14 August 2026

To the Independent Shareholders,

Dear Sir/Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY CONSTANCE CAPITAL LIMITED FOR AND ON BEHALF OF WISE TRIUMPH LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF SHEUNG YUE GROUP HOLDINGS LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY WISE TRIUMPH LIMITED, ITS ULTIMATE BENEFICIAL OWNER, OR PARTIES ACTING IN CONCERT WITH ANY OF THEM)

INTRODUCTION

Reference is made to the Joint Announcement.

As disclosed in the Joint Announcement, on 15 July 2026 (after trading hours), the Vendors and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Offeror agreed to purchase and the Vendors agreed to sell the Sale Shares, being 502,140,000 Shares, representing approximately 73.33% of the total issued share capital of the Company as at the Latest Practicable Date, free from all encumbrances, for a total cash Consideration of HK$143,009,472, equivalent to approximately HK$0.2848 per Sale Share.

Completion took place on the Completion Date, being 15 July 2026, and the Consideration was fully settled immediately upon the signing of the Sale and Purchase Agreement.

The Consideration was agreed among the Offeror and the Vendors after arm's length negotiations, with reference to (i) the business prospects, operations and the historical financial performance of the Group; and (ii) the Company's historical liquidity and share price performance traded on the Stock Exchange.

Immediately prior to Completion, none of the Offeror, Mr. Chen (i.e. the Offeror ultimate beneficial owner), and parties acting in concert with any of them owned, controlled or had direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately after Completion and as at the Latest Practicable Date, the Offeror, Mr. Chen (i.e. the Offeror ultimate beneficial owner) and parties acting in concert with any of them are interested in an aggregate of 502,140,000 Shares, representing approximately 73.33% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make a mandatory unconditional cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror, its ultimate beneficial owner and parties acting in concert with any of them).

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) the details of the Offer (including the expected timetable and the terms of the Offer); (ii) information relating to the Group, the Offeror, Mr. Chen and parties acting in concert with any of them, together with the Form of Acceptance; (iii) the letter from Constance Capital containing the details of the Offer; (iv) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee on whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and on acceptance of the Offer.

Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 and Rule 2.8 of the Takeovers Code, a board which receives an offer or which 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 the acceptance.

The Independent Board Committee, which comprises all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Li Hon Hung, *BBS, MH, JP*, Mr. Cheng Chi Hung and Mr. Wong Yip Kong, has been established for the purpose of making recommendations to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

The advice of the Independent Financial Adviser and the recommendations of the Independent Board Committee are included in the Composite Document despatched to the Independent Shareholders.

You are strongly advised to read the "Letter from the Independent Board Committee" to the Independent Shareholders, the "Letter from the Independent Financial Adviser" and the additional information contained in the appendices to this Composite Document before taking any action in respect of the Offer.

THE OFFER

Constance Capital, for and on behalf of the Offeror, is making the Offer to acquire all of the Offer Shares on the terms in accordance with the Takeovers Code and on the terms set out in this Composite Document and in the Form of Acceptance on the following basis:

Offer Price for each Offer Share............................ HK$0.2848 in cash

The Offer Price of HK$0.2848 per Offer Share is equivalent to the Consideration payable by the Offeror (i.e. HK$143,009,472), divided by the number of the Sale Shares (i.e. 502,140,000 Shares).

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.

The Offer is extended to all Independent Shareholders, being Shareholders other than the Offeror, Mr. Chen and parties acting in concert with any of them in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrance and together with all rights and benefits attached and accrued thereto, including 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.

As at the Latest Practicable Date, 684,750,000 Shares were in issue and the Company does not have any outstanding options, derivatives, warrants or other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

The Company confirms that, as at the Latest Practicable Date, it has not declared any dividend which is not yet paid and it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing of the Offer.

Further details regarding the Offer, including the terms and procedures for acceptance of the Offer are set out in the "Letter from Constance Capital" and Appendix I to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed "Information on the Offeror" in the "Letter from Constance Capital" in this Composite Document for information on the Offeror.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of foundation works and ancillary services in Hong Kong.

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

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the Latest Practicable Date:

	Immediately prior to Completion		**Immediately upon Completion and as at the Latest Practicable Date**	
	Number of Shares	*Approximate % of issued Shares*	*Number of Shares*	*Approximate % of issued Shares*
Offeror and parties acting in concert with it	–	–	502,140,000	73.33
Vendor A *(Notes 1, 2)*	495,000,000	72.29	–	–
Vendor B *(Note 2)*	7,140,000	1.04	–	–
Sub-total	502,140,000	73.33	502,140,000	73.33
Independent Shareholders	182,610,000	26.67	182,610,000	26.67
Total	684,750,000	100	684,750,000	100

Notes:

1. As at the Latest Practicable Date, Vendor A is beneficially owned as to 45% by Mr. Chan Lap Wai Gary, 28% by Mr. Chan Lap Chuen Edmond, 18% by Vendor B, and 9% by Ms. Chan Chin Ling Chrissy.

2. Mr. Chan Lap Wai Gary, Mr. Chan Lap Chuen Edmond and Vendor B are directors of the Company.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed "Information on the Offeror" in the "Letter from Constance Capital" and Appendix III "General Information of the Offeror" to this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed "Intention of the Offeror in relation to the Group" in the "Letter from Constance Capital" contained in this Composite Document for details regarding Offeror's intention on the business of the Group.

In particular, as stated in the "Letter from Constance Capital", the Offeror intends to continue the existing principal business of the Group and will maintain the listing status of the

Company. The Offeror will conduct a review of the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. However, the Offeror reserves the right and cannot rule out making any changes that it deems necessary or appropriate to the Group's businesses and operations to enhance the value of the Group.

It is also noted by the Board that in order to enhance and strengthen the business of the Group, the Offeror intends to conduct a detailed review over the Group by appraising and assessing the existing principal businesses, operations, financial position and investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group. Subject to the results of such review and should suitable investment or business opportunities arise, the Offeror may explore such arisen opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company.

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 opportunities has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation (whether verbally or in writing) in relation to the injection of any assets or business into the Group.

As at the Latest Practicable Date, the Board is comprised of three executive Directors and three independent non-executive Directors. The Offeror intends to continue the employment of the existing management and employees of the Group (except for a proposed change to 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).

Furthermore, it is noted that the Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate. As at the Latest Practicable Date, the Offeror has not reached any final decision as to (i) who will be nominated as new Director(s) of the Company; and (ii) the final composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company, and a separate announcement will be made in this regard in accordance with the Listing Rules as and when appropriate.

As stated in the "Letter from Constance Capital" contained in this Composite Document, save for the Offeror's intention regarding the Group as set out therein, 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.

The Board is willing to cooperate with the Offeror and act in the best interests of the Company and its Shareholders as a whole.

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 Stock 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 Constance Capital" contained in this Composite Document, the Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror, the Directors and the new Director(s) to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of rule 13.32B, they will take appropriate steps to ensure the Company's compliance with rule 13.32B at the earliest possible moment.

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

RECOMMENDATION

Your attention is drawn to (i) the "Letter from the Independent Board Committee" as set out on pages 29 to 30 of this Composite Document, which contains its recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to their acceptance of the Offer; and (ii) the "Letter from the Independent Financial Adviser" as set out on pages 31 to 50 of this Composite Document which contains its advice to the Independent Board Committee in relation to the Offer and the principal factors considered by it in arriving at its advice.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I "Further Terms and Procedures for Acceptance of the Offer" to this Composite Document and the accompanying Form of Acceptance.

In considering what action 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 professional advisers.

By order of the Board of
Sheung Yue Group Holdings Limited

Chan Lap Wai Gary
Chairman