金合夥企業(有限合夥))
“HI”	HaploX Investment Holding Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands on 29 November 2021, which wholly and beneficially owned the entire issued share capital of the Offeror as at the Latest Practicable Date
“HI Group”	HI and its subsidiaries and entities controlled by it through series of contractual arrangements
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hongtu Haipu”	Beijing Hongtu Haipu Management Consulting Partnership (Limited Partnership) (北京紅土海普管理諮詢合夥企業(有限合夥))
“Independent Board Committee”	an independent board committee of the Company, comprising all independent non-executive Directors, namely, Mr. Chong Kam Fung, Mr. Ho Chun Chung Patrick, Mr. Shi Wai Lim William and Ms. Yau Suk Man, which was established by the Board for the purpose of advising the Independent Shareholders on the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer
“Independent Financial Adviser” or “Veda Capital”	Veda Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Jiangxi Tuneng”	Jiangxi Tuneng Technology Co., Ltd. (江西省土能科技有限公司)
“Jiaxing Changji”	Jiaxing Changji Equity Investment Partnership (Limited Partnership) (嘉興長驥股權投資合夥企業(有限合夥))
“Jiechuang Dayuan”	Beijing JieChuang Dayuan Management Consulting Partnership (Limited Partnership) 北京傑創達遠管理諮詢合夥企業(有限合夥)
“Jiechuang Tianjin”	Jiechuang (Tianjin) Enterprise Management Partnership (Limited Partnership) (傑創(天津)企業管理合夥企業(有限合夥))

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## DEFINITIONS

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“Joint Announcement”	the announcement dated 14 April 2026, jointly published by the Company and the Offeror relating to, among other things, the Sale and Purchase Agreement and the Offer
“Last Trading Day”	1 April 2026, being the last trading day of the Shares on the Stock Exchange prior to the suspension of trading in the Shares pending the release of the Joint Announcement
“Latest Practicable Date”	30 April 2026, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Material Adverse Effect”	any event, change or circumstance that has, or would reasonably be expected to have, a material adverse effect on the business, assets, liabilities, financial condition or results of operations of the Company taken as a whole, or on the ability of the Company to perform its obligations under the Sale and Purchase Agreement
“Mingjia Capital”	Beijing Mingjia Capital Management Co., Ltd. (北京茗嘉資本管理有限公司)
“Mr. Lee” or “Second Guarantor”	Mr. Lee Kim Ming, the legal and beneficial owner of the Second Vendor
“Mr. Ling” or “First Guarantor”	Mr. Ling Chi Fai, an executive Director, chairman of the Board and a controlling Shareholder, and the legal and beneficial owner of the First Vendor
“Mr. Tommy Ling” or “Third Vendor”	Mr. Ling Yuk Tong, a non-executive Director and the son of Mr. Ling, an executive Director and chairman of the Board
“Nanshan Hongtu”	Shenzhen Nanshan Hongtu Equity Investment Fund Partnership (Limited Partnership) (深圳市南山紅土股權投資基金合夥企業(有限合夥))

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## DEFINITIONS

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“Offer”	the unconditional mandatory cash offer made by Red Sun Capital on behalf of the Offeror to the Independent Shareholders to acquire all the Offer Shares
“Offeror”	Hapbiotech Investment Holding Limited, a company incorporated in BVI with limited liability which is beneficially owned by HI
“Offer Period”	the period commencing from 14 April 2026, being the date of the Joint Announcement and ending at 4:00 p.m. on the Closing Date
“Offer Price”	being HK\$0.2375 per Offer Share
“Offer Share(s)”	all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Optimal Kangjian”	Gongqingcheng Optimal Kangjian Biomedical Industry Investment Management Center (L.P.) (共青城優選康健生物醫藥產業投資管理中心(有限合夥))
“Overseas Independent Shareholder(s)”	the Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, are outside Hong Kong
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Party(ies)”	the party(ies) to the Sale and Purchase Agreement, being the Offeror, the Vendors and the Guarantors
“Proposed Change of Company Name”	the proposal by the Board to change the English name of the Company from “Ling Yui Holdings Limited” to “AiLife International Group Limited” and the Chinese name of the Company from “凌銳控股有限公司” to “愛生命國際集團有限公司”
“Qingdao Yitingluo”	Qingdao Yitingluo Enterprise Management Partnership (Limited Partnership) (青島醫廷洛企業管理合夥企業(有限合夥))
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, with its address at 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong

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## DEFINITIONS

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“Relevant Period”	the period from 14 October 2025, being the date falling six months preceding the date of the Joint Announcement, being the commencement of the Offer Period, and up to and including the Latest Practicable Date
“Revenue”	the audited consolidated revenue of the Group
“Sale and Purchase Agreement”	the sale and purchase agreement dated 1 April 2026 entered into between the Vendors, the Guarantors and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Share(s)”	an aggregate of 560,140,000 Shares to be transferred from the Vendors to the Offeror pursuant to the Sale and Purchase Agreement, representing 70.02% of the total number of issued Shares as at the Latest Practicable Date
“SBCVC Fund”	SBCVC Fund V, L.P.
“SCGC”	Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司)
“SCGC Hongtu”	SCGC Hongtu Private Equity Investment Fund Management (Shenzhen) Co., Ltd. (深創投紅土私募股權投資基金管理(深圳)有限公司)
“Second Vendor”	Simple Joy Investments Limited, a company incorporated in the BVI with limited liability, and owned as to 100.00% by Mr. Lee
“Second Vendor Sale Shares”	an aggregate of 202,910,000 Shares to be transferred from the Second Vendor to the Offeror pursuant to the Sale and Purchase Agreement, representing 25.36% of the total number of issued Shares as at the Latest Practicable Date
“Second Vendor Sale Shares Consideration”	HK\$48,191,125, being the aggregate consideration to be paid by the Offeror to the Second Vendor for the purchase of the Second Vendor Sale Shares under the Sale and Purchase Agreement
“Second Vendor’s Deposit”	the sum of HK\$3,000,000 shall be paid on the date of the Sale and Purchase Agreement to the Second Vendor for the sale and purchase of the Second Vendor Sale Shares

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## DEFINITIONS

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“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Baixin”	Shenzhen Baixin Investment Partnership (Limited Partnership) (深圳柏信投資合夥企業(有限合夥))
“Shenzhen Efung”	Shenzhen Efung IX Venture Capital Investment Center (Limited Partnership) (深圳市倚鋒九期創業投資中心(有限合夥))
“Shenzhen Efung Holding”	Shenzhen Efung Holding Co., Ltd. (深圳市倚鋒控股集團有限公司)
“Shenzhen Luogesi”	Shenzhen Luogesi Technology Co., Ltd. (深圳市邏各斯科技有限公司)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunland Capital”	Changzhou Sunland Medical Investment Partnership (Limited Partnership) (常州山藍醫療投資合夥企業(有限合夥))
“Suzhou Tongyu”	Suzhou Tongyu I Venture Capital Investment Partnership (Limited Partnership) (蘇州同昱壹號創業投資合夥企業(有限合夥))
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Third Vendor Sale Shares”	an aggregate of 9,010,000 Shares to be transferred from the Third Vendor to the Offeror pursuant to the Sale and Purchase Agreement, representing 1.13% of the total number of issued Shares as at the Latest Practicable Date
“Third Vendor Sale Shares Consideration”	HK\$2,139,875, being the aggregate consideration to be paid by the Offeror to the Third Vendor for the purchase of the Third Vendor Sale Shares under the Sale and Purchase Agreement
“Tuneng Liangshan”	Tuneng (Liangshan) Technology Development Co., Ltd. (土能(梁山)科技發展有限公司)

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## DEFINITIONS

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“Vendors”	collectively, the First Vendor, the Second Vendor, the Third Vendor and the Fourth Vendor
“Wisdom FZ”	Wisdom FZ Ltd
“Working Capital”	The working capital to be provided by the First Guarantor for FY2027, FY2028 and FY2029 to the Existing Subsidiaries to the extent necessary for its general day-to-day operations at a nil interest rate and without any other financial costs. Please refer to the sub-section headed “Guaranteed Revenue and Guaranteed EBTDA” in the “Letter from the Board” in this Composite Document
“WY Daisy”	WY Daisy Future Ltd
“XU Beyond”	MY XU Beyond Ltd
“XU Future”	MY XU Future Ltd
“Yuanzhi VC”	Shenzhen Yuanzhi Venture Capital Investment Co., Ltd. (深圳市遠致創業投資有限公司)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM RED SUN CAPITAL

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紅日資本有限公司  
RED SUN CAPITAL LIMITED

Room 2703, 27/F,  
China Insurance Group Building,  
141 Des Voeux Road Central,  
Hong Kong

5 May 2026

*To the Independent Shareholders*

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
RED SUN CAPITAL LIMITED  
FOR AND ON BEHALF OF HAPBIOTECH INVESTMENT HOLDING LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
LING YUI HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY HAPBIOTECH INVESTMENT HOLDING LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

### INTRODUCTION

References are made to the Joint Announcement in relation to, among other things, the Offer.

On 1 April 2026 (after trading hours of the Stock Exchange), the Offeror, the Vendors and the Guarantors entered into the Sale and Purchase Agreement pursuant to which each of the Vendors has agreed to sell, and the Offeror has agreed to purchase, an aggregate of 560,140,000 Sale Shares, representing 70.02% of the total issued share capital of the Company for a total cash consideration of HK\$133,033,250 (equivalent to HK\$0.2375 per Sale Share). Completion of the Sale and Purchase Agreement took place on 9 April 2026.

Immediately prior to Completion, the Vendors held 560,140,000 Shares (representing 70.02% of the issued Shares) and none of the Offeror and the parties acting in concert with it held, controlled or had direction over any Shares. Immediately following Completion, the Offeror and the parties acting in concert with it holds a total of 560,140,000 Shares, representing 70.02% of the issued Shares.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the mandatory unconditional cash offer to acquire all of the Shares in the issued share capital of the Company (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

This letter forms part of this Composite Document and sets out, among other things, details of the terms of the Offer, information on the Offeror and the intention of the Offeror regarding the Group following the close of the Offer. The terms and procedures of acceptance of the Offer is set out in this letter, Appendix I to this Composite Document, and the accompanying Form of Acceptance.

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## LETTER FROM RED SUN CAPITAL

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The Independent Shareholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from Independent Financial Adviser” as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

### THE OFFER

Red Sun Capital (being the Financial Adviser), on behalf of the Offeror, is making the Offer to acquire all the Offer Shares in compliance with the Takeovers Code and on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$0.2375 in cash**

The Offer Price of HK\$0.2375 per Offer Share is equal to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code.

As at the Latest Practicable Date, there were 800,000,000 Shares in issue and the Company does not have any outstanding convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue which may confer any rights to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document. As at the Latest Practicable Date, the Company does not have any declared and unpaid dividend and does not have any intention to make, declare or pay any future dividend or make other distributions or any return of capital until the close of the Offer.

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

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## LETTER FROM RED SUN CAPITAL

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### Comparison of value of the Offer Price

The Offer Price of HK\$0.2375 per Offer Share represents:

- (i) a discount of approximately 34.0% to the closing price of HK\$0.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 36.0% to the average closing price of HK\$0.371 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to but excluding the Last Trading Day;
- (iii) a discount of approximately 26.7% to the average closing price of HK\$0.324 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to but excluding the Last Trading Day;
- (iv) a discount of approximately 11.2% to the average closing price of HK\$0.268 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days prior to but excluding the Last Trading Day;
- (v) a discount of approximately 74.5% to the closing price of HK\$0.930 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vi) a premium of of approximately 233.9% over the audited consolidated net asset value of approximately HK\$0.071 per Shares as at 31 March 2025 (based on (a) the Group's audited consolidated net assets value of approximately HK\$56,899,000 as at 31 March 2025; and (b) a total of 800,000,000 issued Shares as at 31 March 2025); and
- (vii) a premium of approximately 232.11% over the unaudited consolidated net asset value of approximately HK\$0.072 per Share as at 30 September 2025 (based on (a) the Group's unaudited consolidated net assets value of approximately HK\$57,210,000 as at 30 September 2025; and (b) a total of 800,000,000 issued Shares as at 30 September 2025).

### Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares was HK\$0.930 per Share as quoted on the Stock Exchange on 30 April 2026 and the lowest closing price of the Shares was HK\$0.078 per Share as quoted on the Stock Exchange on 23 December 2025.

### Value of the Offer

As at the Latest Practicable Date, the number of Shares subject to the Offer is 239,860,000 (representing the Shares not already owned or agreed to be acquired by the Offeror). Based on the Offer Price of HK\$0.2375 per Offer Share for 239,860,000 Offer Shares, the Offer is valued at HK\$56,966,750, assuming that there will be no change in the share capital of the Company before the close of the Offer.

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## LETTER FROM RED SUN CAPITAL

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### **Confirmation of financial resources**

The maximum aggregate amount payable under the Offer is HK\$56,966,750. The Offer will be financed by the Offeror's internal resources from its shareholders. Red Sun Capital, the financial advisor to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for meeting their obligation in case of full acceptance of the Offer.

Red Sun Capital does not hold or has dealt in the Shares and any outstanding options, derivatives, warrants, or other securities convertible into Shares during the Relevant Period.

### **Effect of accepting the Offer**

The Offer is made on the basis that valid acceptance of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that the Offer Shares sold by such person under the Offer are free from all Encumbrances and together with all rights attaching thereto, including, without limitation, the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid on or after the date on which the Offer are made, being the date of the Composite Document.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

As at the Latest Practicable Date, (a) no dividends or distributions have been declared but unpaid; and (b) there is no intention for the Company to make, declare or pay any dividends or distribution.

### **Payment**

Payment in cash in respect of acceptances of the Offer is made as soon as possible but in any event, no later than seven Business Days of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

No fractions of a cent will be payable and the amount of cash consideration payable to an Independent Shareholder, who accepts the Offer will be rounded up to the nearest cent.

### **Hong Kong stamp duty**

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher. The amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

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## LETTER FROM RED SUN CAPITAL

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### **Taxation advice**

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Red Sun Capital, Veda Capital, and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **Overseas Shareholders**

As at the Latest Practicable Date, the Company confirmed that there was no Shareholder with a registered address situated outside Hong Kong, but it does not exclude the possibility that there may be Shareholders in an overseas jurisdiction during the period when the Offer is made.

The Offeror intends to make the Offer available to all Independent Shareholders, including those who are in overseas jurisdiction(s).

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders).

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such person to the Offeror that all applicable local laws and requirements have been complied with and that the Offer can be accepted by such Overseas Shareholder lawfully under the laws of the relevant jurisdiction. Overseas Shareholders should consult their professional advisers if in doubt.

### **INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in the BVI with limited liability. The Offeror was incorporated on 30 January 2026 and has not engaged in any business activities save and except the entering into of the Sale and Purchase Agreement. As at the Latest Practicable Date, the entire issued share capital of the Offeror is beneficially owned by HI. HI Group is a genetic testing solutions provider with a focus on using molecular diagnostics technologies to enable precision health mainly in the PRC.

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## LETTER FROM RED SUN CAPITAL

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The below table is a summary of ownership of the HI as at the Latest Practicable Date:

Shareholders	Number of HI Shares	Ownership percentage
XU Beyond <sup>(1)</sup>	3,022,005	28.97%
Antropy <sup>(2)</sup>	849,239	8.14%
WY Daisy <sup>(3)</sup>	327,792	3.14%
Wisdom FZ <sup>(4)</sup>	235,156	2.25%
Haipu Wisdom Ltd <sup>(5)</sup>	198,249	1.90%
Haipu Eternal Ltd <sup>(5)</sup>	255,977	2.45%
Yonglong Biology Ltd <sup>(6)</sup>	80,774	0.77%
Beijing Haishi <sup>(7)</sup>	866,011	8.30%
SBCVC Fund <sup>(8)</sup>	812,434	7.79%
Jianjin ZB Ltd <sup>(9)</sup>	79,300	0.76%
Sunland Capital <sup>(10)</sup>	261,708	2.51%
Optimal Kangjian <sup>(11)</sup>	308,677	2.96%
Jiaxing Changji <sup>(12)</sup>	162,094	1.55%
Jiechuang Dayuan <sup>(13)</sup>	87,095	0.83%
Tuneng Liangshan <sup>(14)</sup>	24,280	0.23%
YangFan Biology Ltd <sup>(15)</sup>	28,405	0.27%
XIANGYU Trading Co., Ltd <sup>(16)</sup>	57,716	0.55%
Suzhou Tongyu <sup>(17)</sup>	262,717	2.52%
HTHP Investment Limited <sup>(18)</sup>	1,215,217	11.65%
Shenzhen Efung <sup>(19)</sup>	85,808	0.82%
Yuanzhi VC <sup>(20)</sup>	130,928	1.26%
Beijing Bairui <sup>(21)</sup>	336,400	3.22%
Beijing Luozhi <sup>(22)</sup>	119,683	1.15%
HuiJianHeLi Ltd <sup>(23)</sup>	88,123	0.84%
Mordan International <sup>(24)</sup>	116,126	1.11%
Beijing Sirius <sup>(25)</sup>	82,317	0.79%
Beijing Yitingluo <sup>(26)</sup>	337,151	3.23%
	10,431,382	100.00%

Notes:

- (1) XU Beyond is a private company limited by shares incorporated in the BVI. It is wholly-owned by XU Future, a private company limited by shares incorporated in the BVI, which is in turn wholly-owned by Dr. Xu.
- (2) Antropy is a private company limited by shares incorporated in the BVI. It is wholly-owned by Dark Forest, a private company limited by shares incorporated in the BVI, which is in turn wholly-owned by Dr. Chen.
- (3) WY Daisy is a private company limited by shares incorporated in the BIV. It is wholly-owned by WY Rosy Future Ltd., a private company limited by shares incorporated in the BVI, which is in turn wholly-owned by Ms. Wen Yuan (温媛), an executive director of HI.
- (4) Wisdom FZ is a private company limited by shares incorporated in the BIV. It is wholly-owned by Wisdom FW Ltd, a private company limited by shares incorporated in the BIV, which is in turn wholly-owned by Mr. Fang Wen (方文).

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## LETTER FROM RED SUN CAPITAL

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- (5) Each of Haipu Wisdom Ltd and Haipu Eternal Ltd was incorporated in the BVI as a limited liability company as HIIt's employee shareholding platform.
- (6) Yonglong Biology Ltd is a private company limited by shares incorporated in BVI and is wholly-owned by XU Beyond. Please refer to note (1) above for further details of XU Beyond.
- (7) Beijing Haishi is a limited partnership established in the PRC. As at the Latest Practicable Date, it was owned as to approximately 0.07% by Grains Valley VC as its general partner and 99.93% by Heyue Guyu as its sole limited partner. Both of Grains Valley VC and Heyue Guyu are limited partnerships established in the PRC and ultimately controlled by Sun Ge (孫戈).
- (8) SBCVC Fund is an exempted limited partnership registered in the Cayman Islands. SBCVC Management V, L.P. is the general partner of SBCVC Fund., and in turn SBCVC Limited is the general partner of SBCVC Management V, L.P. SBCVC Limited is held as to 90.1% by Star Pioneer Investment Holdings Limited, which is in turn held as to 100% by Lin Ye Song.
- (9) Jianjin ZB Ltd is a private company limited by shares incorporated in the BVI and wholly-owned by Zhou Biao (周標).
- (10) Sunland Capital is a limited partnership established in the PRC. As at the Latest Practicable Date, Sunland Capital was owned as to approximately 1.26% by its general partner, Shanghai Shenglan Venture Capital Management Partnership (General Partnership) (上海盛蘭創業投資管理合夥企業(普通合夥)), a general partnership established in the PRC and ultimately controlled by Liu Daozhi. Sunland Capital has 15 limited partners, the largest of which is Jiangsu Huide Holding Co., Ltd. (江蘇慧德控股集團有限公司) holding approximately 25.21% of its partnership interest.
- (11) Optimal Kangjian is a limited partnership established in the PRC. As at the Latest Practicable Date, it was owned as to approximately 4.8% by its general partner, Shenzhen Youchoose Asset Management Co., Ltd. (深圳優選資產管理有限公司), a limited liability company established in the PRC and ultimately controlled by Chen Long (陳龍), and 99.9% by its sole limited partner, Shenzhen Youchoose Youxuan Investment Management Center (Limited Partnership) (深圳優選悠軒投資管理中心(有限合夥)), a limited liability company established in the PRC and ultimately controlled by Chen Long.
- (12) Jiaying Changji is a limited partnership established in the PRC. As at the Latest Practicable Date, it was owned as to 1% by its general partner, Mingjia Capital, a limited liability company established in the PRC and ultimately controlled by Rao Songtao (饒松濤). Jiaying Changji has 15 limited partners, the largest of which is Su Junsheng (蘇軍生) holding approximately 46.25% of its partnership interest.
- (13) Jiechuang Dayuan is a limited partnership established in the PRC and is owned as to approximately 0.36% by Beijing Jiechuangda as its general partner and 99.64% by Jiechuang Tianjin as its sole limited partner. Each of Beijing Jiechuangda and Jiechuang Tianjin is a limited partnership established in the PRC and ultimately controlled by Yang Jie (楊傑).
- (14) Tuneng Liangshan is a limited liability company established in the PRC. As at the Latest Practicable Date, Tuneng Liangshan was a wholly-owned subsidiary of Jiangxi Tuneng, a limited liability company established in the PRC and owned as to 90% by Wang Ping (王平).
- (15) YangFan Biology Ltd is a private company limited by shares incorporated in the BVI and is wholly-owned by Li Jianwei (李健偉).
- (16) XIANGYU Trading Co., Ltd is a private company limited by shares incorporated in BVI and wholly-owned by Xu Xiaohui (徐曉輝).

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## LETTER FROM RED SUN CAPITAL

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- (17) Suzhou Tongyu is a limited partnership established in the PRC. As at the Latest Practicable Date, the general partner of Suzhou Tongyu was Beijing Tongrentang Inheritance and Innovation Private Equity Fund Management Co., Ltd. (北京同仁堂傳承創新私募基金管理有限公司), a limited company established in the PRC and ultimately controlled by Beijing Municipal State-owned Assets Supervision and Administration Commission (北京市人民政府國有資產監督管理委員會). Suzhou Tongyu has seven limited partners, the largest of which is Li Zhe (李哲) holding approximately 74.47% of its partnership interest.
- (18) HTHP Investment Limited is a private company limited by shares incorporated in the BVI is directly owned as to 53.34% by Hongtu Haipu, which is in turn owned as to 56.2499%, 43.7499% and 0.0002% by Nanshan Hongtu as the limited partner, SCGC as the limited partner and SCGC Hongtu as the general partner, respectively. Each of Nanshan Hongtu and SCGC Hongtu is controlled by SCGC.
- (19) Shenzhen Efung is a limited partnership established in the PRC whose general partner is Shenzhen Efung Investment Management Enterprise (L.P.) (深圳市倚鋒投資管理企業(有限合夥)) holding 0.5% partnership interest in Shenzhen Efung, which is in turn owned as to 51%, 24%, 15% and 10% by Shenzhen Efung Holding, Mr. Zhu Jinqiao (朱晉橋), Shenzhen Galaxy Start-up Investment Centre Limited Partnership (深圳市格拉斯創業投資中心合夥企業(有限合夥)) and Shenzhen Efung Capital Co., Ltd. (深圳市倚鋒創業投資有限公司), respectively. Shenzhen Efung Holding is in turn owned as to 54%, 23% and 23% by Mr. Zhu Jinqiao (朱晉橋), Mr. Zhu Pai (朱湃) and Ms. Zhu Chen (朱晨), respectively.
- (20) Yuanzhi VC is a limited company established in the PRC. As at the Latest Practicable Date, Yuanzhi VC was a wholly-owned subsidiary of Shenzhen Capital Operation Group Co., Ltd. (深圳市資本運營集團有限公司), a limited liability company established in the PRC and ultimately controlled by Shenzhen Municipal State-owned Assets Supervision and Administration Commission.
- (21) Beijing Bairui is a limited partnership established in the PRC. As at the Latest Practicable Date, Beijing Bairui is owned as to approximately 0.02% by Xu Mingyi (許明一), as its general partner and 99.98% by Shenzhen Baixin as its sole limited partner. Shenzhen Baixin is a limited partnership established in the PRC, the general partner of which is Xu Mingyi who holds approximately 24.47% of its partnership interest.
- (22) Beijing Luozhi is a limited partnership established in the PRC. As at the Latest Practicable Date, Beijing Luozhi is owned as to approximately 0.06% by Shenzhen Luogesi, a limited company established in the PRC and held as to 51% and 49% by Chen Xiang (陳翔) and Chen Aihui (陳愛暉), as its general partner, and 99.94% by Shenzhen Luozhi Haipu Management Partnership (Limited Partnership) (深圳邏之海普管理合夥企業(有限合夥)) as its sole limited partner. Shenzhen Luogesi is also the general partner of Shenzhen Luozhi.
- (23) HuiJianHeLi Ltd is a private company limited by shares incorporated in the BVI and was wholly-owned by Qiu Zehao (邱澤皓).
- (24) Mordan International is limited a company incorporated in the BVI and wholly-owned by Chen Shicongde (陳石叢德).
- (25) Beijing Sirius is a limited partnership established in the PRC. As at the Latest Practicable Date, Beijing Sirius was owned as to approximately 6.25% by its general partner, Beijing Dingsheng Huizhong Investment Management Co., Ltd. (北京鼎晟匯眾投資管理有限公司), a limited liability company established in the PRC and ultimately controlled by Su Wenguang (蘇文光). Beijing Sirius has four limited partners, the largest of which are Nanjing Zhongyi Hele Venture Capital Partnership (Limited Partnership) (南京眾壹合樂創業投資合夥企業(有限合夥)), a limited partnership established in the PRC and ultimately controlled by Wang Le (王玟), and Shanghai Xinghongsheng Management Consulting Partnership (Limited Partnership) (上海星宏盛管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC and ultimately controlled by Shen Hailun (沈海倫), both of which hold approximately 31.25% of its partnership interest, respectively.

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## LETTER FROM RED SUN CAPITAL

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- (26) Beijing Yitingluo, a limited partnership established in the PRC. As at the Latest Practicable Date, Beijing Yitingluo was owned as to approximately 0.01% by Xu Mingyi (許明一) as its general partner and 99.99% by Qingdao Yitingluo as its sole limited partner. General partner of Qingdao Yitingluo is Zhuhai Hengqin Ming Yun Management Enterprise (Limited Partnership) (珠海橫琴銘雲企業管理合夥企業(有限合夥)), which holds approximately 0.01% of its partnership interest and is ultimately controlled by Xu Mingyi (許明一).

XU Beyond, Antropy, WY Daisy, Wisdom FZ, Haipu Wisdom Ltd, Haipu Eternal Ltd and Yonglong Biology Ltd, and all other shareholders of HI and their respective general partner and limited partners (as applicable) are Independent Third Parties, immediately prior to the entering into of the Sale and Purchase Agreement.

### *Key management of the Offeror*

Dr. Xu Mingyan (許明炎), aged 43, founded HI Group with other founders in September 2014, has been a director of HI since November 2021 and was re-designated as its executive director in February 2023. He is primarily responsible for the overall operations and management of HI Group. Prior to that, he served as a scientist in Cambrian Genomics Inc., a biotechnology company mainly engaged in using laser-based technique to synthesize deoxyribonucleic acid (DNA) from January 2013 to July 2014, where he was principally responsible for research and development.

Dr. Xu received a bachelor's degree in chemistry from Nanchang University (南昌大學) in Jiangxi Province, the PRC in June 2005 and a master's degree in inorganic chemistry from Beijing Normal University (北京師範大學) in Beijing, the PRC in June 2008. He also received a doctoral degree in biomedical science from The University of New Mexico in Albuquerque, New Mexico, the US in July 2013.

Dr. Chen Shifu (陳實富), aged 41, founded HI Group with other founders in September 2014, has been a director of HI since January 2023 and was re-designated as its executive director in February 2023. He is primarily responsible for product research and development, academic research and the establishment of diagnostic development system of HI Group. Prior to that, from June 2010 to October 2014, he consecutively served as a CUDA Technical Consultant and senior software engineer principally responsible for CUDA parallel computing and software development in NVIDIA Semiconductor (Shenzhen) Co., Ltd. (英偉達半導體(深圳)有限公司), a company principally engaged in manufacturing and development of artificial intelligence hardware and software and the shares of its parent company NVIDIA Corporation are listed on the NASDAQ (NASDAQ: NVDA).

Dr. Chen received a bachelor's degree in mathematics and applied mathematics from Nanchang University (南昌大學) in Jiangxi Province, the PRC in August 2005 and a master's degree in computer software and theory from Institute of Computing Technology, Chinese Academy of Sciences (中國科學院計算技術研究所) in Beijing, the PRC in July 2010. He also received a doctoral degree in pattern recognition and intelligent systems Shenzhen Institute of Advanced Technology (深圳先進技術研究院) established by Chinese Academy of Sciences (中國科學院) in Guangdong Province, the PRC in January 2018.

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## LETTER FROM RED SUN CAPITAL

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As at the Latest Practicable Date, neither Dr. Xu nor Dr. Chen held any directorship in any other listed company in Hong Kong, nor were they substantial shareholders of any other listed company in Hong Kong.

### **FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

Following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal business for long-term purposes by leveraging on the Offeror's existing resources and connections to explore foundation engineering works. The Offeror, with an aim to diversify revenue stream of HI Group, does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. In addition, Dr. Xu, leveraging his extensive expertise in business operations, corporate governance and client relations, aims to explore and diversify into industry sectors, including but not limited to, construction industry through strategic investments. Dr. Xu's client management experience and business network accumulated from his years of experience in business operation and corporate affairs will assist the Company in establishing and maintaining business relationships to further enhance the customer base of the Group for sustainable development, and his business network may assist the Group in enhancing its market competitiveness of the principal businesses of the Group. Furthermore, given the background and experience of Dr. Chen in the field of artificial intelligence hardware and software, the Offeror will explore possibilities to apply the relevant technology to optimize the Group's business operations and enhance the Company's performance. As at the Latest Practicable Date, the Offeror did not enter into any agreement, arrangement, understanding or negotiation to downsize, cease or dispose of any of the existing businesses of the Group. Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be conducted in compliance with the Listing Rules.

As at the Latest Practicable Date, the Board comprises two executive Directors, one non-executive Director and four independent non-executive Directors. The Offeror intends to continue the employment of the existing management and employees of the Group (except for a possible nomination of the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate).

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## LETTER FROM RED SUN CAPITAL

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The Offeror intends to nominate new Director(s) to the Board with effect from a date which is no earlier than such date as permitted under the Listing Rules and the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest Practicable Date, other than Dr. Xu and Dr. Chen, the Offeror has not identified any potential candidate to be appointed as new director(s) to the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (i) make material changes to the employment of the management and employees of the Group; and (ii) dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business.

As at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Stock Exchange has stated that:

(a) if, at the close of the offer, the Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- an orderly market does not exist or may not exist;

it will consider exercising its discretion to suspend dealings in the Shares; and

(b) if, at the close of the offer, the Company has a Significant Public Float Shortfall (as defined in rule 13.32F of the Listing Rules), then:

- the Stock Exchange will add a designated marker to the stock name of the Shares; and
- the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new directors to be appointed to the Board of the Company have jointly and severally undertaken to the Stock Exchange that if, at the close of the offer, the Company fails to comply with the requirement of rule 13.32B of the Listing Rules, they will take appropriate steps (including but not limited to placement of Shares) to ensure the Company's compliance with rule 13.32B of the Listing Rules at the earliest possible moment.

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## LETTER FROM RED SUN CAPITAL

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Further announcement(s) regarding the restoration of public float will be made by the Company as and when appropriate.

### COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any power of compulsory acquisition of any Shares after the close of the Offer.

### GENERAL

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the registers of the members of the Company and in the case of joint holders, to such holder whose name appears first in the relevant register. The Offeror and parties acting in concert with it, the Company, Red Sun Capital, Veda Capital and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates or any other parties involved in the Offer will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document which form part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and other information about the Group, which are set out in this Composite Document, before deciding whether or not to accept the Offer.

Yours faithfully,  
For and on behalf of  
**Red Sun Capital Limited**  
**Robert Siu**  
*Managing Director*

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LETTER FROM THE BOARD

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**LING YUI HOLDINGS LIMITED**

**凌銳控股有限公司**

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

**(Stock code: 784)**

*Executive Directors:*

Mr. Ling Chi Fai (*Chairman*)

Mr. Leung Cheuk Ho (*Chief Executive Officer*)

*Non-executive Director:*

Mr. Ling Yuk Tong

*Independent non-executive Directors:*

Mr. Chong Kam Fung

Mr. Ho Chun Chung Patrick

Mr. Shi Wai Lim William

Ms. Yau Suk Man

*Registered office in the Cayman Islands:*

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

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

Units 1702-03

Stelux House

698 Prince Edward Road East

San Po Kong

Kowloon

Hong Kong

5 May 2026

*To the Independent Shareholders*

Dear Sir/Madam,

**(I) UNCONDITIONAL MANDATORY CASH OFFER BY  
RED SUN CAPITAL LIMITED  
FOR AND ON BEHALF OF HAPBIOTECH INVESTMENT HOLDING LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
LING YUI HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY HAPBIOTECH INVESTMENT HOLDING LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT); AND  
(II) PROPOSED CHANGE OF COMPANY NAME**

**INTRODUCTION**

References are made to the Joint Announcement in relation to, among other things, the Offer.

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## LETTER FROM THE BOARD

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On 1 April 2026 (after trading hours of the Stock Exchange), the Offeror, the Vendors and the Guarantors entered into the Sale and Purchase Agreement pursuant to which each of the Vendors has agreed to sell, and the Offeror has agreed to purchase, an aggregate of 560,140,000 Sale Shares, representing 70.02% of the total issued share capital of the Company for a total cash consideration of HK\$133,033,250 (equivalent to HK\$0.2375 per Sale Share). Completion of the Sale and Purchase Agreement took place on 9 April 2026.

Immediately prior to Completion, the Vendors held 560,140,000 Shares (representing 70.02% of the issued Shares) and none of the Offeror and the parties acting in concert with it held, controlled or had direction over any Shares. Immediately following Completion, the Offeror and the parties acting in concert with it holds a total of 560,140,000 Shares, representing 70.02% of the issued Shares.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the mandatory unconditional cash offer to acquire all of the Shares in the issued share capital of the Company (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

This letter forms part of this Composite Document and sets out, among other things, details of the terms of the Offer, information on the Offeror and the intention of the Offeror regarding the Group following the close of the Offer. The terms and procedures of acceptance of the Offer is set out in this letter, Appendix I to this Composite Document, and the accompanying Form of Acceptance.

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

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Independent Board Committee, comprising all independent non-executive Directors, namely, Mr. Chong Kam Fung, Mr. Ho Chun Chung Patrick, Mr. Shi Wai Lim William and Ms. Yau Suk Man, has been established for the purpose of making recommendations to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

Veda Capital, with the approval of the Independent Board Committee, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the fairness and reasonableness of the Offer and as to the acceptance of the Offer.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee and the Independent Shareholders are set out in this Composite Document. The Independent Shareholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, the “Letter from the

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## LETTER FROM THE BOARD

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Independent Board Committee” and the “Letter from Independent Financial Adviser” as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

### THE OFFER

Red Sun Capital (being the Financial Adviser), on behalf of the Offeror, is making the Offer to acquire all the Offer Shares in compliance with the Takeovers Code and on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

**For each Offer Share . . . . .HK\$0.2375 in cash**

The Offer Price of HK\$0.2375 per Offer Share is equal to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code.

As at the Latest Practicable Date, there were 800,000,000 Shares in issue and the Company does not have any outstanding convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue which may confer any rights to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document. As at the Latest Practicable Date, the Company does not have any declared and unpaid dividend and does not have any intention to make, declare or pay any future dividend or make other distributions or any return of capital until the close of the Offer.

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

Further details of the Offer are set out in the “Letter from Red Sun Capital” and the additional information contained in appendices to the Composite Document and the accompanying Form of Acceptance.

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## LETTER FROM THE BOARD

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### Guaranteed Revenue and Guaranteed EBTDA

In consideration of the Offeror entering into the Sale and Purchase Agreement, the First Guarantor unconditionally and irrevocably covenants and undertakes with the Offeror that:

- (a) for FY2027, FY2028 and FY2029, (i) the audited consolidated revenue of the Group shall not be less than HK\$100,000,000 (i.e. the Guaranteed Revenue) and (ii) the EBTDA shall not be negative (i.e. the Guaranteed EBTDA);
- (b) in the event that the Revenue is below HK\$100,000,000, the First Guarantor shall pay the Offeror an amount equal to the 20% of the difference between the Revenue and the Guaranteed Revenue within fourteen (14) Business Days following the issue of the audit certificate (as stated below);
- (c) in the event that the EBTDA is negative, the First Guarantor shall pay the Offeror an amount equal to the negative EBTDA within fourteen (14) Business Days following the issue of the audit certificate (as stated below); and
- (d) for FY2027, FY2028 and FY2029, the First Guarantor shall provide working capital (the “**Working Capital**”) to the Existing Subsidiaries to the extent necessary for its general day-to-day operations at a nil interest rate and without any other financial costs.

For the fulfilment of (a), (b), (c) and (d) as above, the First Guarantor and the Offeror shall cause the Company’s auditor to issue an audit certificate (i.e. the Audit Certificate) on the audited revenue and consolidated EBTDA (excluding any special items) of the Existing Subsidiaries within fourteen (14) Business Days from the date of issuance of the audited accounts for the relevant year. The Audit Certificate shall be conclusive evidence of the audited revenue and consolidated EBTDA (excluding any special items) without material error. The costs arising from preparing and issuing the Audit Certificate shall be borne by the First Guarantor and the Offeror in equal shares.

The following terms apply to the preparation of the Audit Certificate:

- (a) the accounting standards used in preparing the Audit Certificate shall comply with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and generally accepted accounting standards and practices in Hong Kong; and
- (b) the parties to the Sale and Purchase Agreement provide reasonable assistance to the Company’s auditor, including providing information that would prompt the Company to provide the Company’s auditor with reasonable requests.

Pursuant to Rule 10 of the Takeovers Code, the Forecast Financial Information (i.e. the Guaranteed Revenue and the Guaranteed EBTDA) constitutes a profit forecast and should be reported on by the Company’s financial adviser and auditors or consultant accountants under Rule 10.4 of the Takeovers Code and in accordance with Note 1(c) to Rules 10.1 and 10.2 of the Takeovers Code. Pursuant to Rule 10 of the Takeovers Code, financial adviser must

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## LETTER FROM THE BOARD

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satisfy themselves that the forecast has been prepared by the directors with due care and consideration, and auditors or consultant accountants must satisfy themselves that the forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made.

In compliance with the requirement under Rule 10 of the Takeovers Code, the forecast has been reported on in accordance with the Takeovers Code and the requisite reports from HLB, the auditor, and Veda Capital, the Independent Financial Adviser, have been lodged with the Executive and attached as appendices to this Composite Document.

The Board has reassessed the Profit Forecast and confirmed that the Profit Forecast remains valid for the purposes of the Offer. Both HLB and Veda Capital who reported on the Profit Forecast have indicated that they have no objection to their reports continuing to apply.

HLB and Veda Capital have given and have not withdrawn its consent to the issue of this composite document with the inclusion of its report and references to its name and logo in the form and context in which they respectively appear (if applicable).

The Forecast Financial Information have been prepared based on the historical audited financial information of the Group. The following are the details of the assumptions prepared by the Directors and adopted in the forecast, reviewed by the Auditor and the Independent Financial Adviser pursuant to Rule 10.2 of the Takeovers Code and notes to Rules 10.1 and 10.2 of the Takeovers Code:

**A. *General assumptions***

1. the macro-economic policies, i.e. fiscal policies, monetary policies and exchange rate policies, and the taxation policy in Hong Kong will remain more or less the same;
2. the inflation rate will be in line with the historical trend, and the borrowing interest rate accepted by the Group will be maintained at or around current levels;
3. there will be no uncontrollable external events such as war, military dispute, plague or natural disaster that affect the operations of the Group;
4. there will be no abnormal or extraordinary items, such as losses/one-off gains suffered/earnt by the Group due to unforeseen events such as natural disasters or government grants, which will worsen or improve the Group's financial results, respectively, during the forecast period, i.e. FY2027, FY2028 and FY2029.

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## LETTER FROM THE BOARD

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### **B. Specific assumptions**

1. the Group will be able to maintain the business relationships and similar trading terms with its customers and suppliers;
2. the operation of the Group will not be affected due to the shortage of materials;
3. based on the outstanding contract value and variation orders (if any) of projects on hand of the Group and tenders/quotations submitted or to be submitted by the Group;
4. the staffing levels will be sufficient for the operations of the Group during the forecast period;
5. the accounting policies adopted by the Group would be consistent with those used in the preparation of its annual report for FY2025 in all material aspects;
6. the Group will have sufficient financial resources to meet its business development requirements during the FY2027, FY2028 and FY2029; and
7. the key senior management will continue to involve in the operations of the Existing Subsidiaries and the Existing Subsidiaries will be able to retain its key management and personnel.

The Auditor has reviewed the accounting policies and calculations adopted in arriving at the forecast and is of the opinion that, the forecast, so far as the accounting policies and calculations are concerned, has been properly compiled in accordance with the bases and assumptions adopted by the Directors and was presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group in its audited consolidated financial statements for FY2025.

The Independent Financial Adviser has reviewed the forecast and discussed with the Directors, the management of the Company and the Auditor matters including the basis of the accounting policy adopted and the assumption made by the Directors in preparing the forecast, and is of the opinion that the forecast has been prepared by the Directors with due care and consideration and objectivity, and on a reasonable basis.

### **INFORMATION ON THE GROUP**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability, the Shares of which have been listed on the Stock Exchange since December 2017. The Company is an investment holding company, and the Group is principally engaged in the provision of foundation engineering services in Hong Kong.

Your attention is drawn to Appendix II and Appendix IV to this Composite Document which contain financial and general information of the Group, respectively.

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## LETTER FROM THE BOARD

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### SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before the Completion; and (ii) immediately following the Completion and as at the Latest Practicable Date:

**Table 2: Shareholding structure of the Company**

	Immediately before the Completion		Immediately following the Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
<b>Vendors</b>				
The First Vendor <sup>(Note 1)</sup>	331,220,000	41.40	–	–
The Second Vendor <sup>(Note 2)</sup>	202,910,000	25.36	–	–
The Third Vendor	9,010,000	1.13	–	–
The Fourth Vendor	17,000,000	2.13	–	–
<b>Sub-total</b>	<u>560,140,000</u>	<u>70.02</u>	<u>–</u>	<u>–</u>
<b>Sub-total for the Offeror and parties acting in concert with it</b>				
The Offeror	<u>–</u>	<u>–</u>	<u>560,140,000</u>	<u>70.02</u>
<b>Sub-total</b>	<u>–</u>	<u>–</u>	<u>560,140,000</u>	<u>70.02</u>
Public Shareholders	<u>239,860,000</u>	<u>29.98</u>	<u>239,860,000</u>	<u>29.98</u>
<b>Total</b>	<u><u>800,000,000</u></u>	<u><u>100.00</u></u>	<u><u>800,000,000</u></u>	<u><u>100.00</u></u>

*Notes:*

1. Mr. Ling legally and beneficially owns the entire issued share capital of Reach Goal Development Limited (“**Reach Goal**”). Therefore, Mr. Ling is deemed, or taken to be, interested in all the Shares held by Reach Goal for the purpose of the SFO. Mr. Ling is the sole director of Reach Goal.
2. Mr. Lee legally and beneficially owns the entire issued share capital of Simple Joy Investments Limited (“**Simple Joy**”). Therefore, Mr. Lee is deemed, or taken to be, interested in all the Shares held by Simple Joy for the purpose of the SFO. Mr. Lee is the sole director of Simple Joy.

### INFORMATION ON THE OFFEROR

Your attention is drawn to the paragraph headed “Information on the Offeror” in “Letter from Red Sun Capital” in this Composite Document and Appendix V to this Composite Document.

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## LETTER FROM THE BOARD

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### FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the paragraph headed “Further Intention of the Offeror regarding the Group” in “Letter from Red Sun Capital” to this Composite Document. The Board is aware of the Offeror’s intention in relation to the Group and is willing to render reasonable co-operation with the Offeror and continue to act in the best interests of the Company and the Shareholders as a whole.

### MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that:

- (a) if, at the close of the offer, the Exchange believes that:
  - a false market exists or may exist in the trading of the Shares; or
  - an orderly market does not exist or may not exist;it will consider exercising its discretion to suspend dealings in the Shares; and
- (b) if, at the close of the offer, the Company has a Significant Public Float Shortfall (as defined in rule 13.32F of the Listing Rules), then:
  - the Stock Exchange will add a designated marker to the stock name of the Shares; and
  - the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

As stated in the “Letter from Red Sun Capital” in this Composite Document, the Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new directors to be appointed to the Board of the Company have jointly and severally undertaken to the Stock Exchange that if, at the close of the offer, the Company fails to comply with the requirement of rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company’s compliance with rule 13.32B of the Listing Rules at the earliest possible moment.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Company’s total number of issued Shares, are held by the public at all time, 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,

then the Stock Exchange may exercise its discretion to suspend dealings in the Shares.

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## LETTER FROM THE BOARD

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The Offeror intends to maintain the listing of the Shares on the Main Board after the close of the Offer. The Offeror and the Company will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that at least 25% of the total number of issued Shares will be held by the public.

### RECOMMENDATION

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Chong Kam Fung, Mr. Ho Chun Chung Patrick, Mr. Shi Wai Lim William and Ms. Yau Suk Man, has been established to advise the Independent Shareholders in relation to the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer. Mr. Tommy Ling, the Third Vendor and a non-executive Director of the Company, has a material interest in the Offer and has therefore been excluded from the Independent Board Committee. Your attention is drawn to “Letter from the Independent Board Committee” and “Letter from Independent Finance Adviser” in this Composite Document containing their respective advice and recommendation in respect of the Offer and principal factors considered by them in arriving at their recommendation. You are advised to read these letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

### PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “Ling Yui Holdings Limited” to “AiLife International Group Limited” and the Chinese name of the Company from “凌銳控股有限公司” to “愛生命國際集團有限公司”. The EGM will be convened and held for the purposes of considering and, if thought fit, approving, the special resolution in respect of the Proposed Change of Company Name. A separate circular will be issued by the Company in this regard pursuant to the Listing Rules as soon as possible.

Following the acquisition of the majority shareholdings in the Company by the Offeror, the Company has become a subsidiary of the Offeror and to better reflect the relationship between the Offeror and the Company, the Board considers that the Proposed Change of Company Name would provide a clear identification to the market and general public.

The Proposed Change of Company Name will not affect any of the rights of the Shareholders. Once the Proposed Change of Company Name becomes effective, any issue of share certificates of the Company thereafter will be in the new name of the Company and the Shares will be traded on the Stock Exchange under the new name of the Company. All existing share certificates of the Company in issue bearing the present name of the Company shall, after the Proposed Change of Company Name having become effective, continue to be evidence of title to such Shares and will continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates for new certificates bearing the new name of the Company.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

In considering what actions to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your own professional advisers.

By order of the Board  
**Ling Yui Holdings Limited**  
**Ling Chi Fai**  
*Chairman and Executive Director*

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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**LING YUI HOLDINGS LIMITED**

**凌銳控股有限公司**

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

**(Stock code: 784)**

5 May 2026

*To the Independent Shareholders*

Dear Sir/Madam,

**(I) UNCONDITIONAL MANDATORY CASH OFFER BY  
RED SUN CAPITAL LIMITED  
FOR AND ON BEHALF OF HAPBIOTECH INVESTMENT HOLDING LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
LING YUI HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY HAPBIOTECH INVESTMENT HOLDING LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT); AND  
(II) PROPOSED CHANGE OF COMPANY NAME**

We refer to this Composite Document dated 5 May 2026 jointly issued by the Offeror and the Company of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in this Composite Document.

We have been appointed by the Board to constitute the Independent Board Committee to consider the terms of the Offer and to make a recommendation to the Independent Shareholders as to whether or not, in our opinion, the Offer is fair and reasonable and to make recommendation as to acceptance thereof. We have declared that we are independent and have no direct or indirect interests in the Offer, and therefore are able to consider the terms of the Offer and to make recommendations to the Independent Shareholders.

Veda Capital has been appointed as the Independent Financial Adviser with our approval to advise us in respect of whether or not the Offer is fair and reasonable and to make recommendations in respect of the acceptance of the Offer. Details of its advice and recommendations, together with the principal factors and reasons which it has considered before arriving at such recommendations, are set out in the “Letter from the Independent Financial Adviser” on pages 36 to 55 of this Composite Document. We also wish to draw your attention to the “Letter from Red Sun Capital” and the “Letter from the Board” in this Composite Document as well as the additional information set out in the appendices to this Composite Document.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### RECOMMENDATION

Having considered the terms of the Offer, taking into account the information contained in this Composite Document and the advice from the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in the “Letter from the Independent Financial Adviser”, we concur with the view of the Independent Financial Adviser and consider that the Offer is fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to accept the Offer.

The Independent Shareholders who wish to realise their investments in the Company are reminded to monitor the trading price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market instead of accepting the Offer, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Offer.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold their investments is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Yours faithfully,  
*Independent Board Committee*  
**Ling Yui Holdings Limited**

<b>Mr. Chong Kam Fung</b>	<b>Mr. Ho Chun Chung</b>	<b>Mr. Shi Wai Lim</b>	<b>Ms. Yau Suk Man</b>
<i>Independent</i>	<b>Patrick</b>	<b>William</b>	<i>Independent</i>
<i>non-executive</i>	<i>Independent</i>	<i>Independent</i>	<i>non-executive</i>
<i>Director</i>	<i>non-executive</i>	<i>non-executive</i>	<i>Director</i>
	<i>Director</i>	<i>Director</i>	

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**VEDA | CAPITAL**  
**智 略 資 本**

5 May 2026

*To: the Independent Board Committee*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
RED SUN CAPITAL LIMITED  
FOR AND ON BEHALF OF HAPBIOTECH INVESTMENT HOLDING LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
LING YUI HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY HAPBIOTECH INVESTMENT HOLDING LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer. Details of the Offer are set out in the “Letter from Red Sun Capital” and “Letter from the Board” (the “**Board Letter**”) as contained in the Composite Document dated 5 May 2026, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

On 1 April 2026 (after trading hours of the Stock Exchange), the Offeror, the Vendors and the Guarantors entered into the Sale and Purchase Agreement, pursuant to which each of the Vendors has agreed to sell, and the Offeror has agreed to purchase, an aggregate of 560,140,000 Sale Shares, representing approximately 70.02% of the total issued share capital of the Company, for a total cash consideration of HK\$133,033,250. The Completion took place upon the execution of the Sale and Purchase Agreement on 9 April 2026.

Immediately following Completion, the Offeror and parties acting in concert with it holds a total of 560,140,000 Shares, representing approximately 70.02% of the issued Shares and has become the controlling Shareholder. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the mandatory unconditional cash offer to acquire all of the Shares in the issued share capital of the Company (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

The Offer is being made by Red Sun Capital on behalf of the Offeror. The Independent Board Committee, comprising Mr. Chong Kam Fung, Mr. Ho Chun Chung Patrick, Mr. Shi Wai Lim William and Ms. Yau Suk Man, being all the independent non-executive Directors who have no direct or indirect interest in the Offer, has been established to give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser, our role is to advise the Independent Board Committee in relation to the Offer, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee.

As at the Latest Practicable Date, we are not associated or connected with the Offeror and the Company or its respective directors, controlling shareholders or any party acting, or presumed to be acting, in concert with any of them and accordingly, we are considered eligible to give independent advices on the Offer.

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser, there were no other engagements between us and the Offeror or the Company or their respective directors, controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees or benefits from the Offeror or the Company or their respective directors, controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we considered that we are independent pursuant to Rule 2 of the Takeovers Code to act as the Independent Financial Adviser to give independent advices on the Offer.

### BASIS OF OUR ADVICE

In formulating our opinion, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the representations made to us by the Directors and/or the representatives of the Company (collectively, the “**Management**”).

We have assumed that all statements, information and representations provided by the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date and the Shareholders will be notified by the Company of any material changes to such statements, information, opinions and/or representations as soon as possible in accordance with Rule 9.1 of the Takeovers Code, in which case we will consider whether it is necessary to revise our opinion accordingly and inform the Shareholders as soon as practicable.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management (as the case may be) in the Composite Document were reasonably made after due enquiries and careful consideration. We have no reason to suspect any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, which would make any statements therein misleading. In rendering our opinion in the Composite Document, we have researched, analyzed and relied on (i) the Composite Document and other information provided by the Company; (ii) information in relation to the Group, including but not limited to, the financial reports published by the Company; and (iii)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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market information obtained from the websites of the Stock Exchange, statistics and figures obtained from the Construction Industry Council and the reports on the quarterly survey of construction output published by Census and Statistics Department of Hong Kong and information.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Composite Document, save and except for this letter. We consider that we have been provided with sufficient information and have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion. We have not, however, carried out any independent investigation into the business and affairs of the Offeror, the Group, companies involved or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them.

We also have not considered the tax and regulatory implications as regard to the Offer since these depend on individual circumstances. In particular, the Independent Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

This letter is issued for the information for the Independent Board Committee solely in connection with their consideration of the Offer, except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion and recommendations, we have taken into considering the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

#### **1. Background and financial information of the Group**

##### ***1.1 Background of the Group***

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company is an investment holding company, and the Group is principally engaged in the provision of foundation engineering services in Hong Kong.

##### ***1.2 Historical financial performance of the Group***

Set out below is a summary of the consolidated financial information of the Group for the six months ended 30 September 2024 and 2025, and for the financial years ended 31 March 2024 and 2025, as extracted from the financial reports of the Company of the relevant financial periods.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*For the six months ended 30 September 2024 and 2025*

	For the 6 months ended	
	30 September 2024 <i>HK\$'000</i>	30 September 2025 <i>HK\$'000</i>
<b>Revenue</b>	<b>120,588</b>	<b>91,406</b>
<i>Gross profit</i>	<i>15,247</i>	<i>9,393</i>
<i>Other income and net gains</i>	<i>426</i>	<i>3,615</i>
<b>Profit attributable to owners of the Company</b>	<b>1,546</b>	<b>311</b>

The Group recorded a revenue in the amount of approximately HK\$91.4 million for the six months ended 30 September 2025, representing a decrease of approximately 24.2% as compared to that in the amount of approximately HK\$120.6 million for the six months ended 30 September 2024. As advised by the Company, the drop in revenue was attributed to the economic downturn in the Hong Kong's private-sector construction market and the Group's deliberate shift toward customers with stronger payment records. The Group's gross margin reduced slightly from approximately 12.6% for the six months ended 30 September 2025 to approximately 10.3% for the six months 30 September 2024 as a result of lower tender prices accepted amid fierce competition and reduced project margins. The Group also recorded an increase in other income for the six months ended 30 September 2025, which was mainly generated from the disposal of waste material and machinery rental.

The Group recorded a profit attributable to owners of the Company in the amount of approximately HK\$0.3 million for the six months ended 30 September 2025, representing a decrease of approximately 79.9% as compared to that in the amount of approximately HK\$1.5 million for the six months ended 30 September 2024. As advised by the Company, the drop in profit was attributed to the decrease in total revenue and contracted gross profit margin as mentioned in the above.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*For the year ended 31 March 2024 and 2025*

	<b>For the years ended</b>	
	<b>31 March 2024</b>	<b>31 March 2025</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	<b>194,043</b>	<b>214,505</b>
<i>Gross profit</i>	<i>28,637</i>	<i>30,990</i>
<i>Other income and net gains</i>	<i>1,429</i>	<i>736</i>
<b>Profit/(Loss) attributable to owners of the Company</b>	<b>655</b>	<b>(20,549)</b>

The Group recorded a revenue in the amount of approximately HK\$214.5 million for the year ended 31 March 2025, representing an increase of approximately 10.5% as compared to that in the amount of approximately HK\$194.0 million for the year ended 31 March 2024. As advised by the Company, the increase in revenue was mainly due to the Group's good track record and performance in contract works as a main contractor. The Group was able to recognize higher revenue from foundation projects as a main contractor, rather than acting as a sub-contractor. The Group's gross profit margin remained largely stable at 14.4% in FY2025, compared to 14.8% in FY2024.

Despite of the higher revenue, the Group turned from small net profit of HK\$0.65 million for the financial year ended 31 March 2024 into a substantial net loss of approximately HK\$20.5 million for the financial year ended 31 March 2025. This turnaround in loss, as advised by the Company, was primarily due to a large impairment loss allowance of approximately HK\$22.2 million on trade receivables and contract assets under the expected credit loss model that was arose mainly from a customer being subject to winding-up proceedings.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*Financials positions as at 31 March 2024 and 2025 and 30 September 2025*

	<b>As at 31 March</b>		<b>As at 30</b>
	<b>2024</b>	<b>2025</b>	<b>September</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2025</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Total Assets</b>	140,921	131,919	106,660
Current assets	96,673	100,350	75,764
<i>Trade receivables</i>	19,954	21,360	23,130
<i>Deposits, prepayments and other</i>			
<i>receivables</i>	3,464	2,961	4,050
<i>Contract assets</i>	43,315	61,256	46,994
<i>Tax recoverable</i>	87	87	–
<i>Bank balances</i>	29,853	14,686	1,590
Non-current assets	44,248	31,569	30,896
<i>Property and equipment</i>	39,196	26,435	25,918
<i>Deposits and payment for life</i>			
<i>insurance policy</i>	5,052	5,134	4,978
<b>Total Liabilities</b>	<b>63,473</b>	<b>75,020</b>	<b>49,450</b>
Current liabilities	58,734	72,235	43,359
<i>Trade payables</i>	15,519	26,880	8,389
<i>Other payables and accrued charges</i>	14,594	17,490	16,599
<i>Lease liabilities</i>	4,066	3,672	2,814
<i>Contract liabilities</i>	2,423	962	737
<i>Bank borrowings</i>	22,132	23,231	14,804
<i>Tax payable</i>	–	–	16
Non-current liabilities	4,739	2,785	6,091
<i>Lease liabilities</i>	4,568	896	5,690
<i>Bank borrowings</i>	36	1,754	266
<i>Deferred tax liabilities</i>	135	135	135
<b>Net assets</b>	<b>77,448</b>	<b>56,899</b>	<b>57,210</b>

As noted from the table above, the Group's total assets decreased from approximately HK\$140.9 million as at 31 March 2024 to approximately HK\$131.9 million as at 31 March 2025, and further to approximately HK\$106.7 million as at 30 September 2025. This represents a cumulative decline of approximately 24.3% over the 18-month period, primarily resulting from (i) depreciation in property and equipment under non-current assets; and (ii) drop in contract assets and bank balances under current assets. The Group's bank balances stood at only HK\$1.6 million as at 30 September 2025, down sharply from HK\$14.7 million as at 31 March 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Group's total liabilities increased from approximately HK\$63.5 million as at 31 March 2024 to approximately HK\$75.0 million as at 31 March 2025, before decreasing to approximately HK\$49.4 million as at 30 September 2025. This resulted in a net increase of about 22% from 31 March 2024 to 31 March 2025, mainly driven by higher trade payables and current liabilities associated with increased contract activities during the year ended 31 March 2025, followed by a substantial reduction for the six months ended 30 September 2025 due to the repayment of bank borrowings and lower trade payables after settling project-related obligations.

The Group's net assets contracted notably from approximately HK\$77.4 million as at 31 March 2024 to approximately HK\$56.9 million as at 31 March 2025, and remained relatively stable at approximately HK\$57.2 million as at 30 September 2025 – represented a cumulative decline of approximately 26.1% over the 18-month period.

The Group's contraction in the balance sheet, combined with minimal profitability, raises concerns over its long-term financial sustainability and its ability to withstand prolonged industry headwinds. Although the Management has emphasized prudent financial management, selective project tendering, cost control, staff training, and system upgrades, the Group's low cash position may constrain its flexibility to fund upfront project costs, secure new tenders, or manage unexpected delays in this capital-intensive construction business.

### 1.3 Outlook

In light of the principal business of the Group, we have conducted researches in order to understand the prospect of the construction services in Hong Kong.

According to Construction Industry Council's ([www.cic.hk](http://www.cic.hk)) latest Construction Expenditure Forecast released in April 2026 (the "CIC Forecast"), Hong Kong's total construction expenditures has been increasing gradually over the years, primarily driven by sustained public sector, as illustrated below.

Period	Construction Expenditure	Public	Private
2021-22 vs 2022-23	3.71%	4.69%	2.63%
2022-23 vs 2023-24	8.83%	15.43%	1.41%
2023-24 vs 2024-25	6.29%	20.05%	-11.34%

The CIC Forecast (in upper bound scenario) expects this upward trend may continue in the coming years to 2030-31, with public sector projects remaining the primary driving force.

Data from the Census and Statistic Department of the Government of Hong Kong Special Administrative Region's Quarterly Survey of Construction Output ("CSD Reports") further indicates persistent weakness in the private sector. According to

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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information from the CSD Reports, the gross value of construction works performed by main contractors at private sector sites recorded declined by 23.2% in nominal terms in the fourth quarter of 2025 and by 18.1% in nominal terms in the third quarter of 2025, compared with the corresponding periods in the previous years.

In terms of macro-economic factors, with the United States Federal Reserve expected to adopt a cautious approach amid ongoing geopolitical uncertainties and inflation concerns, market consensus points to only modest further rate cuts in 2026. Even though a gradual easing of borrowing costs should help improve affordability in the residential property market and support a modest recovery in private-sector construction activities, the pace of rate reduction remains uncertain, and any delay in monetary easing could also prolong the current pressure on private developers and foundation works demand.

Overall, although the construction industry is supported by robust public sector spending, private sector developers are likely to face ongoing pressure in the short term, as evidenced by the notable decline in private sector construction output reported in the CSD Reports. However, with the anticipated gradual recovery of the Hong Kong economy and improving property market sentiment, which may promote more private sector projects that benefits the Group, we maintain a cautiously optimistic outlook on the Group's business prospects in the short-medium term.

## **2. Background information of the Offeror**

### ***2.1 The Offeror and its controlling shareholder***

As set out the Letter from Red Sun Capital, the Offeror is a company incorporated in the BVI with limited liability. The Offeror was incorporated on 30 January 2026 and has not engaged in any business activities save and except the entering into of the Sale and Purchase Agreement. Immediately following Completion, the Offeror and parties acting in concert with it holds a total of 560,140,000 Shares, representing approximately 70.02% of the issued Shares and has become the controlling Shareholder.

As at the Latest Practicable Date, the entire issued share capital of the Offeror is beneficially owned by HI. HI Group is a genetic testing solutions provider with a focus on using molecular diagnostics technologies to enable precision health mainly in the PRC (further details of which has been set out under the section headed "INFORMATION ON THE OFFEROR" in the Letter from Red Sun Capital).

#### *Key management of the Offeror*

Dr. Xu, a shareholder of HI (through XU Beyond interests in approximately 28.97% in HI), and Dr. Chen, a shareholder of HI (through Antropy interests in approximately 8.14%), are the key management members of the Offeror. The Offeror intends to nominate Dr. Xu and Dr. Chen as executive Directors. The

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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appointment of Directors nominated by the Offeror will not take effect earlier than the posting of the Composite Document in compliance with Rule 26.4 of the Takeovers Code.

Dr. Xu Mingyan (許明炎), aged 43, founded HI Group with other founders in September 2014, has been a director of HI since November 2021 and was re-designated as its executive director in February 2023. He is primarily responsible for the overall operations and management of HI Group. Prior to that, he served as a scientist in Cambrian Genomics Inc., a biotechnology company mainly engaged in using laser-based technique to synthesize deoxyribonucleic acid (DNA) from January 2013 to July 2014, where he was principally responsible for research and development.

Dr. Xu received a bachelor's degree in chemistry from Nanchang University (南昌大學) in Jiangxi Province, the PRC in June 2005 and a master's degree in inorganic chemistry from Beijing Normal University (北京師範大學) in Beijing, the PRC in June 2008. He also received a doctoral degree in biomedical science from The University of New Mexico in Albuquerque, New Mexico, the US in July 2013.

Dr. Chen Shifu (陳實富), aged 41, founded HI Group with other founders in September 2014, has been a director of HI since January 2023 and was re-designated as its executive director in February 2023. He is primarily responsible for product research and development, academic research and the establishment of diagnostic development system of HI Group. Prior to that, from June 2010 to October 2014, he consecutively served as a CUDA Technical Consultant and senior software engineer principally responsible for CUDA parallel computing and software development in NVIDIA Semiconductor (Shenzhen) Co., Ltd. (英偉達半導體(深圳)有限公司), a company principally engaged in manufacturing and development of artificial intelligence hardware and software and the shares of its parent company NVIDIA Corporation are listed on the NASDAQ (NASDAQ: NVDA).

Dr. Chen received a bachelor's degree in mathematics and applied mathematics from Nanchang University (南昌大學) in Jiangxi Province, the PRC in August 2005 and a master's degree in computer software and theory from Institute of Computing Technology, Chinese Academy of Sciences (中國科學院計算技術研究所) in Beijing, the PRC in July 2010. He also received a doctoral degree in pattern recognition and intelligent systems Shenzhen Institute of Advanced Technology (深圳先進技術研究院) established by Chinese Academy of Sciences (中國科學院) in Guangdong Province, the PRC in January 2018.

As at the Latest Practicable Date, neither Dr. Xu nor Dr. Chen held any directorship in any other listed company in Hong Kong, nor were they substantial shareholders of any other listed company in Hong Kong.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *2.2 The Offeror's intentions in relation to the Group*

Following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal business for long-term purposes by leveraging on the Offeror's existing resources and connections to explore foundation engineering works. The Offeror, with an aim to diversify revenue stream of HI Group, does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. Dr. Xu, leveraging his extensive expertise in business operations, corporate governance and client relations, aim to explore and diversify into industry sectors, including but not limited to, construction industry through strategic investments. Dr. Xu's client management experience and business network accumulated from his years of experience in business operation and corporate affairs will assist the Company in establishing and maintaining business relationships to further enhance the customer base of the Group for sustainable development, and his business network may assist the Group in enhancing its market competitiveness of the principal businesses of the Group. Furthermore, given the background and experience of Dr. Chen in the field of artificial intelligence hardware and software, the Offeror will explore possibilities to apply the relevant technology to optimize the Group's business operations and enhance the Company's performance. As at the Latest Practicable Date, the Offeror did not enter into any agreement, arrangement, understanding or negotiation to downsize, cease or dispose of any of the existing businesses of the Group. Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be conducted in compliance with the Listing Rules.

As at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

In our view, the above intention indicates that the Offeror does not currently have a concrete or funded development plan specifically designed to transform or materially enhance the Group's business following the Offer. In the absence of a clearly articulated strategy to strengthen the Group's prospects, together with our view sets out under the sub-section headed "*1.3 Outlook*" in this letter suggesting that private sector developers are likely to face ongoing pressure in the short term, Shareholders may wish to give careful consideration to whether accepting the Offer represents a preferable alternative to continuing to hold the Shares in the existing business on a largely unchanged basis.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *2.3 Proposed change of Board Composition*

As at the Latest Practicable Date, the Board comprises two executive Directors, one non-executive Director and four independent non-executive Directors. The Offeror intends to continue the employment of the existing management and employees of the Group (except for a possible nomination of the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate).

We also noted that the Offeror intends to nominate Dr. Xu and Dr. Chen as executive Directors. The appointment of Directors nominated by the Offeror will not take effect earlier than the posting of the Composite Document in compliance with Rule 26.4 of the Takeovers Code. As at the Latest Practicable Date, other than Dr. Xu and Dr. Chen, the Offeror has not identified any potential candidate to be appointed as new director(s) to the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (i) make material changes to the employment of the management and employees of the Group; and (ii) dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business.

Based on the above and the background information sets out under the sub-section headed "*Key management of the Offeror*" above, we are of the view that Dr. Xu and Dr. Chen have extensive experience primarily in the fields of biotechnology and artificial intelligence hardware and software, which, while valuable, does not directly translate into expertise in the Group's principal business of providing foundation engineering services in Hong Kong. As such, this may represent a potential disadvantage during the transition period after the close of the Offer.

### *2.4 Public float*

The Offeror also intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror, any new Director(s) to be proposed by the Offeror and the Company will jointly and severally undertake to the Stock Exchange to take appropriate steps after the close of the Offer to ensure that at least 25% of the total number of issued Shares will be held by the public.

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

## **3. Principal terms of the Offer**

The Offer is being made by Red Sun Capital on behalf of the Offeror to acquire all the Offer Shares on the terms set out in the Composite Document on the following basis:

**For each Offer Share . . . . . HK\$0.2375 in cash**

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Offer Price of HK\$0.2375 per Offer Share is equal to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document. As at the Latest Practicable Date, the Company does not have any declared and unpaid dividend and does not have any intention to make, declare or pay any future dividend or make other distributions or any return of capital until the close of the Offer and there was no dividend declared but unpaid as at the Latest Practicable Date.

**Shareholders and potential investors of the Company should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Offer Price save in wholly exceptional circumstances, as provided in Rule 18.3 of the Takeovers Code.**

#### **4. Analysis on the Offer Price**

##### ***4.1 Comparison of value of the Offer Price***

The Offer Price of HK\$0.2375 per Offer Share represents:

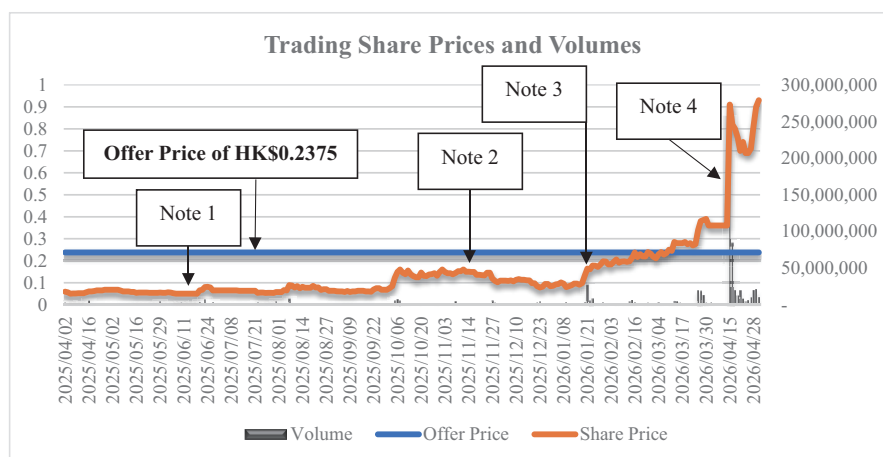
- (i) a discount of approximately 74.5% to the closing price of HK\$0.930 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 34.0% to the closing price of HK\$0.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 36.0% to the average closing price of approximately HK\$0.371 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to but excluding the Last Trading Day;
- (iv) a discount of approximately 26.7% to the average closing price of approximately HK\$0.324 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to but excluding the Last Trading Day;
- (v) a discount of approximately 11.2% to the average closing price of approximately HK\$0.268 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days prior to but excluding the Last Trading Day;
- (vi) a premium of approximately 233.9% over the audited consolidated net asset value of approximately HK\$0.071 per Shares as at 31 March 2025 (based on (a) the Group's audited consolidated net assets value of approximately HK\$ 56,899,000 as at 31 March 2025; and (b) a total of 800,000,000 issued Shares as at 31 March 2025); and

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (vii) a premium of approximately 232.11% over the unaudited consolidated net asset value of approximately HK\$0.072 per Share as at 30 September 2025 (based on (a) the Group's unaudited consolidated net assets value of approximately HK\$57,210,000 as at 30 September 2025; and (b) a total of 800,000,000 issued Shares as at 30 September 2025).

### 4.2 Historical price performance of the Shares

Set out below is the movement of the daily closing prices of the Shares during the period from 2 April 2025 to the Last Trading Day, and subsequently up to and including the Latest Practicable Date (the “**Review Period**”) as quoted from the Stock Exchange. We consider the period of approximate and more than one year is reasonable and representative to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.



Source: the Stock Exchange

#### Notes

1. The Company issued a profit warning announcement on 13 June 2025 in respect of an expected turnaround from profit to loss position for the year ended 31 March 2025 and issued annual results announcement on 26 June 2025 for the year ended 31 March 2025.
2. The Company issued interim results announcement on 14 November 2025 for the six months ended 30 September 2025.
3. An irregularly high trading volume of Shares was recorded on 21 January 2026, with a total of 26.5 million of Shares traded.
4. The trading of the Shares was suspended during 2 April 2026 to 14 April 2026 pending the publication of the Joint Announcement. The closing price and trading volume of the Share increased sharply the business day after the publication of the Joint Announcement on 15 April 2026.

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During the Review Period, the lowest closing price of the Share was HK\$0.050 per Share, recorded on 7 April 2025 and 6, 9, 10, 11, 12, 13, 16, 17 and 18 June 2025, while the highest closing price of the Share was HK\$0.930 per Share, recorded on 30 April 2026. The average daily closing price per Share over the Review Period was approximately HK\$0.151 per Share.

The Offer Price of HK\$0.2375 per Offer Share represents (i) a premium of approximately 375.0% over the lowest closing price; and (ii) a discount of approximately 74.5% to the highest closing price during the Review Period. The Offer Price was higher than the daily closing price of the Share on 227 trading days out of 254 trading days during the Review Period.

As noted from the graph above, the daily closing price of the Shares traded between HK\$0.050 and HK\$0.160 per Share from the beginning of the Review Period to 20 January 2026. Thereafter, the Share price increased markedly, trading between HK\$0.161 and HK\$0.390 per Share up to the Last Trading Day. The Directors have confirmed that they are not aware of any reasons for the pronounced upward trend and fluctuations in the daily closing price of the Shares during January 2026.

Since mid-March 2026 and following the resumption of trading of the Shares on 15 April 2026, the closing price of the Shares has remained notably above the Offer Price, which may have been influenced in parts by the announcement and continuation of the Offer. Save for the Offer, the Directors and the Offeror confirmed that they are not aware of any reasons for the pronounced upward trend and/or the fluctuation in the daily closing price.

Based on the sections headed “Information on the Offeror” and “Future Intentions of the Offeror Regarding the Group” in the Letter from Red Sun Capital, we are given to understand that (i) the Offeror intends that the Group will continue with its existing principal business for long-term purposes and does not intend to introduce any major changes to the Group’s existing operations and business immediately after the close of the Offer; and that (ii) Dr. Xu has extensive experience in biotechnology industry and Dr. Chen is experienced in computing and software development, while valuable, does not directly translate to expertise in the Group’s principal business in provision of foundation engineering services, which may represent a potential disadvantage during the transition period after the close of the Offer.

Although the Offer Price represents a discount of approximately 34.03% to the closing price of the Share of the Last Trading Day and a discount of approximately 74.46% to the closing price of the Share of the Latest Practicable Date, **Independent Shareholders should note that there is no guarantee that the prevailing level of market price of the Shares will sustain during and after the Offer Period.** Particularly noting that (i) the absence of any inside information, material business developments or fundamental catalysts driving such elevated prices, as confirmed by the Directors and Offeror and analysed above; and (ii) the fact that the Offer Price exceeded the daily closing price of the Share for 227 trading days, representing the majority of the Review Period, we consider the Offer Price to be fair and reasonable.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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**4.3 Historical trading liquidity of the Shares**

The following table sets out the average daily trading volume of the Share (the “Average Daily Volume”) on a monthly basis and the respective percentage of the Average Daily Volume as compared to the total number of issued Shares and the Shares being held by public Shareholders.

*Table 5*

Month/ Period	Trading Days	Average Daily Volume <i>Shares</i>	Percentage of the Average Daily Volume as compared to the total issued Shares <i>(%)</i> <i>(note 1)</i>	Percentage of the Average Daily Volume as compared to the Shares held by public Shareholders <i>(%)</i> <i>(note 2)</i>
<b>2025</b>				
April	18	655,000	0.0819	0.2731
May	20	274,000	0.0343	0.1142
June	21	806,190	0.1008	0.3361
July	22	355,909	0.0445	0.1484
August	21	636,667	0.0796	0.2654
September	22	160,909	0.0201	0.0671
October	20	1,405,000	0.1756	0.5858
November	20	667,000	0.0834	0.2781
December	21	701,429	0.0877	0.2924
<b>2026</b>				
January	21	2,697,619	0.3372	1.1247
February	17	1,430,588	0.1788	0.5964
March	22	3,598,636	0.4498	1.5003
April (up to and including the Latest Practicable Date)	13	35,943,849	4.4930	14.9853
	<b>Min</b>	<b>160,909</b>	<b>0.0201</b>	<b>0.0671</b>
	<b>Max</b>	<b>35,943,849</b>	<b>4.4930</b>	<b>14.9853</b>
	<b>Average</b>	<b>3,794,831</b>	<b>0.4744</b>	<b>1.5821</b>

*Source: the Stock Exchange*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Notes*

1. Based on 800,000,000 Shares in issued from the month ended 30 April 2025 and up to the Latest Practicable Date.
2. Based on 239,860,000 Shares held by public Shareholders.

Based on the above, we noted that the Shares were relatively thinly traded with limited liquidity for the majority of the Review Period. Excluding January 2026, March 2026 and April 2026, during which their Average Daily Volume exceeded 0.33% of the Company's total issued Shares of 800,000,000 Shares, the average daily trading volume ranged from approximately 0.0201% and approximately 0.1788% of the Company's total issued Share.

The Directors have confirmed that they are not aware of any specific reasons for the pronounced increase in trading volume observed in January 2026 and March 2026. This indicates that such movements were not attributable to undisclosed inside information, material business developments, or fundamental catalysts. Such enhanced liquidity may not be sustainable, as demonstrated by the notably decline in the Average Daily Volume in February 2026 to approximately 0.1788% of the Company's total issued share capital. While, the increase in trading volume in April 2026 may have been partly attributable to the announcement and continuation of the Offer. There is, however, also no assurance that such liquidity levels will be sustained during or after the Offer Period. In particular, any attempt to dispose of a significant number of Shares in the open market could exert downward pressure on the Share price, potentially resulting in sale proceeds that are lower than those obtainable by accepting the Offer. Accordingly, Independent Shareholders who wish to dispose of a significant number of the Shares may wish to consider accepting the Offer in order to realize their investment in the Company at the Offer Price.

#### ***4.4 Comparable analysis***

To further assess the fairness and reasonable of the Offer Price, we have considered three of the most commonly used valuation ratios, namely the price-to-earnings ratio, price-to-sales ratio ("**PSR**") and price-to-book ratio ("**PBR**"). These multiples are widely adopted by market participants as they provide complementary perspectives on a company's earnings generation ability, revenue-generating capacity and net asset value, respectively.

Given that the Company recorded a net loss for the year ended 31 March 2025, the price-to-earnings ratio is not meaningful and has not been adopted in our analysis. Instead, we have placed emphasis on the PSR, which is particularly applicable in the present circumstances given the cyclical and volatile nature of the construction sector that may result in profit fluctuations arising from project timing and cost overruns. In addition, as a foundation engineering contractor with a tangible asset base, we consider the PBR ratio remains relevant as it provides an assessment of the Offer Price relative to the Group's net asset value.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We noted from our section headed “1. Background and financial information of the Group” that the Group generated its revenue from engaging in the provision of foundation engineering services in Hong Kong. Accordingly, we have searched for Hong Kong listed companies (i) which are principally engaged in similar business (i.e. provision of foundation engineering services) comparable to the business of the Group; (ii) which derived more than 60% of their revenue from such business in Hong Kong and Macau according to their respective latest published annual reports; and (iii) not on long-suspension (i.e. over 6 months on the Last Trading Day) (the “Comparables”).

Based on the above criteria, we have identified an exhaustive list of 5 Comparables after excluding Century Group International Holdings Limited (stock code: 2113) from our analysis below as it reported net liabilities in its latest financial position, which makes its PBR inapplicable.

Independent Shareholders should note that despite the aforesaid criteria, the business, the scale of operations, trading prospects and capital structure of the Group are not exactly identical as those of the Comparables, and we have not conducted any in-depth investigation into the businesses and operations of the Comparables. Nevertheless, we believe that the selected Comparables are sufficient and suitable as benchmark references for our comparative analysis, reflecting the prevailing market sentiment towards this business sector and business models for companies similarly engaged in provision of foundation engineering services, and which are also listed on the same platform.

### Details of the Comparables:

Company (stock code)	Principal business	Market Capitalisation (HK\$' million) (note 1)	Revenue (HK\$' million) (note 3)	PSR Times (note 4)	Net assets (HK\$' million) (note 3)	PBR Times (note 5)
1	IN Construction Holdings Limited (1500)	190.1	273.6	0.69	270.1	0.70
2	AB Builders Group Limited (1615)	225.0	265.1 (note 3)	0.85	207.6 (note 3)	1.08
3	Sheung Yue Group Holdings Limited (1633)	232.8	264.8	0.88	171.9	1.35
4	Wan Kei Group Holdings Limited (1718)	104.9	301.1	0.35	79.0	1.33

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Company (stock code)	Principal business	Market Capitalisation <i>(HK\$' million)</i> <i>(note 1)</i>	Revenue <i>(HK\$' million)</i>	PSR <i>Times</i> <i>(note 4)</i>	Net assets <i>(HK\$' million)</i>	PBR <i>Times</i> <i>(note 5)</i>
5 Wing Chi Holdings Limited (6080)	Engaged in the foundation and site formation business	146.8	808.0	0.18	137.7	1.07
		Minimum		0.18		0.70
		Maximum		0.88		1.35
		Average		0.59		1.11
		Median		0.69		1.08
The Company	Provision of foundation engineering services in Hong Kong	190.0 <i>(note 2)</i>	214.5	0.89 <i>(note 4)</i>	57.2	3.32 <i>(note 5)</i>

*Sources: the Stock Exchange and the financial reports of the respective Comparables*

*Notes:*

- Based on the share closing price times the total number of shares in issue as at the Latest Practicable Date.
- The implied market capitalisation of the Company, based on the Offer Price times the total number of Shares in issued as at the Latest Practicable Date.
- Exchange rate of MOP1 to HK\$0.9709 as at 1 April 2026 was adopted, being the date of the Sale and Purchase Agreement
- The PSRs were based on the market capitalisation of the Comparables as at the Latest Practicable Date and divided by the revenue as stated in their respective latest available annual report/results. The Implied PSR (as defined below) was based on (a) the implied market capitalisation of the Company of approximately HK\$190.0 million based on the Offer Price and the issued number of Shares as at the Latest Practicable Date; and (b) the revenue of the Group for the year ended 31 March 2025 as extracted from its annual report for the year ended 31 March 2025.
- The PBRs were based on the market capitalisation of the Comparables as at the Latest Practicable Date and divided by the equity attributable to the owners of the respective companies as stated in their respective latest available annual/interim report. The Implied PBR (as defined below) was based on (a) the implied market capitalisation of the Company of approximately HK\$190.0 million based on the Offer Price and the issued number of Shares as at the Latest Practicable Date; and (b) the net asset value of the Group for the six months ended 30 September 2025 as extracted from its interim report for the six months ended 30 September 2025.

Based on the Offer Price of HK\$0.2375 per Offer Share and the total number of issued Shares of 800,000,000 Shares as at the Latest Practicable Date, the Company is valued at HK\$190.0 million. The PSR of the Company implied by the Offer Price is approximately 0.89 times (the “**Implied PSR**”) and the PBR of the Company implied by the Offer Price is approximately 3.32 times (the “**Implied PBR**”).

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As shown in the table above, the PSRs of the Comparables ranged from approximately 0.15 times to approximately 0.88 times, with an average of approximately 0.59 times and a median of approximately 0.69 times. The Implied PSR is therefore higher than the range of the PSR of the Comparables.

As shown in the table above, the PBRs of the Comparables ranged from approximately 0.70 times to approximately 1.35 times, with an average of approximately 1.11 times and a median of approximately 1.08 times. The Implied PBR is therefore higher than the range of the PBR of the Comparables.

Given that the Implied PSR is higher than the range of the PSR of the Comparables and the Implied PBR is also higher than the range of the PBR of the Comparables, we consider the Offer Price to be fair and reasonable.

In view of the recent surging of the closing prices of the Shares (as illustrated in the section headed “4.2 *Historical price performance of the Shares*”), Independent Shareholders are reminded that they may choose to dispose their Shares at prices better than the Offer Price in the open market if and when such opportunities exist. The above is to indicate that the Offer Price is considered to be fair and reasonable from the perspectives of the PSR and PBR analysis; Independent Shareholders are also reminded to take into account of the other factors of the Group including the operation and business outlook of the Group as well as the share price performance and trading liquidity as set out in the other sections of this letter.

### RECOMMENDATION

In summary, having considered the following principal factors and reasons:

- (i) the Group’s contraction in the balance sheet, combined with minimal profitability, raises concerns over its long-term financial sustainability and its ability to withstand prolonged industry headwinds;
- (ii) the Group’s low cash position may constrain its flexibility to fund upfront project costs, secure new tenders, or manage unexpected delays in this capital-intensive construction business;
- (iii) we remain cautiously optimistic on the outlook of the Group’s business in the short-medium term as mentioned in the sub-section headed “1.3 *Outlook*” in this letter;
- (iv) while the Offer Price represents a substantial discount to the current trading price of the Share, there is no guarantee that the prevailing level of market price of the Shares will sustain during and after the Offer Period, especially taking into consideration that it also represents premiums of approximately 233.9% and 232.1% over the audited and unaudited consolidated net asset value attributable to the Shareholders as at 31 March 2025 and 30 September 2025 respectively;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (v) our analysis sets out in the section headed “4.2 *Historical price performance of the Shares*” in this letter, which illustrated that the Offer Price was higher than the daily closing price of the Share for a majority of time during the Review Period;
- (vi) our analysis sets out in the section headed “4.3 *Historical trading liquidity of the Shares*” in this letter, which illustrated that the trading in the Shares was mostly inactive throughout the Review Period; and
- (vii) our analysis sets out in the section headed “4.4 *Comparables analysis*” in this letter, which offered our view that the Offer Price is considered to be fair and reasonable from the perspectives of the PSR and PBR analysis.

we are of the opinion that the Offer is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.

Yours faithfully,  
For and on behalf of  
**Veda Capital Limited**  
**Julisa Fong**  
*Managing Director*

*Ms. Julisa Fong is a licensed person registered with the SFC and a responsible officer of Veda Capital Limited which is licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity and has over 29 years of experience in corporate finance industry.*

**1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER**

- (i) To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offer.
  
- (ii) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect hereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer, by post or by hand, to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, marked “Ling Yui Holdings Limited – General Offer” on the envelope, as soon as possible and in any event so as to reach the Registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
  
- (iii) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must either:
  - (a) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, with instructions authorizing it to accept the Offer on your behalf and requesting it to deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or
  
  - (b) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or

- (c) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
  - (d) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (iv) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed and signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be delivered to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (v) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or Red Sun Capital and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (vi) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code) and the Registrar has recorded that the Form of Acceptance and any relevant documents as required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (a) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
  - (b) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or
  - (c) certified by the Registrar or the Stock Exchange.
- (vii) If the Form of Acceptance is executed by a person other than the registered Shareholders, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (viii) In Hong Kong, seller's ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (ix) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares will be given.

**2. SETTLEMENT OF THE OFFER**

- (i) Provided that a valid Form of Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares are complete and in good order in all respects and have been received by the Registrar before the close of the Offer, a cheque for the amount (rounding up to the nearest cent) due to each of the Independent Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Shares tendered by him/her/it under the Offer will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of the duly completed acceptances of the Offer and all relevant documents of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.
- (ii) Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.
- (iii) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

**3. ACCEPTANCE PERIOD AND REVISIONS**

- (i) In order to be valid for the Offer, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive.
- (ii) The Offeror and the Company will jointly publish an announcement on the Stock Exchange's website no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.
- (iii) If the Offer is extended or revised, the Offeror and the Company will jointly publish an announcement on the Stock Exchange's website, and the announcement of such extension or revision will state the next closing date or that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing will be given before the Offer is closed to the Independent Shareholders who have not accepted the Offer.

- (iv) If, in the course of the Offer, the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer will be kept open for at least fourteen (14) days after the date of the revised Offer document.
- (v) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.

#### **4. NOMINEE REGISTRATION**

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

#### **5. ANNOUNCEMENTS**

- (i) By 6:00 p.m. (or such later time as the Executive may in exceptional circumstances permit) on the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must post an announcement in accordance with the requirements of the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised, extended, or has expired. The announcement will state the total number of Shares and rights over Shares:
  - (a) for which acceptances of the Offer have been received;
  - (b) held, controlled or directed by the Offeror and/or parties acting in concert with it before the Offer Period; and
  - (c) acquired or agreed to be acquired during the Offer Period by the Offeror and/or parties acting in concert with it.

The announcement must include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or parties acting in concert with it have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (ii) In computing the total number of Shares represented by acceptances as of the Closing Date, only valid acceptances that are in all respects complete, in good order and fulfill the acceptance conditions set out in this Appendix, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive, shall be included.
- (iii) As required under the Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

## **6. RIGHT OF WITHDRAWAL**

- (i) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the sub-paragraph (b) below.
- (ii) In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed “5. Announcements” above), the Executive may require that acceptors of the Offer be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days after the Offer is withdrawn, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Independent Shareholders at their own risks.

## **7. OVERSEAS INDEPENDENT SHAREHOLDERS**

The Offeror intends to make the Offer available to all Independent Shareholders, including the Overseas Independent Shareholders. As the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions, the Overseas Independent Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including but not limited to the obtaining of any

governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Independent Shareholders in respect of the acceptance of the Offer in such jurisdictions.

The Offeror and the parties acting in concert with it, the Company, Red Sun Capital, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Independent Shareholders for any taxes or duties as such persons may be required to pay.

Acceptance of the Offer by any Overseas Independent Shareholder will be deemed to constitute a representation and warranty from such Overseas Independent Shareholder to the Offeror that all applicable laws and requirements have been complied with and such Overseas Independent Shareholder is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. The Overseas Independent Shareholders should consult their professional advisers if in doubt.

There were no Overseas Shareholders as at the Latest Practicable Date.

## **8. TAXATION ADVICE**

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and the parties acting in concert with it, the Company, Red Sun Capital, the Independent Financial Adviser, the Registrar or (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accept responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **9. GENERAL**

- (a) All communications, notices, Form(s) of Acceptance, share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror and the parties acting in concert with it, Red Sun Capital, the Independent Financial Adviser and any of their respective directors nor the Registrar or other

parties involved in the Offer or any of their respective agents accept any liability for any loss in postage, delay in transmission or any other liabilities that may arise as a result thereof.

- (b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.
- (c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an authority to the Offeror, Red Sun Capital and/or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as they may direct, the Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Acceptance of the Offer by any person or persons will be deemed to constitute a representation and warranty by such person or persons to the Offeror and Red Sun Capital that the Offer Shares are sold to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.
- (g) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which as indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offer.
- (h) Any Independent Shareholders accepting the Offer will be responsible for payment of any other transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.
- (i) Unless otherwise expressly stated in this Composite Document and/or the Form of Acceptance, no person other than the Offeror and the accepting Independent Shareholders may enforce any terms of the Offer that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

- (j) Reference to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (k) All acceptance, instructions, authorities and undertakings given by the Independent Shareholders in the Form of Acceptance shall be irrevocable except as permitted under the Takeovers Code.
- (l) The English text of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation in case of inconsistency.
- (m) In making their decisions, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror and parties acting in concert with it, the Company, Red Sun Capital, the Independent Financial Adviser and the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.
- (n) The Offer is made in accordance with the Takeovers Code.

## 1. FINANCIAL SUMMARY OF THE GROUP

Set out below is a summary of (i) the audited financial information of the Group for the each of FY2023, FY2024 and FY2025, respectively) as extracted from the audited consolidated financial statements of the Company as set out in the annual report of the Company for each of the years ended 31 March 2023, 2024 and 2025; and (ii) the unaudited financial information of the Group for 6M2024 and 6M2025, respectively) as extracted from the interim report of the Company for the six months ended 30 September 2025.

**Summary consolidated income statement and statement of comprehensive income**

	<b>6M2025</b> <i>HK\$'000</i> (unaudited)	<b>6M2024</b> <i>HK\$'000</i> (unaudited)	<b>FY2025</b> <i>HK\$'000</i> (audited)	<b>FY2024</b> <i>HK\$'000</i> (audited)	<b>FY2023</b> <i>HK\$'000</i> (audited)
Revenue	91,406	120,588	214,505	194,043	238,957
Direct costs	<u>(82,013)</u>	<u>(105,341)</u>	<u>(183,515)</u>	<u>(165,406)</u>	<u>(245,548)</u>
Gross (Loss)/profit	9,393	15,247	30,990	28,637	(6,591)
Other income and net gains	3,615	426	736	1,429	2,940
(Provision)/reversal for impairment loss allowance of trade receivables and contract assets under expected credit loss model, net	1,263	634	(22,209)	(2)	–
Administrative expenses	(13,310)	(13,948)	(28,335)	(27,651)	(27,387)
Finance costs	<u>(650)</u>	<u>(813)</u>	<u>(1,731)</u>	<u>(1,758)</u>	<u>(1,684)</u>
(Loss)/profit before taxation	311	1,546	(20,549)	655	(32,722)
Income tax (expenses)/credit	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,683</u>
(Loss)/profit and total comprehensive (expense) income for the year/period	<u>311</u>	<u>1,546</u>	<u>(20,549)</u>	<u>655</u>	<u>(32,722)</u>
(Loss)/earnings per share					
Basic and diluted (HK cents)	<u>0.04</u>	<u>0.19</u>	<u>(2.57)</u>	<u>0.08</u>	<u>(3.75)</u>

Save as disclosed above, there was no item of any income or expense which was material in respect of the audited consolidated financial information of the Group for each of FY2023, FY2024 and FY2025 and the unaudited consolidated financial information of the Group for 6M2025.

No dividend was paid or proposed by the Company during the FY2023, FY2024 and FY2025, and the 6M2025.

The Auditor's report issued by HLB Hodgson Impey Cheng Limited in respect of the consolidated financial statements of the Group for each of FY2023, FY2024 and FY2025, did not issue any modified opinion, emphasis of matter or material uncertainty related to going concern, and the Company had no items which are exceptional or extraordinary because of size, nature or incidence for the same financial year.

## **2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP**

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in FY2023 (the “**2023 Financial Statements**”), FY2024 (the “**2024 Financial Statements**”) and FY2025 (the “**2025 Financial Statements**”) and 6M2025 (the “**6M2025 Financial Statements**”), together with the notes to the relevant published consolidated financial statements which are of major relevance to the appreciation of the above consolidated financial information.

The 2023 Financial Statements are set out on pages 62 to 112 of the annual report of the Company for the FY2023 (the “**2023 Annual Report**”), which was published on 21 July 2023. The 2023 Annual Report was posted on the websites of the Company ([www.lingyui.com.hk](http://www.lingyui.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0721/2023072100451.pdf>

The 2024 Financial Statements are set out on pages 62 to 112 of the annual report of the Company for the FY2024 (the “**2024 Annual Report**”), which was published on 15 July 2024. The 2024 Annual Report was posted on the websites of the Company ([www.lingyui.com.hk](http://www.lingyui.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0715/2024071500300.pdf>

The 2025 Financial Statements are set out on pages 60 to 106 of the annual report of the Company for the FY2025 (the “**2025 Annual Report**”), which was published on 21 July 2025. The 2025 Annual Report was posted on the websites of the Company ([www.lingyui.com.hk](http://www.lingyui.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0721/2025072100412.pdf>

The 6M2025 Financial Statements are set out on pages 4 to 17 of the interim report of the Company for the 6M2025 (the “**6M2025 Interim Report**”), which was published on 18 December 2025. The 6M2025 Interim Report was posted on the websites of the Company ([www.lingyui.com.hk](http://www.lingyui.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1218/2025121800704.pdf>

The 2023 Financial Statements, the 2024 Financial Statements, the 2025 Financial Statements and 6M2025 Financial Statements (but not any other part of the 2023 Annual Report, the 2024 Annual Report, the 2025 Annual Report and the 6M2025 Interim Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

### **3. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES**

As at the close of business on 28 February 2026, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as follows:

#### **Borrowings**

As at 28 February 2026, the Group had bank borrowings of approximately HK\$5.8 million, bearing interest rates ranged from Hong Kong Prime Rate issued by the lending bank minus 0.7% to Hong Kong Prime Rate minus 0.5% per annum and were guaranteed by the corporate guarantees provided by the Company.

#### **Lease liabilities**

As at 28 February 2026, the Group had total lease liabilities amounting to approximately HK\$7.3 million.

#### **Contingent liabilities**

As at 28 February 2026, the Group had no material contingent liabilities.

Save as disclosed above, as at the close of business on 28 February 2026, the Group did not have any bank overdrafts or loans, borrowings, mortgages, charges, debentures or debt securities, issued or outstanding, or authorised or otherwise created but unissued, or other similar indebtedness, mortgages, charges, finance lease commitments, liabilities under acceptances, acceptance credits, hire purchase commitments, material contingent liabilities or guarantees.

### **4. MATERIAL CHANGE**

The Directors confirm that, save as and except for the below, there has been no material change in the financial or trading position or outlook of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date:

As disclosed in the interim report of the Company for the six months ended 30 September 2025:

(a) Revenue

The Group's revenue decreased by approximately 24.2% from approximately HK\$120.6 million for the six months ended 30 September 2024 to approximately HK\$91.4 million for the six months ended 30 September 2025. Such decrease was mainly attributable to the continued economic downturn in the construction industry and the Group's strategy to focus on customers with a proven track record of timely settlement of receivables. This approach was implemented to strengthen credit control and mitigate risks in response to the challenging business environment.

(b) Direct Costs

The Group's direct costs for the six months ended 30 September 2025 were approximately HK\$82.0 million, representing a decrease of approximately 22.1% from approximately HK\$105.3 million for the six months ended 30 September 2024. Such decrease was in line with the decrease in revenue for the same period.

(c) Gross Profit and Gross Profit Margin

The Group's gross profit for the six months ended 30 September 2025 was approximately HK\$9.4 million as compared to gross profit for the six months ended 30 September 2024 of approximately HK\$15.2 million. The Group recorded a gross profit margin for the six months ended 30 September 2025 of approximately 10.3%, as compared to a gross profit margin of approximately 12.6% for the six months ended 30 September 2024. The Group's gross profit margin declined mainly due to the Company accepted projects at lower tender price and reduced profit margins in order to maintain business amid the economic downturn in the construction industry during the six months ended 30 September 2025, as compared to the same period in 2024.

(d) Other income and net gains

Other income and net gains increased from approximately HK\$0.4 million for the six months ended 30 September 2024 to approximately HK\$3.6 million for the six months ended 30 September 2025. Such increase was primarily resulted from the income from sale of waste material and the machinery rental which were recognised during the six months ended 30 September 2025.

(e) Administrative expenses

The Group's administrative expenses for the six months ended 30 September 2025 were approximately HK\$13.3 million, representing a decrease of approximately 4.6% from approximately HK\$13.9 million for the six months ended 30 September 2024, primarily as a result of a decrease of staff costs of approximately HK\$1.0 million.

(f) Profit and Total Comprehensive Income Attributable to Owners of the Company

As a result of the foregoing, the Group recorded a net profit of approximately HK\$0.3 million for the six months ended 30 September 2025 as compared to approximately HK\$1.5 million for the same period in 2024.

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**APPENDIX III      LETTERS FROM THE AUDITORS AND THE INDEPENDENT  
FINANCIAL ADVISER OF THE COMPANY  
ON THE PROFIT FORECASTS OF THE GROUP**

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**A. Letter from HLB Hodgson Impey Cheng Limited**

14 April 2026  
Ling Yui Holdings Limited  
Units 1702-03, Stelux House  
698 Prince Edward Road East  
San Po Kong, Kowloon  
HONG KONG

Dear Sirs,

**Ling Yui Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”)**

**Comfort letter on profit forecast for 3 years ending 31 March 2029**

We refer to the section headed “Post-completion Matters” as set out in the joint announcement of the Company dated 14 April 2026 in respect of the Guaranteed Revenue and Guaranteed EBTDA (the “**Profit Forecast**”).

**Directors’ Responsibilities**

The Profit Forecast has been prepared by the directors of the Company based on the unaudited consolidated results based on the management accounts of the Group for the year ended 31 March 2026 and a forecast of the consolidated results of the Group for each of the 3 years ending 31 March 2029.

The Company’s directors are solely responsible for the Profit Forecast.

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (“**HKSQM**”) 1 “*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*”, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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**APPENDIX III      LETTERS FROM THE AUDITORS AND THE INDEPENDENT  
FINANCIAL ADVISER OF THE COMPANY  
ON THE PROFIT FORECASTS OF THE GROUP**

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**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Forecast based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “*Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness*” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Profit Forecast in accordance with the bases and assumptions adopted by the directors and as to whether the Profit Forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

**Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the bases and assumptions adopted by the directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited financial statements of the Group for the year ended 31 March 2025.

Yours faithfully,

**HLB Hodgson Impey Cheng Limited**

*Certified Public Accountants*

Hong Kong

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**APPENDIX III      LETTERS FROM THE AUDITORS AND THE INDEPENDENT  
FINANCIAL ADVISER OF THE COMPANY  
ON THE PROFIT FORECASTS OF THE GROUP**

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**B. Letter from Veda Capital Limited**

*Set out below is the text of the letter from Veda Capital Limited, the independent financial adviser to the Company, for inclusion in this Composite Document reporting on certain financial information pursuant to Rule 10.3(b) of the Takeovers Code.*

14 April 2026

The Board of Directors  
Ling Yui Holdings Limited  
Unit 1702-03, Stelux House  
698 Prince Edward Road East  
San Po Kong, Kowloon  
Hong Kong

Dear Sir/Madam,

**Ling Yui Holdings Limited**  
**Comfort letter on profit forecast pursuant to Rule 10 of the Hong Kong Code on**  
**Takeovers and Mergers**

We refer to the joint announcement dated 14 April 2026 (the “**Joint Announcement**”) issued by Ling Yui Holdings Limited (the “**Company**”) and Hapbiotech Investment Holding Limited (the “**Offeror**”). Capitalised terms used in this letter shall have the same meanings as defined in the Joint Announcement unless otherwise specified. We also refer to the sub-section headed “Guaranteed Revenue and Guaranteed EBTDA” under the section headed “Post-completion Matters” in the Joint Announcement.

We have reviewed the (i) Guaranteed Revenue, i.e. the guarantee that the audited consolidated revenue of the Group shall not be less than HK\$100,000,000 for FY2027, FY2028 and FY2029, provided by the First Guarantor in favour of the Offeror pursuant to the Sale and Purchase Agreement; and (ii) Guaranteed EBTDA, i.e. the guarantee that the EBTDA of the Group shall not be negative for FY2027, FY2028 and FY2029, provided by the First Guarantor in favour of the Offeror pursuant to the Sale and Purchase Agreement. We have discussed with the Directors on the bases and assumptions, which has been set out in the sections headed “A. General assumptions” and “B. Specific assumptions” of the Joint Announcement, upon which the Guaranteed Revenue and Guaranteed EBTDA have been made. We have also considered the letter dated 14 April 2026 addressed to the board of directors of the Company from HLB Hodgson Impey Cheng Limited, the auditors of the Group, the text of which is set out in the Appendix I to the Joint Announcement regarding to their work performed on the Guaranteed Revenue and Guaranteed EBTDA. On the basis of foregoing, we are satisfied that the Guaranteed Revenue and Guaranteed EBTDA including the bases and assumptions, for which the Directors are solely responsible for, have been made after due care and consideration.

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**APPENDIX III      LETTERS FROM THE AUDITORS AND THE INDEPENDENT  
FINANCIAL ADVISER OF THE COMPANY  
ON THE PROFIT FORECASTS OF THE GROUP**

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The work undertaken by us is for the sole purpose of reporting to the Directors under Rule 10 of the Takeovers Code and for no other purposes. We accept no responsibility to any other person in connection with such work.

Yours faithfully,  
For and on behalf of  
**Veda Capital Limited**

**Julisa Fong**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars in compliance with the Takeovers Code and the Listing Rules and for the purpose of giving information with regard to the Company, the Offeror and the Offer.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than any information relating to the Offeror, HI and the parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of the Offeror and HI) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

## 2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised</i>	<b>HK\$</b>
2,000,000,000 Shares with par value of HK\$0.01 each	20,000,000
 <i>Issued and fully paid up</i>	
800,000,000 Shares with par value of HK\$0.01 each	8,000,000

All Shares in issue rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital. The Company has not issued any Shares since 31 March 2025, the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

As at the Latest Practicable Date, the Company had no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities of the Company.

The Shares are listed and traded on the Stock Exchange. No part of the Shares is listed or dealt in, nor is any listing of or permission to deal in the Shares being or proposed to be sought on any other stock exchange.

### 3. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share HK\$
31 October 2025	0.16
28 November 2025	0.108
31 December 2025	0.084
30 January 2026	0.196
27 February 2026	0.232
31 March 2026	0.360
1 April 2026 (being the Last Trading Day)	0.360
30 April 2026 (being the Latest Practicable Date)	0.930

During the Relevant Period, the highest closing price of Shares quoted on the Stock Exchange was HK\$0.930 per Share on 30 April 2026, and the lowest closing price of Shares quoted on the Stock Exchange was HK\$0.078 per Share on 23 December 2025.

### 4. DISCLOSURE OF INTERESTS

**(i) Directors' and the chief executives' interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company or the associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be disclosed in this Composite Document pursuant to the Takeovers Code.

**(ii) Substantial Shareholders' interests and short positions in the Shares, underlying Shares and debentures of the Company**

As at the Latest Practicable Date, the particulars of the corporations or persons (other than the Directors and chief executives of the Company) who had, or was deemed to have, an interest or short position in the Shares and/or underlying Shares which fell to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or pursuant to section 336 of the SFO, which would have to be recorded in the register referred to therein, or the Takeovers Code were as follows:

Name	Capacity/Nature of interest	Number of Shares held/ Interested	Approximate percentage of shareholding
The Offeror	Beneficial owner	560,140,000	70.02%
HI	Interest in a controlled corporation <sup>(1)</sup>	560,140,000	70.02%
Dr. Xu	Interest in a controlled corporation <sup>(2)</sup> ; interest of spouse <sup>(3)</sup> ; interest of a party to an agreement <sup>(4)</sup>	560,140,000	70.02%
Dr. Chen	Interest in a controlled corporation <sup>(5)</sup> ; interest of a party to an agreement <sup>(4)</sup>	560,140,000	70.02%
Ms. Wen	Interest in a controlled corporation <sup>(6)</sup> ; interest of spouse <sup>(3)</sup> ; interest of a party to an agreement <sup>(4)</sup>	560,140,000	70.02%
Mr. Fang	Interest in a controlled corporation <sup>(7)</sup> ; interest of a party to an agreement <sup>(4)</sup>	560,140,000	70.02%
Ms. Zheng Fan ("Ms. Zheng")	Interest of spouse <sup>(8)</sup>	561,140,000	70.02%
Ms. Gong Wen ("Ms. Gong")	Interest of spouse <sup>(9)</sup>	561,140,000	70.02%
Simply Marvel Limited ("Simply Marvel")	Beneficial owner	57,090,000	7.14%
Mr. Chan Siu Hung ("Mr. Chan")	Interest in a controlled corporation <sup>(10)</sup>	57,090,000	7.14%
Ms. Fu Jingyan ("Ms. Fu")	Interest of spouse <sup>(11)</sup>	57,090,000	7.14%

*Notes:*

- (1) HI is interested in 100% of the issued voting shares of the Offeror. By virtue of the SFO, HI is deemed to be interested in all the Shares held by the Offeror.
- (2) Dr. Xu is interested in 100% of the issued voting shares of XU Future, which in turn is interested in 100% of the issued voting shares of XU Beyond. As at the Latest Practicable Date, XU Beyond is interested in 28.97% of the issued voting shares of HI. By virtue of the SFO, each of Dr. Xu and XU Future is deemed to be interested in the shares held by XU Beyond.
- (3) Dr. Xu and Ms. Wen are in a spousal relationship. By virtue of the SFO, they are deemed to be interested in all the shares held by each other.
- (4) Dr. Xu, Dr. Chen, Ms. Wen and Mr. Fang are parties (the “**Concert Parties**”) to a concert party agreement, pursuant to which they irrevocably agreed to act in concert in relation to the management of and exercise of voting rights in a subsidiary of HI. By virtue of the SFO, each of Dr. Xu, Dr. Chen, Ms. Wen and Mr. Fang is deemed to be interested in the aggregate shareholding of 43.01% in HI, as held by the controlled corporations of the Concert Parties (i.e. XU Beyond, Antropy, WY Daisy and Wisdom FZ). As such, the Concert Parties are deemed to be interested in the total issued shares of HI by virtue of the SFO. As HI is deemed to be interested in all the Shares held by the Offeror as mentioned in note (1) above, each of the Concert Parties is deemed to be interested in all the Shares held by the Offeror.
- (5) Dr. Chen is interested in 100% of the issued voting shares of Dark Forest, which in turn is interested in 100% of the issued voting shares of Antropy. As at the Latest Practicable Date, Antropy is interested in 8.14% of the issued voting shares of HI. By virtue of the SFO, each of Dr. Chen and Dark Forest is deemed to be interested in the shares held by Antropy.
- (6) Ms. Wen is interested in 100% of the issued voting shares of WY Rosy, which in turn is interested in 100% of the issued voting shares of WY Daisy. As at the Latest Practicable Date, WY Daisy is interested in 3.14% of the issued voting shares of HI. By virtue of the SFO, each of Ms. Wen and WY Rosy is deemed to be interested in the shares held by WY Daisy.
- (7) Mr. Fang is interested in 100% of the issued voting shares of Wisdom FW, which in turn is interested in 100% of the issued voting shares of Wisdom FZ. As at the Latest Practicable Date, Wisdom FZ is interested in 2.25% of the issued voting shares of HI. By virtue of the SFO, each of Mr. Fang and Wisdom FW is deemed to be interested in the shares held by Wisdom FZ.
- (8) Ms. Zheng is the spouse of Mr. Fang. Under the SFO, Ms. Zheng is deemed to be interested in the same number of shares in which Mr. Fang is interested.
- (9) Ms. Gong is the spouse of Dr. Chen. Under the SFO, Ms. Gong is deemed to be interested in the same number of shares in which Dr. Chen is interested.
- (10) Simply Marvel is owned as to 100% by Mr. Chan Siu Hung. Therefore, Mr. Chan is deemed or taken to be interested in all the shares held by Simply Marvel for the purpose of the SFO. Mr. Chan is interested in 100% of the issued voting shares of Simply Marvel. By virtue of the SFO, Mr. Chan is deemed to be interested in the shares held by Simply Marvel.
- (11) Ms. Fu is the spouse of Mr. Chan. Under the SFO, Ms. Fu is deemed to be interested in the same number of shares in which Mr. Chan is interested.

**(iii) Interest in the Offeror**

As at the Latest Practicable Date, none of the Company nor any of the Directors had any interest in the shares of the Offeror or convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

**(iv) Additional disclosure of interests in the Company and arrangement in connection with the Offer**

As at the Latest Practicable Date,

- (i) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Codes) between (a) any Shareholder on the one hand; and (b) the Company, its subsidiaries or associated companies on the other hand;
- (ii) save for the disclosure in the paragraphs headed “Disclosure of Interests – Directors’ and the chief executives’ interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations” above and “Dealings in Shares” below and the Sale Shares, none of the Directors had any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares;
- (iii) none of the Company nor any Director had borrowed or lent any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company; and
- (iv) none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer.

**5. DEALINGS IN SHARES**

During the Relevant Period,

- (i) save for the Sale and Purchase Agreement entered into among the Vendors, the Offeror and the First Guarantor, none of the Directors had dealt for value in, any Shares or securities, convertible securities, warrants, options, or derivatives in respect of any Shares or securities of the Company;
- (ii) none of the subsidiaries of the Company, pension funds of the Company or of any of its subsidiaries, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers had owned, controlled or dealt for value in the Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

- (iii) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate, and hence no such person had owned, controlled or dealt for value in the Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and
- (iv) no fund managers (other than exempt fund managers) connected with the Company who managed funds on a discretionary basis had owned, controlled or dealt for value in the Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

## **6. DEALINGS IN SHARES OF THE OFFEROR**

During the Relevant Period, none the Company, any of its subsidiaries, nor any Directors had dealt for value in any shares of the Offeror or any other convertible securities, warrants, options or derivatives or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any shares of the Offeror.

## **7. ARRANGEMENTS AFFECTING DIRECTORS**

As at the Latest Practicable Date,

- (i) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Directors as compensation for loss of office or otherwise in connection with the Offer;
- (ii) there was no agreement or arrangement between any Directors and any other person which was conditional on or dependent upon the outcome of the Offer or is otherwise connected with the Offer; and
- (iii) there was no material contract entered into by the Offeror in which any Director had a material personal interest.

## **8. SERVICE CONTRACTS**

As at the Latest Practicable Date, (i) none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) have been entered into or amended with during the Relevant Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period; and (ii) none of the Directors had any existing or proposed service contract with any member of the Group or any associated companies of the Company which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

**9. MATERIAL LITIGATION**

As at the Latest Practicable Date, (i) neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance (other than those arising from the ordinary course of business of the Company and any of its subsidiaries) and (ii) no litigation or claims of material importance (other than those arising from the ordinary course of business of the Company and any of its subsidiaries) was known to the Directors to be pending or threatened against the Company and any of its subsidiaries, both of which would have a material adverse effect on the results of operations or financial conditions of the Company and any of its subsidiaries.

**10. MATERIAL CONTRACTS**

There were no contracts (not being the contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) entered into by the Company or any of its subsidiaries within two years before the commencement of the Offer Period up to and including the Latest Practicable Date, which are or may be material.

**11. QUALIFICATIONS AND CONSENTS OF EXPERTS**

In addition to those listed under the paragraph headed “5. Experts and Consents” in Appendix V to this Composite Document, the followings are the name and qualifications of the experts who have given their opinion, letters, reports or advice which are contained or referred to in this Composite Document:

<b>Name</b>	<b>Qualification</b>
Veda Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer
HLB	Certified public accountants

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinion, letters, reports or advice and references to its name included herein in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of the above experts did not have any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any direct or indirect interest in any assets which had been, since 31 March 2025, being the date of the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

## **12. DOCUMENTS ON DISPLAY**

A copy of the following documents will be available for inspection (i) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)); and (ii) on the website of the Company ([www.lingyui.com.hk](http://www.lingyui.com.hk)) during the period from the date of this Composite Document up to and including the Closing Date:

- (i) the amended and restated memorandum and articles of association of the Company;
- (ii) the 2023 Annual Report, the 2024 Annual Report, the 2025 Annual Report and the 6M2025 Interim Report;
- (iii) the “Letter from the Board”, the text of which is set out on pages 12 to 23 of this Composite Document;
- (iv) the “Letter from the Independent Board Committee”, the text of which is set out on pages 34 to 35 of this Composite Document;
- (v) the “Letter from the Independent Financial Adviser”, the text of which is set out on pages 36 to 55 of this Composite Document;
- (vi) each of the letters from HLB and Veda Capital on the Profit Forecast of the Group;
- (vii) the written consents referred to in the paragraph headed “11. Qualifications and Consents of Experts” in this appendix; and
- (viii) this Composite Document and the accompanying Form of Acceptance.

## **13. MISCELLANEOUS**

- (i) The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (ii) The principal place of business of the Company in Hong Kong is situated at Units 1702-03, Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong.

- (iii) The company secretary of the Company is Ms. Ng Hoi Ying, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (iv) The Company's principal share registrar and transfer office is Ocorian Trust (Cayman) Limited at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (v) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (vi) The registered office of Veda Capital Limited is situated at Suites 1001-02, 10/F., 299 QRC, 287-299 Queen's Road Central, Hong Kong.
- (vii) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation.

## 1. RESPONSIBILITY STATEMENT

The sole director of the Offeror and the directors of HI jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Group), and confirms, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

<b>Date</b>	<b>Closing price per Share</b> <i>HK\$</i>
31 October 2025	0.16
28 November 2025	0.108
31 December 2025	0.084
30 January 2026	0.196
27 February 2026	0.232
31 March 2026	0.360
1 April 2026 (being the Last Trading Day)	0.360
30 April 2026 (being the Latest Practicable Date)	0.930

During the Relevant Period, the highest closing price of Shares quoted on the Stock Exchange was HK\$0.930 per Share on 30 April 2026, and the lowest closing price of Shares quoted on the Stock Exchange was HK\$0.078 per Share on 23 December 2025.

## 3. DISCLOSURE OF INTERESTS IN THE COMPANY

The Offeror is a company incorporated in the BVI with limited liability, and wholly owned by HI. HI is a company incorporated in the Cayman Islands with limited liability. The shareholding of HI as at the Latest Practicable Date is set out below:

Shareholders	Number of HI Shares	Ownership percentage
XU Beyond	3,022,005	28.97%
Antropy	849,239	8.14%
WY Daisy	327,792	3.14%
Wisdom FZ	235,156	2.25%
Haipu Wisdom Ltd	198,249	1.90%
Haipu Eternal Ltd	255,977	2.45%
Yonglong Biology Ltd	80,774	0.77%
Beijing Haishi	866,011	8.30%
SBCVC Fund	812,434	7.79%
Jianjin ZB Ltd	79,300	0.76%
Sunland Capital	261,708	2.51%
Optimal Kangjian	308,677	2.96%
Jiaxing Changji	162,094	1.55%
Jiechuang Dayuan	87,095	0.83%
Tuneng Liangshan	24,280	0.23%
YangFan Biology Ltd	28,405	0.27%
XIANGYU Trading Co., Ltd	57,716	0.55%
Suzhou Tongyu	262,717	2.52%
HTHP Investment Limited	1,215,217	11.65%
Shenzhen Efung	85,808	0.82%
Yuanzhi VC	130,928	1.26%
Beijing Bairui	336,400	3.22%
Beijing Luozhi	119,683	1.15%
HuiJianHeLi Ltd	88,123	0.84%
Mordan International	116,126	1.11%
Beijing Sirius	82,317	0.79%
Beijing Yitingluo	337,151	3.23%
	10,431,382	100.00%

For details of the ultimate beneficial owner of the shareholders of HI, please refer to the section headed “Information on the Offeror” in the “Letter from Red Sun Capital” in this Composite Document.

As at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in 560,140,000 Shares (representing approximately 70.02% of the total issued Shares as at the Latest Practicable Date).

Save as disclosed above, as at the Latest Practicable Date, none of the Offeror, its ultimate beneficial owner and directors and parties acting in concert with the Offeror had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

**4. DISCLOSURE OF OTHER INTERESTS AND DEALINGS IN SECURITIES OF THE COMPANY**

As at the Latest Practicable Date,

- (i) save for the Sale Shares, the Offeror, HI and parties acting in concert with any of them had not dealt for value in any Shares, options, derivatives, warrants or other securities convertible into the Shares during the Relevant Period;
- (ii) save for the Sale Shares, none of the Offeror, HI and parties acting in concert with any one of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (iii) none of the Offeror, HI and the parties acting in concert with any of them had received any irrevocable commitment to accept or reject the Offer;
- (iv) save for the Sale and Purchase Agreement, there was no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which might be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (v) save for the Sale and Purchase Agreement, there was no agreement or arrangement to which the Offeror is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, HI or any parties acting in concert with any one of them has borrowed or lent;
- (vii) save for the Consideration paid by the Offeror to the Vendors, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, HI or parties acting in concert with any one of them to the Vendors or any parties acting in concert with any of them in connection with the sale and purchase of the Sale Shares;
- (viii) there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, HI and parties acting in concert with any one of them on one hand, and the Vendors and party acting in concert with any of them on the other hand;
- (ix) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and; (2) the Offeror, HI and parties acting in concert with any one of them;

- (x) save and except for the Sale and Purchase Agreement, there was no other agreement, arrangement or understanding (including any compensation arrangement) between (1) the Offeror, HI or any person acting in concert with any one of them; and (2) any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer;
- (xi) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (xii) no material contracts had been entered into by the Offeror in which any Director had a material personal interest; and
- (xiii) there was no agreement, arrangement or understanding that the Offer Shares acquired in pursuance to the Offers would be transferred, charged or pledged to any other persons.

## 5. EXPERTS AND CONSENTS

The followings are the qualifications of the experts who have given opinion or advice contained in this Composite Document:

<b>Name</b>	<b>Qualification</b>
Red Sun Capital	a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Red Sun Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter and references to its name in the form and context in which it appears.

## 6. MISCELLANEOUS

- (a) The sole director of the Offeror is Dr. Xu, and the directors of HI are Dr. Xu, Dr. Chen, Ms. Wen Yuan, Ms. Liu Ying, Mr. Zhang Hao and Ms. Li Lining;
- (b) The registered office of the Offeror is at Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands;
- (c) The correspondence address of the principal members of the Offeror's concert group, being (i) the Offeror and HI is 12<sup>th</sup> Floor, Building D2, Nanshan iPark, No. 1001 Xueyuan Avenue, Nanshan District, Shenzhen, Guangdong Province, the PRC; and (ii) Dr. Xu is Flat 1A11A, Phase 5, Xiangshanli Garden, Qiao North No.3 Street, Nanshan District, Shenzhen, Guangdong Province, the PRC;

- (d) The correspondence address in Hong Kong of the principal members of the Offeror's concert group, being (i) Dr Xu and the Offeror is Units 1702-03, Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong; and (ii) HI is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong;
- (e) the registered address of Red Sun Capital is Room 2703, 27/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong; and
- (f) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese text, in case of any inconsistency.

## **7. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the SFC ([www.sfc.hk](http://www.sfc.hk)) and the Company ([www.lingyui.com.hk](http://www.lingyui.com.hk)) from the date of this Composite Document up to and including the Closing Date:

- (i) the articles of association of the Offeror;
- (ii) the "Letter from Red Sun Capital", the text of which is set out on pages 12 to 23 of this Composite Document; and
- (iii) the written consents referred to in the paragraph headed "5. Experts and Consents" in this appendix.