**THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**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 **Sheung Yue Group 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).



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 contained herein.

**WISE TRIUMPH LIMITED**

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

**SHEUNG YUE GROUP HOLDINGS LIMITED**

**上諭集團控股有限公司**

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

**(Stock Code: 1633)**

# COMPOSITE DOCUMENT RELATING TO MANDATORY UNCONDITIONAL CASH OFFER BY CONSTANCE CAPITAL LIMITED FOR AND ON BEHALF OF WISE TRIUMPH LIMITED TO ACQUIRE ALL OF 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)

**Joint Financial Advisers to the Offeror**

華安證券(香港)
HUAAN SECURITIES (HONG KONG)

**Huaan Securities (Hong Kong) Corporate Finance Limited**

MESSIS 大有融資

**Messis Capital Limited**

**Offer Agent to the Offeror**

弘雅資本有限公司
CONSTANCE CAPITAL

**Constance Capital Limited**

**Independent Financial Adviser to the Independent Board Committee**

RAINBOW.
RAINBOW CAPITAL (HK) LIMITED
浤博資本有限公司

**Rainbow Capital (HK) Limited**

Capitalised terms used in this cover page shall have the same meanings as those defined in this Composite Document unless the content requires otherwise.

A letter from Constance Capital containing, among other things, principal terms of the Offer is set out on pages 10 to 20 of this Composite Document. A letter from the Board is set out on pages 21 to 28 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholders is set out on pages 29 to 30 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer is set out on pages 31 to 50 of this Composite Document.

The procedures for acceptance and other related information in respect of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Form of Acceptance should be received by the Registrar, Tricor Investor Services Limited, at 17th Floor, 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 Friday, 4 September 2026 or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with 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 paragraphs headed "Overseas Shareholders" in the "Letter from Constance Capital" and "Overseas 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 and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents or any registration or filing which may be required and the compliance with other necessary formalities or legal requirements and payment of any transfer or other taxes due by such Overseas Shareholder in respect of such jurisdiction. Each Overseas Shareholder is advised to seek professional advice on deciding whether to accept the Offer.

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

14 August 2026

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*The expected timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.*

| **Event** | **Time and Date** |
|---|---|
| Despatch date of this Composite Document and the accompanying Form of Acceptance and commencement date of the Offer *(Note 1)* | Friday, 14 August 2026 |
| Offer open for acceptance *(Note 1)* | Friday, 14 August 2026 |
| Latest time and date for acceptance of the Offer *(Notes 2, 3 and 5)* | by 4:00 p.m. on Friday, 4 September 2026 |
| Closing Date *(Notes 3 and 5)* | Friday, 4 September 2026 |
| Announcement of the results of the Offer (or its extension or revision, if any) as at the Closing Date, to be posted on the website of the Stock Exchange and the Company *(Notes 3 and 5)* | by 7:00 p.m. on Friday, 4 September 2026 |
| Latest date for posting of remittances for the amount due in respect of valid acceptances received under the Offer at or before 4:00 p.m. on the Closing Date *(Notes 4 and 5)* | Tuesday, 15 September 2026 |

*Notes:*

1. The Offer, which is unconditional in all respects, is open for acceptance on and from 14 August 2026, being the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the paragraph headed "4. Right of Withdrawal" in Appendix I to this Composite Document.

2. Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

3. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least twenty-one (21) days following the date on which this Composite Document is despatched. The Offer will initially remain open for acceptances until 4:00 p.m. on 4 September 2026 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror and the Company will jointly issue an announcement in relation to any extension of the Offer, in which the announcement will state either the next Closing Date or, a

statement that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.

4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to Independent Shareholders accepting the Offer (to the address specified on the Form of Acceptance) by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days following the date of receipt by the Registrar of all relevant documents to render the acceptance under the Offer complete and valid, in accordance with the Takeovers Code.

5. If there is a tropical cyclone warning signal no. 8 or above, or "Extreme Conditions" or a "black rainstorm warning signal" as issued by the Hong Kong Observatory and/or the Government of Hong Kong (collectively, "**severe weather conditions**") on any of the following deadlines ("**Key Deadlines**"): (i) the Closing Date and the latest time for acceptance of the Offer and the submission and publication deadline for a closing announcement under Rule 19.1 of the Takeovers Code; and (ii) the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances,

   (a) in case any severe weather condition is in force in Hong Kong at any local time before 12:00 noon but no longer in force at 12:00 noon and/or thereafter on any Key Deadline, such Key Deadline will remain on the same Business Day; or

   (b) in case any severe weather condition is in force in Hong Kong at any local time at 12:00 noon and/or thereafter on any Key Deadline, such Key Deadline will be rescheduled to the following Business Day which does not have any of those warnings or conditions in force in Hong Kong at any time at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

Save as mentioned above, if the latest time for acceptance of the Offer does not take place on the abovementioned date and time due to any reasons as mentioned in Notes 3 and 5 above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

**Unless otherwise expressly stated, all time and date references contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong time and dates.**

## 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 of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements.

It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/ itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, 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 from such accepting Overseas Shareholders in respect of such jurisdiction.

The Offeror, Mr. Chen and the parties acting in concert with any of them, the Company, Huaan Securities, Messis Capital, Constance Capital, Rainbow Capital, 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 such person for any taxes as such person may be required to pay. Please see the paragraph headed "Overseas Shareholders" in the "Letter from Constance Capital" and "Overseas Shareholders" in 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 forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the 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.

*In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:*

| | |
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| "Accepted Offer Shares" | the Offer Shares tendered for acceptance by the Accepting Shareholders under the Offer (subject to verification of valid acceptances in accordance with the terms of the Offer) |
| "Accepting Shareholders" | Independent Shareholders who may tender acceptance of the Offer in respect of all or any of the Shares held by them (subject to verification of valid acceptances in accordance with the terms of the Offer) |
| "acting in concert" | has the meaning ascribed to it under the Takeovers Code |
| "associate(s)" | has the meaning ascribed to it under the Takeovers Code |
| "Board" | the board of Directors |
| "Business Day(s)" | 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 HKSCC |
| "Closing Date" | 4 September 2026, being the closing date of the Offer, which is no later than twenty-one (21) days following the date on which this Composite Document is despatched, 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" | Sheung Yue Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 01633) |
| "Completion" | completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement |
| "Completion Date" | the date on which Completion took place, being 15 July 2026 |

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| "Composite Document" | this composite offer and response document dated 14 August 2026 and jointly issued by the Offeror and the Company to the Independent Shareholders in connection with the Offer 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 |
| "connected person(s)" | has the meaning ascribed to it under the Listing Rules |
| "Consideration" | the amount of HK$143,009,472, being the consideration payable by the Offeror to the Vendors for the purchase of the Sale Shares under the Sale and Purchase Agreement |
| "Constance Capital" | Constance Capital Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, being the Offer Agent making the Offer on behalf of the Offeror |
| "controlling shareholder" | has the meaning ascribed to it under the Listing Rules |
| "Director(s)" | the director(s) of the Company |
| "Executive" | means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director |
| "Facility" | the facility of up to HK$52,500,000 provided by the Offer Agent to the Offeror pursuant to the Facility Agreement for the purpose of financing the Offer |
| "Facility Agreement" | the facility agreement dated 15 July 2026 entered into between the Offeror as borrower and the Offer Agent as lender in respect of the Facility |
| "Form of Acceptance" | the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document |
| "Group" | the Company and its subsidiaries |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |

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|---|---|
| "HKSCC" | Hong Kong Securities Clearing Company Limited |
| "HKSCC Nominees Limited" | Hong Kong Securities Clearing Company (Nominees) Limited, a wholly-owned subsidiary of HKSCC |
| "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "Huaan Securities" | Huaan Securities (Hong Kong) Corporate Finance Limited, a licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being one of the Joint Financial Advisers to advise the Offeror in respect of the Offer |
| "Independent Board Committee" | the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Li Hon Hung, *BBS, MH, JP*, Mr. Cheng Chi Hung and Mr. Wong Yip Kong, which has been established by the Company to make a recommendation, after taking into account the advice from the Independent Financial Adviser, to the Independent Shareholders in relation to the Offer and as to the acceptance of it |
| "Independent Financial Adviser" or "Rainbow Capital" | Rainbow Capital (HK) Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in respect of the Offer and as to the acceptance of the Offer |
| "Independent Shareholder(s)" | Shareholders other than the Offeror, its ultimate beneficial owner and parties acting in concert with any of them |
| "Joint Announcement" | the announcement dated 24 July 2026 jointly issued by the Offeror and the Company in relation to, among others, the Sale and Purchase Agreement and the Offer |
| "Joint Financial Advisers" | Huaan Securities and Messis Capital, both appointed to advise the Offeror in respect of the Offer |
| "Last Trading Day" | 15 July 2026, being the last trading day of the Shares immediately prior to the release of the Joint Announcement |

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| "Latest Practicable Date" | 11 August 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 |
| "Messis Capital" | Messis Capital Limited, a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Financial Advisers to advise the Offeror in respect of the Offer |
| "Mr. Chen" | Mr. Chen Haining (陳海寧), the sole legal and beneficial owner and the sole director of the Offeror, and a party acting in concert with the Offeror |
| "Offer" | the mandatory unconditional cash offer made by Constance Capital for and on behalf of the Offeror to acquire all the issued Shares of the Company (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) in accordance with the Takeovers Code |
| "Offer Agent" | Constance Capital, being the Offer Agent making the Offer on behalf of the Offeror |
| "Offer Period" | has the meaning ascribed to it under the Takeovers Code which commenced since 24 July 2026, being the date of the Joint Announcement, and ending on the Closing Date or such other time and/or date to which the Offeror may decide to revise or extend the Offer with the consent of the Executive |
| "Offer Price" | the cash amount of HK$0.2848 payable by the Offeror for each Offer Share |
| "Offer Share(s)" | all the issued Shares other than those Shares already owned or agreed to be acquired by the Offeror, its ultimate beneficial owner, or parties acting in concert with any of them |

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| "Offeror" | Wise Triumph Limited, a company incorporated in the BVI with limited liability, which is wholly and beneficially owned by Mr. Chen |
| "Overseas Shareholder(s)" | Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong |
| "Registrar" | Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong, located at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong |
| "Relevant Period" | the period commencing from 24 January 2026, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date |
| "Sale and Purchase Agreement" | the sale and purchase agreement dated 15 July 2026 and entered into between the Vendors and the Offeror in relation to the sale and purchase of the Sale Shares |
| "Sale Share(s)" | a total of 502,140,000 Shares acquired by the Offeror from the Vendors pursuant to the terms and conditions of the Sale and Purchase Agreement, representing approximately 73.33% of the total issued share capital of the Company as at the Latest Practicable Date |
| "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)" | share(s) of nominal value of HK$0.01 each in the share capital of the Company |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Takeovers Code" | the Hong Kong Code on Takeovers and Mergers |

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|---|---|
| "Vendor A" | Creative Elite Global Limited, a company incorporated in Cayman Islands with limited liability and is 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 |
| "Vendor B" | Ms. Chan Chin Ying Amanda, an executive Director |
| "Vendors" | collectively Vendor A and Vendor B |
| "%" | per cent. |

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.

### The Sale and Purchase Agreement and the Offer

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 Vendors agreed to sell and the Offeror agreed to purchase 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 or parties acting in concert with any of them). The Offer will be made to the Independent Shareholders.

**Purpose of this letter**

This letter forms part of this Composite Document and sets out, among other things, principal terms of the Offer, together with the information on the Offeror and the intention of the Offeror in relation to the Group. Further details of the terms and the procedures of acceptance of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" to the Independent Shareholders and the "Letter from the Independent Financial Adviser" to the Independent Board Committee as contained in this Composite Document.

**THE OFFER**

**Principal terms of the Offer**

Constance Capital, for and on behalf of the Offeror, is making the Offer to acquire all of the Offer Shares 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 paid 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.

The procedures for acceptance and further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

**The Offer Price will not be increased and the Offeror does not reserve the right to do so. 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.**

**In the unlikely event that the Company distributes a dividend (or other distribution) during the Offer Period, the Offeror must reduce the Offer Price by an amount equal to that dividend (or distribution) so that the overall value receivable by the Shareholders remains the same as required by Note 11 to Rule 23.1 of the Takeovers Code.**

**Offer Price**

The Offer Price of HK$0.2848 per Offer Share represents:

(a) a discount of approximately 38.09% to the closing price of HK$0.4600 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(b) a discount of approximately 33.77% to the closing price of HK$0.4300 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a discount of approximately 31.70% over the average closing price of HK$0.4170 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;

(d) a discount of approximately 30.28% over the average closing price of HK$0.4085 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;

(e) a discount of approximately 35.66% over the average closing price of approximately HK$0.4427 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day; and

(f) a premium of approximately 29.86% to the audited net asset value per Share of approximately HK$0.2193 as at 31 March 2026, calculated based on the Group's audited consolidated net asset value attributable to the Shareholders as at 31 March 2026 of approximately HK$150,170,000 divided by a total of 684,750,000 issued Shares as at the Latest Practicable Date.

**Highest and lowest Share prices**

The highest closing price of the Shares quoted on the Stock Exchange during the Relevant Period was HK$0.6000 on 27 July 2026.

The lowest closing price of the Shares quoted on the Stock Exchange during the Relevant Period was HK$0.1380 on 28 January 2026.

**Total value of the Offer**

As at the Latest Practicable Date, the Company has 684,750,000 Shares in issue. On the basis of the Offer Price of HK$ $0.2848 per Offer Share, the total issued share capital of the Company is valued at HK$195,016,800. The Offer is made to the Independent Shareholders.

Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date and up to the close of the Offer, and excluding the 502,140,000 Shares held by the Offeror, its ultimate beneficial owner and parties acting in concert with any of them immediately after Completion, the number of Shares subject to the Offer is 182,610,000. Based on the Offer Price of HK$0.2848 per Offer Share, the total consideration of the Offer would be HK$52,007,328 in the event that the Offer is accepted in full.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and benefits attached thereto as at the date of this Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

**Confirmation of financial resources available for the Offer**

The maximum amount of cash payable by the Offeror in respect of the consideration payable upon full acceptance of the Offer is HK$52,007,328, assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer.

The Offeror will finance the maximum amount of cash payable by the Offeror in respect of the consideration payable upon full acceptance of the Offer in the total amount of HK$52,007,328 by way of the Facility provided by Offer Agent pursuant to the Facility Agreement. The Offeror has entered into the Facility Agreement with the Offer Agent (as lender) in the amount of up to HK$52,500,000 to the Offeror (as borrower), which can fully cover the maximum amount of cash payable by the Offeror upon full acceptance of the Offer.

The drawdown of the Facility is not subject to any subjective conditions. The Facility is secured by (i) a personal guarantee of Mr. Chen, the ultimate beneficial owner of the Offeror;

and (ii) an undertaking of the Offeror that all the Sale Shares and all the Accepted Offer Shares (the "**Relevant Shares**") shall be deposited into a securities account maintained with the Offer Agent and cannot be withdrawn until the principal, interest, costs and expenses payable by the Offeror under the Facility have been settled in full (the "**Undertaking**"). The value of the Facility will not be affected by the value of the Relevant Shares which are subject to the Undertaking.

The Offeror has financed and satisfied the Consideration for the Sale Shares by its internal resources. None of the internal resources were borrowed from third parties.

The Joint Financial Advisers, being the financial adviser to the Offeror in respect of the Offer, are satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable upon full acceptance of the Offer.

**Effect of accepting 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.

By accepting the Offer, the Independent Shareholders will be deemed to warrant that all the Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances and together with all rights and benefits attaching thereto as at the date of this Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

Acceptances of the Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the paragraph headed "4. RIGHT OF WITHDRAWAL" in Appendix I to this Composite Document.

**Independent Shareholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer which are included in the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" as contained in this Composite Document.**

**Payment**

Payment in cash in respect of acceptances of the Offer, net of seller's Hong Kong ad valorem stamp duty, will be made as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of a duly completed and valid acceptance of the Offer. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

No fractions of a cent (HK¢) will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent (HK¢).

**Hong Kong Stamp duty**

The 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, and 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 the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

**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, Mr. Chen and parties acting in concert with any of them, the Company, Constance Capital, Huaan Securities, Messis Capital, Rainbow Capital, the Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, advisers, 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**

The Offer is made to all Independent Shareholders, including the Overseas Shareholders (if any). The making and the implementation of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be subject to the laws or regulations of the relevant jurisdictions. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable requirements and restrictions in their own jurisdictions, and where necessary, seek independent legal advice in respect of the Offer. It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the applicable laws and regulations of the relevant 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 payable by the accepting Overseas Shareholders in respect of such jurisdictions).

**Any acceptance of the Offer by any Independent Shareholders will be deemed to constitute a representation and warranty from such Independent Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.**

As at the Latest Practicable Date, there are no Overseas Shareholders of being identified by the Company.

## 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 Company is principally engaged in the provision of foundation works and ancillary services in Hong Kong.

Your attention is also drawn to the information on the Group set out in the section headed "Information on the Group" in the "Letter from the Board" and Appendices II and IV as contained in this Composite Document.

## INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability on 8 March 2012. As at the Latest Practicable Date, the Offeror is wholly-owned by Mr. Chen, who is also the sole director of the Offeror.

Mr. Chen, aged 63, is the holder of a bachelor degree and graduated in Chongqing Construction Engineering College majoring in electrical engineering. He has over 20 years of experience in project investment, covering sectors including among others, industrial-grade edge AI chips and microelectronics, silicon-based new materials, packaged drinking water and beverages, as well as AI-driven animation, film and series production. He is currently the sole director of the Offeror, a company principally engaged in project investment, mainly covering the trading of natural gas. Mr. Chen is responsible for daily operation and decision making concerning target projects of the Offeror. Mr. Chen does not have any direct experience in the Group's principal business. Mr. Chen remains confident in the Group's long-term growth prospects and aims to capture new development opportunities of the Group through strategic investments, driving synergistic growth and achieve mutual value creation across both his capital and the Group's core business.

By partnering with Mr. Chen, the Company can leverage his capital and project investment expertise to strengthen its competitive position within the Hong Kong construction market. As set out in the Company's annual report for the year ended 31 March 2026, the Hong Kong construction market is expected to remain competitive, the Group aim to maintain a prudent bidding strategy, enhance operational efficiency and preserve financial flexibility. With secure capital provided by the Offeror, the Group may avoid project delays caused by client funding bottlenecks, while benefiting from stable cash flows and predictable working capital cycles.

## INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Following the close of the Offer, the Offeror intend that the Group will 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.

Moreover, 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, arrangement, understanding or negotiation (whether verbally or in writing) in relation to the injection of any assets or business into the Group.

Furthermore, 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.

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.

## 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.

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.

## ACCEPTANCE AND SETTLEMENT OF THE OFFER

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

## COMPULSORY ACQUISITION

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired under the Offer.

## GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules, and the information disclosed may not be the same as that which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

Attention of the Overseas Shareholders is drawn to the paragraph headed "6. OVERSEAS SHAREHOLDERS" in Appendix I to this Composite Document. All communications, notices, Form 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. None of the Offeror, Mr. Chen and parties acting in concert with any of them, the Company, Constance Capital, Huaan Securities, Messis Capital, Rainbow Capital, the Registrar or (as the case may be) their respective ultimate beneficial owners, directors, officers, agents and associates nor any other person involved in the Offer will be responsible for any loss or delay in postage or any other liabilities that may arise as a result thereof or in connection therewith. Further details have been set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance.

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 them at their respective addresses as they appear in the register of members of the Company and in case of joint holders, to the Independent Shareholder whose name appears first in the said register of members. None of the Offeror, Mr. Chen and parties acting in concert with any of them, the Company, Constance Capital, Huaan Securities, Messis Capital, Rainbow Capital, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

## ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. You are reminded to read carefully the "Letter from the Board", the "Letter from the Independent Board Committee" and the letter of advice by the Independent Financial Adviser to the Independent Board Committee in respect of the Offer as set out in the "Letter from the Independent Financial Adviser" as contained in this Composite Document in relation to their recommendations and/or advice regarding the Offer. If you are in doubt about your position in connection with the Offer, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Yours faithfully,
For and on behalf of
**Constance Capital Limited**
**Mr. Sam Wu**
*Responsible Officer*

# SHEUNG YUE GROUP HOLDINGS LIMITED
# 上諭集團控股有限公司

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

**(Stock Code: 1633)**

*Executive Directors:*
Mr. Chan Lap Wai Gary
Mr. Chan Lap Chuen Edmond
Ms. Chan Chin Ying Amanda

*Independent non-executive Directors:*
Mr. Li Hon Hung *BBS, MH, JP*
Mr. Cheng Chi Hung
Mr. Wong Yip Kong

*Registered office:*
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Headquarters and principal place of business in Hong Kong:*
Unit 103–105, 1/F
New East Ocean Centre
9 Science Museum Road
Tsim Sha Tsui East
Kowloon
Hong Kong

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*

*The following is the text of a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer prepared for the purpose of inclusion in this Composite Document.*

# SHEUNG YUE GROUP HOLDINGS LIMITED
# 上諭集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 1633)**

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)

We refer to the composite offer and response document (the "**Composite Document**") jointly issued by the Company and the Offeror dated 14 August 2026, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to advise the Independent Shareholders as to, in our opinion, whether or not the Offer is fair and reasonable and to make recommendation in respect of acceptance of the Offer.

Rainbow Capital has been appointed as the Independent Financial Adviser with our approval to advise us in respect of the Offer and, in particular, whether the Offer is fair and reasonable and to make recommendation 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 recommendation, are set out in the "Letter from the Independent Financial Adviser" in this Composite Document.

We also wish to draw your attention to the "Letter from Constance Capital", the "Letter from the Board" and the additional information set out in the appendices to this Composite Document and the accompanying Form of Acceptance in respect of the terms of the Offer and the acceptance and settlement procedures for the Offer.

**RECOMMENDATION**

Having considered the terms of the Offer and the letter of advice and recommendations from the Independent Financial Adviser, we concur with the view of the Independent Financial Adviser and consider that the Offer is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Shareholders to accept the Offer.

Notwithstanding our recommendations, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for professional 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 this Composite Document and the Form of Acceptance. If in any doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
**Sheung Yue Group Holdings Limited**

| | | |
|---|---|---|
| **Mr. Li Hon Hung,**<br>*BBS, MH, JP*<br>*Independent non-executive Director* | **Mr. Cheng Chi Hung**<br>*Independent non-executive Director* | **Mr. Wong Yip Kong**<br>*Independent non-executive Director* |

*The following is the full text of a letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, which has been prepared for the purpose of incorporation in this Composite Document.*

14 August 2026

*To the Independent Board Committee*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY CONSTANCE CAPITAL LIMITED FOR AND ON BEHALF OF WISE TRIUMPH LIMITED TO ACQUIRE ALL OF 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

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, details of which are set out in the "Letter from the Board" of this Composite Document to the Independent Shareholders dated 14 August 2026, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

On 15 July 2026 (after trading hours of the Stock Exchange), the Offeror (as the purchaser) and the Vendors (as the vendors) entered into the Sale and Purchase Agreement, pursuant to which the Vendors agreed to sell and the Offeror agreed to acquire, the Sale Shares (i.e. a total number of 502,140,000 Shares, representing approximately 73.33% of the entire issued share capital of the Company), free from all encumbrances, for a total cash Consideration of HK$143,009,472, equivalent to 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.

Immediately prior to Completion, none of the Offeror, Mr. Chen (i.e. the Offeror's 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 following Completion and as at the date of this joint announcement, the Offeror, Mr. Chen (i.e. the Offeror's 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 entire 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 or parties acting in concert with any of them). Constance Capital Limited is, for and on behalf of the Offeror, making the Offer to acquire all of the Offer Shares at the Offer Price of HK$0.2848 per Offer Share.

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors (namely, Mr. Li Hon Hung, *BBS, MH, JP*, Mr. Cheng Chi Hung and Mr. Wong Yip Kong) 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 Offer is fair and reasonable and as to the acceptance of the Offer. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in the same regard and such appointment has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

As at the Latest Practicable Date, we are not associated or connected financially or otherwise with the Company, the Vendors, the Offeror and its ultimate beneficial owner, their respective substantial shareholders and professional advisers, or any party acting, or presumed to be acting, in concert with any of them. In the last two years prior to the commencement of the Offer Period, there was no engagement or connection between the Group, the Vendors, the Offeror and its ultimate beneficial owner, or the parties acting in concert with any of them on one hand and us on the other hand. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Vendors, the Offeror and its ultimate beneficial owner, their respective substantial shareholders and financial or other professional advisers, or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice to the Independent Board Committee in respect of the Offer.

## BASIS OF OUR OPINION

In formulating our opinion and advice, we have considered, among other things, (i) the information and facts contained or referred to in this Composite Document; (ii) the annual reports of the Company for the years ended 31 March 2025 and 2026 (the "**2025 Annual Report**" and the "**2026 Annual Report**", respectively); (iii) the information and opinions provided by the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in this Composite Document were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in this Composite Document are true in all material respects at the time they were made and continue to be true in all material respects as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in this Composite Document were reasonably made after due and careful enquiry.

We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group.

The Independent Shareholders will be informed by the Company and us as soon as possible if there is any material change to the information disclosed in this Composite Document in accordance with Rule 9.1 of the Takeovers Code during the Offer Period, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Independent Shareholders accordingly.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in this Composite Document so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, the Offeror or any of their respective subsidiaries and associates.

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

**PRINCIPAL TERMS OF THE OFFER**

Constance Capital, for and on behalf of the Offeror, is making the Offer to acquire all of the Offer Shares 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 paid 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 of the Offer including, among other things, the expected timetable and the terms and procedures for acceptance of the Offer are set out in the sections headed "Expected Timetable", "Letter from Constance Capital" and "Further Terms and Procedures for Acceptance of the Offer" to this Composite Document and the Form of Acceptance.

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and Independent Shareholders with regard to the Offer, we have taken into account the following principal factors and reasons:

### 1. Background information of 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 Company is principally engaged in the provision of construction-related foundation works and ancillary services in Hong Kong.

Set out below is a summary of the consolidated financial information of the Group for the years ended 31 March 2024, 2025 and 2026 ("**FY2024**", "**FY2025**" and "**FY2026**", respectively) as extracted from the 2025 Annual Report and the 2026 Annual Report:

***(i) Financial performance***

| | **FY2026** | **FY2025** | **FY2024** |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* |
| | (audited) | (audited) | (audited) |
| **Revenue** | 217,941 | 264,770 | 361,257 |
| Cost of services | (213,359) | (245,788) | (330,009) |
| **Gross profit** | 4,582 | 18,982 | 31,248 |
| Other income | 1,458 | 3,442 | 3,378 |
| Other gains, net | (518) | 403 | 6 |
| Reversal of/(allowance for) expected credit loss on financial assets, net | (2,992) | 1,096 | (950) |
| Impairment loss on plant and equipment | (328) | – | – |
| Impairment loss on right-of-use assets | (2,814) | (5,190) | – |
| Administrative expenses | (17,840) | (22,683) | (23,874) |
| Finance costs | (3,110) | (5,702) | (5,522) |
| **(Loss)/profit before tax** | (21,562) | (9,652) | 4,286 |
| Income tax expense | – | – | – |
| **(Loss)/profit attributable to the Shareholders** | (21,562) | (9,652) | 4,286 |

*FY2025 as compared to FY2024*

At the beginning of FY2024, the Group had 9 construction related foundation work projects on hand with total contract sum amounting to approximately HK$512.1 million. The Group obtained 13 new construction related foundation work projects during FY2024 and completed a total of 13 construction related foundation work projects during FY2024, with an average revenue of HK$27.8 million per project. At the beginning of FY2025, the Group had 9 construction related foundation work projects on hand with total contract sum amounting to approximately HK$450.3 million. The Group obtained 17 new construction related foundation work projects during FY2025 and completed a total of 18 construction related foundation work projects during FY2025, with an average revenue of HK$14.7 million per project. The Group's revenue decreased by approximately 26.7% from HK$361.3 million for FY2024 to HK$264.8

million for FY2025, primarily due to a reduction in the average scale of foundation work projects undertaken during the year.

Consistent with the decrease in revenue, the Group's gross profit decreased by approximately 39.3% from HK$31.2 million for FY2024 to HK$19.0 million for FY2025. The Group's gross profit margin decreased to 7.2% for FY2025 from 8.6% for FY2024, which was mainly due to lower profit margins from new foundation work projects as a result of rising material and labour costs, and an increase in subcontracting costs incurred during the year. The Group may act as a main contractor or subcontractor in foundation work projects, and relies on subcontractors to complete foundation work projects in line with the usual practice of the foundation industry in Hong Kong. During the three years ended 31 March 2026, the subcontracting costs accounted for approximately 74.3%, 73.5%, and 83.0% of the Group's total cost of services, respectively.

The Group recorded a loss attributable to the Shareholders of HK$9.7 million for FY2025, compared to a profit attributable to the Shareholders of HK$4.3 million for FY2024. The turnaround from profit to loss was mainly driven by the decrease in gross profit discussed above and the one-off impairment loss of HK$5.2 million on right-of-use assets, representing operating lease arrangements for office premises and warehouse facilities which are related to the Group's construction operations. The impairment loss reflects a decrease in the present value of the discounted cash flows expected to be generated from such right-of-use assets associated with the construction operations, primarily driven by the Group's lower revenue and compressed gross profit margin.

*FY2026 as compared to FY2025*

At the beginning of FY2026, the Group had 8 construction related foundation work projects on hand with total contract sum amounting to approximately HK$350.5 million. The Group obtained 13 new construction related foundation work projects during FY2026 and completed a total of 17 foundation work projects during FY2026, with an average revenue of HK$12.8 million per project. As at 31 March 2026, the Group had 4 construction related foundation work projects on hand. The Group's revenue decreased by approximately 17.7% from HK$264.8 million for FY2025 to HK$217.9 million for FY2026, primarily due to a reduction in the number of foundation work projects undertaken during the year as the Group adopted a more cautious approach in selecting projects, coupled with a reduction in the average scale of foundation work projects. In light of the continuous decline in project gross profit margins, the Group exercised prudence in project selection to avoid the risk of incurring project losses.

The Group's gross profit decreased by approximately 75.9% from HK$19.0 million for FY2025 to HK$4.6 million for FY2026. The Group's gross profit margin decreased to 2.1% for FY2026 from 7.2% for FY2025, which was mainly due to lower profit margins from new foundation work projects as a result of rising material and labour costs, and an increase in subcontracting costs incurred during the year.

The Group's loss attributable to the Shareholders increased by 123.4% from HK$9.7 million for FY2025 to HK$21.6 million for FY2026, which was mainly due to the decrease in gross profit discussed above.

***(ii) Financial position***

| | As at 31 March | | |
|---|---|---|---|
| | **2026** | **2025** | **2024** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| | (audited) | (audited) | (audited) |
| **Non-current assets, including:** | 75,750 | 94,778 | 100,715 |
| – Plant and equipment | 75,479 | 94,152 | 86,013 |
| – Right-of-use assets | – | – | 11,199 |
| – Financial asset at fair value through profit or loss | – | – | 2,860 |
| – Rental deposit | 271 | 626 | 643 |
| **Current assets, including:** | 154,780 | 181,941 | 255,602 |
| – Inventories | 13,077 | 14,541 | 14,477 |
| – Contract assets | 87,521 | 96,241 | 118,825 |
| – Trade and other receivables | 48,758 | 56,051 | 102,979 |
| – Pledged bank deposits | 2,000 | 2,000 | 2,014 |
| – Cash and cash equivalents | 3,424 | 13,108 | 17,307 |
| **Current liabilities, including:** | 78,700 | 103,570 | 171,414 |
| – Trade and other payables | 24,274 | 35,502 | 60,499 |
| – Lease liabilities | 2,576 | 3,923 | 4,977 |
| – Bank and other loans | 51,850 | 64,145 | 105,938 |
| **Non-current liabilities liabilities, including:** | 1,660 | 1,417 | 3,519 |
| – Lease liabilities | 1,660 | 1,417 | 3,519 |
| **Net assets attributable to the Shareholders** | 150,170 | 171,732 | 181,384 |

The Group's net assets attributable to the Shareholders decreased by approximately 5.3% from HK$181.4 million as at 31 March 2024 to HK$171.7 million as at 31 March 2025, and further decreased by approximately 12.6% to HK$150.2 million as at 31 March 2026, primarily due to the net losses incurred by the Group during the years. In line with the reduction in the Group's business scale and revenue, contract assets, trade and other receivables, as well as trade and other payables also decreased accordingly.

***(iii) Industry overview***

According to the Hong Kong Standard Industrial Classification system adopted by the Census and Statistics Department, foundation works are classified under the construction sector. Foundation works constitute a part of a construction project, so the growth in foundation industry is closely correlated with that of the overall construction sector. Set out below are the gross value of construction works (including foundation works) performed by main contractors of Hong Kong and gross surplus of the construction sector in Hong Kong during the period from 2020 to 2025:

| | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **CAGR** |
|---|---|---|---|---|---|---|---|
| Gross value of construction works performed by main contractors in nominal terms *(HK$' billion)* | 229.9 | 233.7 | 249.1 | 270.9 | 290.6 | 287.5 | 4.6% |
| Gross surplus of the construction sector *(HK$' billion)* | 37.6 | 29.2 | 34.7 | 35.7 | 33.6 | Not disclosed | (2.8%) |
| Operating expenses for all companies in the construction sector *(HK$' billion)* | 26.0 | 26.7 | 25.4 | 28.6 | 35.1 | Not disclosed | 7.8% |
| Compensation of employees and payments to labour-only sub-contractors *(HK$' billion)* | 86.2 | 90.2 | 94.5 | 103.5 | 108.4 | Not disclosed | 5.9% |
| Consumption of materials and supplies *(HK$' billion)* | 65.2 | 67.1 | 76.9 | 76.0 | 79.5 | Not disclosed | 5.1% |
| Payment for sub-contract works rendered by fee sub-contractors *(HK$' billion)* | 176.3 | 183.0 | 179.7 | 207.0 | 217.0 | Not disclosed | 5.3% |

*Source: Census and Statistics Department of the Government of Hong Kong*

*Note:* Save for the CAGR of the gross value of construction works performed by main contractors, which covers the period from 2020 to 2025, the CAGRs for all other data are calculated for the period from 2020 to 2024.

As shown in the table above, the gross value of construction works performed by main contractors of Hong Kong has increased from approximately HK$229.9 billion in 2020 to approximately HK$287.5 billion in 2025 with a compound annual growth rate ("**CAGR**") of approximately 4.6%, indicating the rising construction activities in Hong Kong. However, the construction activities in Hong Kong slowed down in 2025 as evidenced by the decrease in such gross value by approximately 1.1% to approximately HK$287.5 billion in 2025. Although the gross value of construction works performed by main contractors experienced an upward trend from 2020 to 2024, the gross surplus of the construction sector in Hong Kong, which is equal to total receipts less operating expenses, consumption of material and supplies, payment for sub-contract works, and compensation of employees, has decreased from approximately HK$37.6 billion in 2020 to approximately HK$33.6 billion in 2024. In particular, due to the continuous increase in operating expenses, staff costs, material costs, and subcontracting costs of companies in the Hong Kong construction sector from 2020 to 2024 as set out in the table above, the gross surplus of the Hong Kong construction sector declined by approximately 5.9% year-on-year in 2024, marking the first negative growth in the past three years, which indicates a compression in the overall profit margin of the construction sector.

In the first quarter of 2026, according to data from the Census and Statistics Department (https://www.censtatd.gov.hk/en/web_table.html?id=615-66001), the gross value of construction works performed by main contractors of Hong Kong increased by 2.9% year-on-year, though it grew by only 1% in real terms (calculated by deflating the nominal value with an appropriate price index to the price level in the base period of 2000). As the gross surplus for the year ended 31 December 2025 and the first quarter of 2026, being the indicator of profitability, is not yet available, it remains uncertain whether the industry has achieved a recovery.

Taking into account the decrease in the gross surplus of the Hong Kong construction sector from 2020 to 2024, and the decrease in gross value of construction works performed by main contractors in Hong Kong in 2025, we consider the Hong Kong construction market may witness a slow growth and squeezed profit margin in the following years and its outlook remain challenging.

***(iv) Overall comment***

During the years under review, the Group's financial performance was impacted by the challenging Hong Kong construction market, which was characterized by declining gross surplus. The average scale of the Group's foundation work projects has been continuously decreasing . The average revenue per completed project decreased by approximately 47.1% from HK$27.8 million for FY2024 to HK$14.7 million for FY2025, and further decreased by approximately 12.9% to HK$12.8 million for FY2026. The Group recorded lower revenue and compressed gross profit margins, shifting from profitability to a net loss. Accordingly, we consider the Group's prospect to be uncertain in the short run.

**2. Information on the Offeror and its intention regarding the Group**

Details on the information on the Offeror and its intention regarding the Group are set out in the "Letter from Constance Capital" in this Composite Document, which are summarised as follows:

***(i) Information on the Offeror***

The Offeror is an investment holding company incorporated in the BVI with limited liability on 8 March 2012. As at the Latest Practicable Date, the Offeror is wholly-owned by Mr. Chen, who is also the sole director of the Offeror. Mr. Chen, aged 63, is the holder of a bachelor degree and graduated in Chongqing Construction Engineering College majoring in electrical engineering. He has over 20 years of experience in project investment, covering sectors including among others, industrial-grade edge AI chips and microelectronics, silicon-based new materials, packaged drinking water and beverages, as well as AI-driven animation, film and series production. He is currently the sole director of the Offeror, a company principally engaged in project investment, mainly covering the trading of natural gas. Mr. Chen is responsible for daily operation and decision making concerning target projects of the Offeror. Mr. Chen does not have any direct experience in the Group's principal business.

Considering that the Offeror and Mr. Chen have no relevant experience in the Company's current principal business, we are of the view that the Offeror and Mr. Chen may not be able to bring positive influence to the business of the Group.

***(ii) Intention of the Offeror regarding the Group***

Following the close of the Offer, the Offeror intends that the Group will 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.

Moreover, 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.

Notwithstanding the foregoing, Mr. Chen does not have any direct experience in the Group's principal business. Mr. Chen, leveraging his expertise in project investment, aims to explore new business opportunities of the Group through strategic investments and diversifying its source of revenue. Given the lack of related experience, we consider that the Offeror and Mr. Chen may not be able to bring positive influence to the existing principal business of the Group, in particular that the Group's financial performance is deteriorating.

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.

Furthermore, 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.

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 to take appropriate steps to ensure that sufficient public float exists in the Shares.

Taking into account that (i) the Offeror and Mr. Chen have no relevant experience in the Company's current principal business, suggesting that the Offeror and Mr. Chen may not be able to bring positive influence to the existing principal business of the Group; and (ii) the Offeror has yet to provide any plan regarding the long-term strategy for the future development of the Group or for improving the Group's business operation and financial condition, we consider that the Offeror's long-term strategy to the Group is unclear and the prospect of the Group is uncertain as at the Latest Practicable Date.

**3. Offer Price comparison**

The Offer Price of HK$0.2848 per Offer Share represents:

(i) a discount of approximately 38.09% to the closing price of HK$0.4600 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 33.77% to the closing price of HK$0.4300 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 31.70% to the average closing price of HK$0.4170 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;

(iv) a discount of approximately 30.28% to the average closing price of HK$0.4085 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;

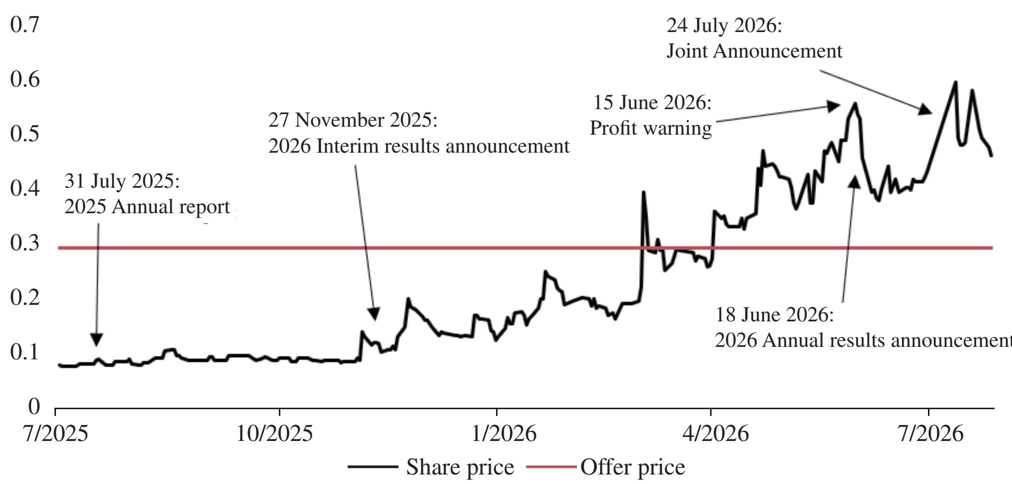
(v) a discount of approximately 35.66% to the average closing price of HK$0.4427 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day; and

(vi) a premium of approximately 29.86% over the audited net asset value per Share of approximately HK$0.2193 as at 31 March 2026, calculated based on the Group's audited consolidated net asset value attributable to the Shareholders as at 31 March 2026 of approximately HK$150,170,000 divided by a total of 684,750,000 issued Shares as at the Latest Practicable Date.

## 4. Trading performance of the Shares

### *(i) Historical Share price performance*

Set out below is a chart showing the movement of the closing prices of the Shares as quoted on the Stock Exchange (a) from 16 July 2025 to the Last Trading Day (i.e. 15 July 2026) (the "**Review Period**"), being one year preceding the Last Trading Day, and (b) up to the Latest Practicable Date. We consider the Review Period is adequate 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 website of the Stock Exchange*

As shown above, the closing prices of the Shares during the Review Period ranged from the lowest of HK$0.059 on 17 July 2025 to the highest of HK$0.560 on 15 June 2026. The Offer Price represents (a) a premium of approximately 44.68% over the average closing price of HK$0.1968 during the Review Period; (b) a premium of approximately 382.71% over the lowest closing price of HK$0.059 during the Review Period; and (c) a discount of approximately 49.14% to the highest closing price of HK$0.560 during the Review Period.

During the period from July 2025 to November 2025, the Share price hovered around HK$0.070 per Share. It then demonstrated an overall upward trend since 19 November 2025 and peaked at HK$0.560 per Share on 15 June 2026. Following the publication of the profit warning announcement on 15 June 2026 in respect of the annual results for FY2026, the Share price experienced a rapid decline to HK$0.375 as at 25 June 2026. The Share price closed at HK$0.430 on the Last Trading Day. Stimulated by the publication of the Joint Announcement, the Share price closed at HK$0.600 on 27 July 2026, being the date of resumption of trading in the Shares. The Share price closed at HK$0.460 as at the Latest Practicable Date, to which the Offer Price represents a discount of approximately 38.09%. The average closing price of the Shares during the period from 27 July 2026 to the Latest Practicable Date (the

"**Post-announcement Period**") was HK$0.513, to which the Offer Price represents a discount of 44.52%. We consider that the surge in Share price during the Post-announcement Period may have been influenced by market anticipation of potential new business opportunities to be brought by the Offeror and Mr. Chen. However, as discussed in the section headed "Intention of the Offeror in relation to the Group" above, the Offeror has yet to formulate any plan regarding the long-term strategic development of the Group, nor any specific measure to enhance its business operations and financial position, and he does not have relevant experience in the related industry of the Group. Accordingly, the actual impact of the Offeror on the Group's operations remains uncertain, and the Share price rebound during the Post-announcement Period may not be sustainable.

Although the Offer Price represents a discount to the closing price of the Shares on the Last Trading Day, such discount was mainly attributable to the upward trend of the Share price from 19 November 2025 to 15 June 2026. Based on our review of the announcements and financial results of the Company, as well as our enquiries with the Directors and the management of the Company, we have not identified any specific reasons leading to such upward trend, particularly given that the interim results of the Company for the six months ended 30 September 2025 published during such period did not indicate any improvement in the financial performance of the Company. While certain investors may be confident in the Group's prospects, the Group recorded declining revenue and compressed gross profit margins during the three years ended 31 March 2026 amid a challenging industry environment. We have not identified any fundamental factors that could support such an upward trend in the Share price, and consider that it may not be sustainable. In addition, during the period from 19 November 2025 to 15 June 2026, the Hang Seng Index rose from 25,830.65 points on 19 November 2025 to a peak of 27,968.09 points on 29 January 2026, and then declined to a low of 24,249.29 points on 11 June 2026, representing an overall drop of approximately 3.82% across the period. As such, we consider that the Share price appreciation during this period was also inconsistent with the overall market sentiment.

Taking into account that the Offer Price represents a premium of approximately 44.68% over the average closing price of the Shares of approximately HK$0.1968 during the Review Period, we consider that the Offer Price is fair and reasonable.

***(ii) Liquidity of the Shares***

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total number of Shares in issue and held by the public during the Review Period and up to the Latest Practicable Date:

| | **Number of trading days** *(Note 1)* | **Approximate average daily trading volume** | **Approximate percentage of average daily trading volume to total number of Shares in issue** *(Note 2)* | **Approximate percentage of average daily trading volume to total number of Shares held by the public** *(Note 3)* |
|---|---|---|---|---|
| **2025** | | | | |
| July | 12 | 344,250 | 0.0503% | 0.1885% |
| August | 21 | 144,857 | 0.0212% | 0.0793% |
| September | 22 | 91,636 | 0.0134% | 0.0502% |
| October | 20 | 96,000 | 0.0140% | 0.0526% |
| November | 20 | 2,538,750 | 0.3708% | 1.3903% |
| December | 21 | 1,859,095 | 0.2715% | 1.0181% |
| **2026** | | | | |
| January | 21 | 1,950,857 | 0.2849% | 1.0683% |
| February | 17 | 1,926,353 | 0.2813% | 1.0549% |
| March | 22 | 5,219,864 | 0.7623% | 2.8585% |
| April | 19 | 2,405,053 | 0.3512% | 1.3170% |
| May | 19 | 1,636,258 | 0.2390% | 0.8960% |
| June | 21 | 3,037,429 | 0.4436% | 1.6633% |
| July *(Note 4)* | 15 | 6,950,400 | 1.0150% | 3.8061% |
| From 1 August to the Latest Practicable Date | 7 | 5,710,857 | 0.8340% | 3.1274% |

*Source: the website of the Stock Exchange*

*Notes:*

1. Number of trading days of the Shares represents number of trading days during the month or period which excludes any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day.

2. Based on the total number of Shares in issue at the end of each month or period as disclosed in the monthly returns of the Company.

3. Based on the number of Shares held by the Independent Shareholders at the end of each month or period.

4. The trading of the Shares has been suspended from 16 July 2026 to 24 July 2026 pending the publication of the Joint Announcement.

Trading in the Shares has been more active since November 2025 compared to the period from July 2025 to October 2025, which is in line with the upward trend of the Share price during the same period. Save for May 2026, the average daily trading volume of the Shares for each month since November 2025 represented more than 1% of the total number of Shares held by the Independent Shareholders. Accordingly, Independent Shareholders may consider disposing of their Shares in the open market if the net proceeds from such sale exceed the consideration to be received from the acceptance of the Offer. Nonetheless, we consider that the Offer provides an alternative exit route for the Independent Shareholders who intend to dispose a significant number of their Shares.

## 5. Comparable analysis

The Company is principally engaged in the provision of construction-related foundation works and ancillary services in Hong Kong.

Price-to-earnings ("**P/E(s)**"), price-to-book ("**P/B(s)**") and price-to-sale ("**P/S(s)**") multiples are the three most commonly used benchmarks in valuing a company. We have taken into account the following principal factors in selecting the valuation multiple: (i) P/E multiple is not applicable as the Group was loss-making for FY2026; (ii) the Group recorded net assets position as at 31 March 2026; and (iii) P/S multiple is considered inappropriate given the significant fluctuations in the Group's revenue over the past five financial years and the revenue of companies in the construction industry is susceptible to the timing of revenue recognition. Construction companies recognize revenue over time based on the stage of completion of their projects. Consequently, the revenue recognized in a specific financial year is significantly influenced by the timing of contract awards, project execution schedules, client certification of completed works, and potential project delays. Large-scale foundation or construction projects may span multiple financial years, leading to substantial lumpy revenue recognition across different periods rather than a steady revenue stream. As such, we consider that P/B multiple is the most appropriate multiple in valuing the Group. Based on (i) the Offer Price of HK$0.2848 per Offer Share; (ii) 684,750,000 Shares in issue as at the Latest Practicable Date; and (iii) the audited net assets attributable to the Shareholders of approximately HK$150,170,000 as at 31 March 2026, the P/B multiple implied by the Offer Price is approximately 1.3 times (the "**Implied P/B**").

In evaluating the fairness and reasonableness of the Offer Price, we have, based on our search on Bloomberg, identified an exhaustive list of 16 comparable companies (the "**Comparable Companies**") which are (i) principally engaged in the construction sector in Hong Kong, with revenue generated from the construction sector in Hong Kong accounting for more than 50% of its total revenue in the latest financial year; (ii) publicly listed on the

Main Board of the Stock Exchange; and (iii) with market capitalisation in the range from HK$147.2 million to HK$441.7 million on the Last Trading Day, which represents a premium/discount range of approximately 50% to the Company's market capitalisation of HK$294.4 million on the Last Trading Day. Establishing the market capitalisation range at a 50% premium and discount strikes a balance between maintaining peer comparability and securing a meaningful sample size. Due to that only two companies are solely focused on foundation works and ancillary services (i.e. In Construction Holdings Limited and Wing Chi Holdings Limited), we expanded our selection scope to cover the broader construction sector. We consider the Comparable Companies' principal businesses to be comparable to that of the Company, as they represent indispensable components of a construction project and are closely correlated to the performance and prospects of the overall construction industry. Notwithstanding variations in business mix, we view deriving over 50% of revenue from construction-related services as a clear indication that the Comparable Companies' operations are highly relevant to the construction industry.

The following table sets out the details of the Comparable Companies:

| **Company name (stock code)** | **Principal activities** *(Note 1)* | **Market capitalisation on the Last Trading Day** *(HK$ million)* | **Net assets value** *(HK$ million)* | **P/B on the Last Trading Day** *(times)* |
|---|---|---|---|---|
| China Wacan Group Company Limited (1920) | Provision of construction services, and beauty and health services | 340.8 | 18.6 | 18.3 (outlier) |
| Wecon Holdings Limited (1793) | Provision of building construction services; and repair, maintenance, alteration, and addition works services | 320.0 | 276.1 | 1.2 |
| FDB Holdings Limited (1826) | Provision of contracting services for alteration and addition works, maintenance, specialist works and new development. The group provides a one-stop integrated solution from construction project planning, resources allocation, subcontractor management and material procurement to monitoring and quality assurance, and to offering value-adding services | 188.6 | Net liabilities | Net liabilities |
| Skymission Group Holdings Limited (1429) | Provision of formwork works services | 281.6 | 117.0 | 2.4 |
| Royal Deluxe Holdings Limited (3789) | Provision of formwork erection and related ancillary services | 266.4 | 314.3 | 0.8 |
| Landrich Holding Limited (2132) | Provision of construction engineering works | 264.0 | 340.8 | 0.8 |
| SFK Construction Holdings Limited (1447) | General building construction, civil engineering services and housing management services | 256.0 | 370.9 | 0.7 |

| Company name (stock code) | Principal activities *(Note 1)* | Market capitalisation on the Last Trading Day *(HK$ million)* | Net assets value *(HK$ million)* | P/B on the Last Trading Day *(times)* |
|---|---|---|---|---|
| AI Energy Engineering Holdings Limited (1751) | Provision of concrete demolition services | 233.0 | 12.5 | 18.6 (outlier) |
| Yau Lee Holdings Limited (406) | Provision of construction services, electrical and mechanical installation, building materials supply, property investment and development and hotel operations | 232.2 | 1,233.2 | 0.2 |
| In Construction Holdings Limited (1500) | Provision of foundation works | 203.4 | 307.5 | 0.7 |
| CR Construction Group Holdings Limited (1582) | Provision of construction services and engaged in the environmental operations business | 187.5 | 721.3 | 0.3 |
| Wing Chi Holdings Limited (6080) | Provision of foundation and site formation works | 161.3 | 131.5 | 1.2 |
| New Concepts Holdings Limited (2221) | Provision of construction services and engaged in environmental protection business | 160.5 | 352.8 | 0.5 |
| Century Group International Holdings Limited (2113) | Provision of construction and site formation services | 156.1 | Net liabilities | Net liabilities |
| Man King Holdings Limited (2193) | Provision of civil engineering services | 151.1 | 259.6 | 0.6 |
| Metaspacex Limited (1796) | The group is an established fitting-out contractor in Hong Kong, primarily engaged in the provision of fitting-out services for construction projects | 144.0 | 63.5 | 2.3 |
| | | Maximum | | 18.6 |
| | | Minimum | | 0.2 |
| | | Median | | 0.8 |
| | | Average | | 3.5 |
| | | | **Excluding two outliers** | |
| | | Maximum | | 2.4 |
| | | Minimum | | 0.2 |
| | | Median | | 0.7 |
| | | Average | | 1.0 |
| The Company | | 294.4 | 150.2 | 1.3 *(Note 2)* |

*Source: Bloomberg and financial reports of the Comparable Companies*

*Notes:*

1. Each of the Comparable Companies generates more than 50% of its total revenue from Hong Kong. The Comparable Companies did not disclose a further breakdown of revenue by geographical region for each business segment.

2. Being the Implied P/B.

As shown in the table above, the P/B ratios of the Comparable Companies on the Last Trading Day ranged from approximately 0.2 time to 18.6 times with a median and average of approximately 0.8 time and 3.5 times, respectively. The Implied P/B of approximately 1.3 times is within the range of P/B ratios of the Comparable Companies and higher than the median of the P/B ratio of the Comparable Companies. Although the Implied P/B multiple is below the average of approximately 3.5 times, we consider that such average was skewed by the P/B ratios of AI Energy Engineering Holdings Limited and China Wacan Group Company Limited, both of which were significantly higher than those of the other Comparable Companies. Excluding these two outliers, the P/B ratios of the Comparable Companies ranged from approximately 0.2 time to 2.4 times with a median and average of approximately 0.7 time and 1.0 time, respectively, which are below the Implied P/B. As such, we consider the Offer Price to be fair and reasonable.

We consider that relying solely on the two Comparable Companies engaged in foundation works would result in an overly restrictive sample size. Nevertheless, for Shareholders' reference only, the P/B ratios of In Construction Holdings Limited and Wing Chi Holdings Limited are approximately 0.7 times and 1.2 times respectively, with an average of approximately 0.9 time. The Implied P/B represented by the Offer Price remains above their respective P/B ratios.

**RECOMMENDATION**

We consider that the Offer, including the Offer Price of HK$0.2848 per Offer Share, is fair and reasonable so far as the Independent Shareholders are concerned after taking into account the above principal factors and reasons as a whole, in particular:

(i) The average scale of the Group's foundation work projects has been continuously decreasing. The Group's revenue continued to contract alongside a narrowing gross profit margin, resulting in a turnaround from profitability to a net loss. We consider the Group's prospect to be uncertain in the short run;

(ii) The Offer Price represents a premium of approximately 44.68% over the average closing price of the Shares of approximately HK$0.1968 during the Review Period;

(iii) The Offer Price represents a premium of approximately 29.86% over the audited net asset value per Share of approximately HK$0.2193 as at 31 March 2026;

(iv) Although the Offer Price represents a discount to the closing price of the Shares on the Last Trading Day due to the upward trend of the Share price between 19 November 2025 and 15 June 2026, we have not identified any fundamental factors that could support such price appreciation, particularly in light of the Group's deteriorating financial performance, and we consider that such an upward trend may not be sustainable;

(v) Although the Offer Price represents a discount of approximately 38.09% to the closing price of the Shares as at the Latest Practicable Date and a discount of approximately 44.52% to the average closing price of the Shares during the Post-announcement Period, we consider that the Share price during the Post-announcement Period may have been influenced by market anticipation of potential new business opportunities to be brought by the Offeror and Mr. Chen. However, the Offeror has yet to formulate any plan regarding the long-term strategic development of the Group, nor any specific measure to enhance its business operations and financial position, and his lack of relevant industry experience cast doubt on his ability to improve the Group's financial performance in particular that the Group's financial performance is deteriorating. Accordingly, the actual impact of the Offeror on the Group's operations remains uncertain, and the Share price rebound during the Post-announcement Period may not be sustainable;

(vi) The Offer provides a viable alternative exit for the Independent Shareholders, particularly for those who hold a large volume of Shares, to realise their investment in the Company at the Offer Price; and

(vii) The Implied P/B is within the range of the P/B ratios of the Comparable Companies and higher than the median of the Comparable Companies. Upon excluding the two outliers, the Implied P/B is also higher than the average of the Comparable Companies.

Accordingly, we recommend the Independent Board Committee to advise, and we ourselves advise, the Independent Shareholders to accept the Offer.

The Independent Shareholders are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period. Given that the Share price as at the Latest Practicable Date was higher than the Offer Price, and that trading in the Shares has been active following the publication of the Joint Announcement, Independent Shareholders may also consider disposing of their Shares in the open market if the net proceeds from such sale exceed the consideration to be received from the acceptance of the Offer.

Yours faithfully,
For and on behalf of
**Rainbow Capital (HK) Limited**
**Larry Choi**
*Managing Director*

*Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.*

## 1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

(i) 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 your name, and you wish to accept the Offer, 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) in respect of the number of the Shares for which you intend to accept the Offer, by post or by hand, to the Registrar, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong in an envelope marked "**Sheung Yue Group Holdings Limited – Offer**" as soon as possible but in any event so as to reach the Registrar 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 as a result or an extension of the Offer in accordance with the Takeovers Code.

(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 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, 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 the number of Shares for which you intend to accept the Offer with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked "**Sheung Yue Group Holdings Limited – Offer**" 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 the number of Shares for which you intend to accept the Offer to the Registrar; or

(b) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked "**Sheung Yue Group Holdings Limited – Offer**" 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 the number of Shares for which you intend to accept the Offer to the Registrar; 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 in respect of the number of Shares for which you intend to accept the Offer 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, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

(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 not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed, signed and delivered in an envelope marked "**Sheung Yue Group Holdings Limited – Offer**" 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, 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 should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided 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.

(iv) If you have lodged transfer 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 in an envelope marked "**Sheung Yue Group Holdings Limited – Offer**" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Constance 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.

(v) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive) and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:

(a) accompanied by 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 the number of Shares for which you intend to accept the Offer and, if that/those share certificate(s) is/are not in your name, such other document(s) in order to establish your right to become the registered holder of the relevant Shares; or

(b) from a registered Independent 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 (iii)); or

(c) certified by the Registrar or the Stock Exchange.

(vi) If the Form of Acceptance is executed by a person other than the registered Independent Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

(vii) Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of the accepting Independent Shareholders and 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).

(viii) No acknowledgement of receipt of any Form of Acceptance and/or 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) will be given.

(ix) The address of the Registrar, Tricor Investor Services Limited, is at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

**2. ACCEPTANCE PERIOD AND REVISIONS**

(i) Unless the Offer has previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form of Acceptance must be received by the Registrar no later than 4:00 p.m. on the Closing Date in accordance with the instructions printed on the Form of Acceptance, and the Offer will be closed on the Closing Date.

(ii) The Offeror and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the Closing Date stating whether the Offer has been extended or revised.

(iii) In the event that the Offeror decides to extend the Offer, the Offeror will issue an announcement in relation to any extension of the Offer, which announcement will state either the next closing date or, a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice by way of announcement will be given, before the Offer is closed, to those Independent Shareholders who have not accepted the Offer.

(iv) If 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 must be kept open for at least 14 days following the date on which the revised offer document is posted.

(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 subsequent Closing Date of the Offer so extended.

**3. ANNOUNCEMENTS**

(i) As required under Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), 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 publish an announcement in accordance with the requirements of the Listing Rules by 7:00 p.m. on the Closing Date stating whether the Offer has been extended or revised. Such announcement must state the following:

(a) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;

(b) the total number of Shares and rights over Shares held, controlled or directed by the Offeror, its ultimate beneficial owner and the parties acting in concert with any of them before the Offer Period;

(c) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror, its ultimate beneficial owner and parties acting in concert with any of them during the Offer Period;

(d) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owner and parties acting in concert with any of them have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold; and

(e) the percentages of the relevant classes of issued share capital of the Company, and the percentages of voting rights, represented by these numbers.

(ii) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete, and which have been received by the Registrar by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

(iii) As required under the Takeovers Code, all announcements in respect of the Offer must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

(iv) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments, will be published on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (http://www.simonandsons.com.hk).

**4. RIGHT OF WITHDRAWAL**

Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out below.

If the Offeror is unable to comply with the requirements set out in paragraph headed "3. Announcements" above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent Shareholders who have tendered acceptance to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code 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 (7) seven Business Days thereof, 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(s) of Acceptance to the relevant Independent Shareholder(s).

## 5. SETTLEMENT OF THE OFFER

Provided that the accompanying Form of Acceptance for the Shares, together with 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) are valid, complete and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Independent Shareholders in respect of the Shares tendered under the Offer (less seller's ad valorem stamp duty payable by him/her/it) will be despatched to the accepting Independent Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) business days (as defined in the Takeovers Code) after the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty) set out in this Composite Document (including this Appendix I) and the accompanying Form of Acceptance, 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 Independent Shareholder.

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.

## 6. OVERSEAS SHAREHOLDERS

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek professional advice in respect of the Offer. It is the sole 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 consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in respect of such jurisdictions).

The Offeror, Mr. Chen and parties acting in concert with any of them, the Company, Constance Capital, Huaan Securities, Messis Capital, Rainbow Capital, 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 such person for any taxes as such person may be required to pay.

Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

## 7. TAXATION ADVICE

The 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, Mr. Chen and parties acting in concert with any of them, the Company, Constance Capital, Huaan Securities, Messis Capital, Rainbow Capital, the Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, advisers, 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.

## 8. GENERAL

(i) All communications, notices, Form of Acceptance, certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature 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 Offeror, Mr. Chen and parties acting in concert with any of them, the Company, Constance Capital, Huaan Securities, Messis Capital, Rainbow Capital, the Registrar and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.

(ii) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and Constance Capital that the Shares tendered under the Offer are sold or tendered by such Independent Shareholder(s) free from all encumbrances and together with all rights and benefits attached thereto, including all rights to any dividends or other distribution declared, made or paid on or after the date on which the Offer is made.

(iii) 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 it is indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owners who accept the Offer.

(iv) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Offer.

(v) The accidental omission to despatch this Composite Document and/or the accompanying Form of Acceptance or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.

(vi) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

(vii) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or Constance Capital and/or such person or persons as any of them may direct to complete and execute on behalf of the person(s) accepting the Offer, and to do any other act(s) that may be necessary or expedient for the purpose of vesting in the Offeror, or such person or persons as it may direct the Shares in respect of which such person has accepted the Offer.

(viii) The Offer is made in accordance with the Takeovers Code.

(ix) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.

(x) The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

(xi) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Group and 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, the Company, Constance Capital, Huaan Securities, Messis Capital, Rainbow Capital, the Registrar and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.

## 9. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominee 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.

## 1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited financial information of the Group for each of the three financial years ended 31 March 2024, 2025 and 2026 as extracted from the Company's annual reports for the years ended 31 March 2024, 2025, and 2026:

| | For the year ended 31 March | | |
|---|---|---|---|
| | **2024** | **2025** | **2026** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| | (Audited) | (Audited) | (Audited) |
| Revenue | 361,257 | 264,770 | 217,941 |
| Cost of services | (330,009) | (245,788) | (213,359) |
| **Gross profit** | 31,248 | 18,982 | 4,582 |
| Other income and other net gains | 3,378 | 3,442 | 1,458 |
| Other (loss)/gains, net | 6 | 403 | (518) |
| Administrative expenses | (23,874) | (22,683) | (17,840) |
| Impairment loss on plant and equipment | – | – | 328 |
| Impairment loss on right-of-use assets | – | (5,190) | (2,814) |
| Finance costs | (5,522) | (5,702) | (3,110) |
| Profit/(loss) before taxation | 4,286 | (9,652) | (21,562) |
| Income tax expense | – | – | – |
| **Profit/(loss) and total comprehensive income/(expense)for the period attributable to owners of the Company** | 4,286 | (9,652) | (21,562) |
| **Earnings/(loss) per share attributable to owners of the Company:** | | | |
| Basic and diluted *(expressed in HK cents per share)* | 0.63 | (1.41) | (3.15) |

**Assets and liabilities**

| | As at 31 March | | |
|---|---|---|---|
| | **2024** | **2025** | **2026** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| | (Audited) | (Audited) | (Audited) |
| Non-current Assets | 100,715 | 94,778 | 75,750 |
| Current Assets | 255,602 | 181,941 | 154,780 |
| Non-current Liabilities | (3,519) | (1,417) | (1,660) |
| Current Liabilities | (171,414) | (103,570) | (78,700) |
| Net Current Assets | 84,188 | 78,371 | 76,080 |
| Net Assets | 181,384 | 171,732 | 150,170 |

No dividend was paid or proposed by the Company during each of the three years ended 31 March 2024, 2025 and 2026. Hence dividends per Share for each of the year ended 31 March 2024, 2025 and 2026 was inapplicable.

There has been no change in the Group's accounting policies which would result in the figures in its consolidated financial statements for each of the three years ended 31 March 2024, 2025 and 2026, being not comparable to a material extent.

The consolidated financial statements of the Group for the each of the two years ended 31 March 2025 and 31 March 2026 were audited by McMillan Woods (Hong Kong) CPA Limited, and the consolidated financial statements of the Group for the year ended 31 March 2024 was audited by Elite Partners CPA Limited. The consolidated financial statements of the Group for the years ended 31 March 2024, 2025 and 2026 did not contain any qualified or modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed above, there were no items of any income or expense which are material in respect of the consolidated financial results of the Company for each of the three years ended 31 March 2024, 2025 and 2026.

Save for the Offer, there have been no other significant events of the Company after 31 March 2026.

## 2. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statements of profit or loss, the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with the significant accounting policies and the notes to the relevant published audited accounts which are of major relevance to the appreciation of the above financial information.

The audited consolidated financial statements of the Group for the year ended 31 March 2026 (the "**2026 Financial Statements**") have been set out on pages 60 to 135 of the 2026 annual report of the Company for the year ended 31 March 2026 (the "**2026 Annual Report**"), which was posted on 31 July 2026 on the website of the Stock Exchange (http://www.hkexnews.hk), and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0731/2026073101217.pdf

The audited consolidated financial statements of the Group for the year ended 31 March 2025 (the "**2025 Financial Statements**") have been set out on pages 57 to 133 of the 2025 annual report of the Company for the year ended 31 March 2025 (the "**2025 Annual Report**"), which was posted on 31 July 2025 on the website of the Stock Exchange (http://www.hkexnews.hk), and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0731/2025073100874.pdf

The audited consolidated financial statements of the Group for the year ended 31 March 2024 (the "**2024 Financial Statements**") have been set out on pages 53 to 133 of the 2024 annual report of the Company for the year ended 31 March 2024 (the "**2024 Annual Report**"), which was posted on 10 July 2024 on the website of the Stock Exchange (http://www.hkexnews.hk), and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0710/2024071000322.pdf

The 2026 Financial Statements, 2025 Financial Statements and 2024 Financial Statements (but not any other parts of the 2026 Annual Report, the 2025 Annual Report or the 2024 Annual Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

## 3. INDEBTEDNESS STATEMENT

As at the close of business on 31 July 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the indebtedness of the Group was as follows:

### Bank loans and bank overdraft

The total principal balance of bank loans amounted to approximately HK$55.4 million. The total bank credit limit obtained by the Company was HK$63.02 million. The used credit limit was HK$55.4 million, and the unused available credit balance was HK$7.6 million.

**Lease liabilities**

The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. At the close of business on 31 July 2026, the Group had total lease liabilities of approximately HK$3.4 million.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 July 2026, the Group did not have any outstanding mortgages, charges, debenture, loan capital, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debt securities (whether issued and outstanding or authorised or otherwise created but unissued), guarantees, lease liabilities or commitments or material contingent liabilities.

## 4. MATERIAL CHANGES

As at the Latest Practicable Date, the Directors confirm that there had been no material change in the financial or trading position or outlook of the Group since 31 March 2026 (being the date which the latest published audited consolidated financial statements of the Group were made up) up to and including the Latest Practicable Date.

## 1. RESPONSIBILITY STATEMENT

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Vendors and the Group) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those 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 statements in this Composite Document misleading.

## 2. DISCLOSURE OF INTERESTS AND SECURITIES OF THE COMPANY

As at the Latest Practicable Date, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them hold 502,140,000 Shares, representing approximately 73.33% of the total issued share capital of the Company.

Save for the above, the Offeror, Mr. Chen and parties acting in concert with any of them did not have any other interest in any Shares, warrants, options, derivatives or other securities carrying conversion of subscription rights into Shares.

As at the Latest Practicable Date, save for the 502,140,000 Shares, being the Sale Shares, none of the Offeror, Mr. Chen and parties acting in concert with any of them had any interest in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

## 3. DEALING IN SECURITIES OF THE COMPANY

The Offeror confirms that, as at the Latest Practicable Date:

(i) none of the Offeror, Mr. Chen (i.e. the Offeror's ultimate beneficial owner) and/or parties acting in concert with any of them has received any irrevocable commitment to accept or reject the Offer or any irrevocable undertaking from any Shareholders not to sell or transfer (or cause the same to be done) or otherwise dispose of (or permit any such action to occur in respect of) any interest in any Shares held by he/she/it/them;

(ii) save for the Sales Shares, none of the Offeror, Mr. Chen (i.e. the Offeror's ultimate beneficial owner) and/or parties acting in concert with any of them holds, has control or has direction over any voting rights or rights over Shares, convertible securities, warrants, options, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest in the Company;

(iii) save for the Sale and Purchase Agreement, neither the Offeror, Mr. Chen (i.e. the Offeror's ultimate beneficial owner) and/or parties acting in concert with any of them had dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the period commencing six (6) months preceding the commencement of the Offer Period and up to the Latest Practicable Date;

(iv) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, Mr. Chen (i.e. the Offeror's ultimate beneficial owner) and/or any of the parties acting in concert with any of them;

(v) save for the undertaking under the Facility, there is no other agreement, arrangement or understanding that any securities acquired in pursuance of the Offer or the Sale Shares would be transferred, charged or pledged to any other persons;

(vi) save for the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;

(vii) there is no agreement or arrangement to which the Offeror, Mr. Chen (i.e. the Offeror's ultimate beneficial owner) and/or any party acting in concert with any of them is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a precondition or a condition to the Offer;

(viii) neither the Offeror, Mr. Chen (i.e. the Offeror's ultimate beneficial owner) and/or any party acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

(ix) other than the Consideration, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror, Mr. Chen (i.e. the Offeror's ultimate beneficial owner) and/or any parties acting in concert with any of them to the Vendors, Vendor A's ultimate beneficial owners or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares under the Sale and Purchase Agreement;

(x) save for the Sale and Purchase Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, Mr. Chen (i.e. the Offeror's ultimate beneficial owner) and/or parties acting in concert with any of them on one hand, and the Vendors, Vendor A's ultimate beneficial owners and/or parties acting in concert with any of them on the other hand;

(xi) there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror and Mr. Chen or any person acting in concert with any of them on one hand, and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or dependence upon the Offer;

(xii) no benefit (other than statutory compensation required under the applicable laws) was or would be given to any Directors as compensation for loss of office or otherwise in connection with the Offer; and

(xiii) save for the Sale and Purchase Agreement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder (including the Vendors, Vendor A's ultimate beneficial owners and/or parties acting in concert with any of them) on one hand and the Offeror, Mr. Chen (i.e. the Offeror's ultimate beneficial owner) and/or parties acting in concert with any of them on the other hand.

## 4. EXPERTS AND CONSENTS

The followings are the name and the qualifications of the experts whose letter, opinion or advice is contained or referred to in this Composite Document:

| Name | Qualification |
|---|---|
| Constance Capital | a licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO |
| Huaan Securities | a licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO |
| Messis Capital | a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO |

As at the Latest Practicable Date, each of above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinion or advice and the references to its name, logo and/or its qualifications included herein in the form and context in which they appear.

## 5. MISCELLANEOUS

As at the Latest Practicable Date,

(i) The members of the Offeror's concert group are the Offeror and Mr. Chen.

(ii) The Offeror is a company incorporated in the BVI with limited liability, which is wholly and beneficially owned by Mr. Chen. The registered office of the Offeror is at Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands.

(iii) The correspondence address of the Offeror is situated at Room 6, 7/F, Block A, Hong Kong Spinners Building Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Hong Kong.

(iv) The main business address of Constance Capital is Unit B11, 27/F, NCB Innovation Centre, 888 Lai Chee Kok Road, Kowloon, Hong Kong.

(v) The main business address of Huaan Securities is 8/F, Li Po Chun Chambers 189 Des Voeux Road Central, Sheung Wan, Hong Kong.

(vi) The main business address of Messis Capital is Unit B, 15/F, Crawford Tower, 99 Jervois Street, Sheung Wan, Hong Kong.

(vii) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

## 6. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents are published (i) on the website of the SFC (www.sfc.hk); and (ii) on the website of the Company (www.simonandsons.com.hk) from the date of this Composite Document up to and including the Closing Date:

(a) the memorandum and articles of association of the Offeror;

(b) the letter from Constance Capital, the text of which is set out in this Composite Document;

(c) the written consents referred to in the paragraph headed "4. Experts and consents" in this Appendix III; and

(d) the Sale and Purchase Agreement.

## 1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Offeror, Mr. Chen and parties acting in concert with any of them), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) 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

The authorised and issued share capital of the Company of HK$0.01 each as at the Latest Practicable Date were as follows:

| | | *HK$* |
|---|---|---|
| *Authorised:* | | |
| 2,000,000,000 | Shares | 20,000,000 |
| *Issued:* | | |
| 684,750,000 | Shares | 6,847,500 |

As at the Latest Practicable Date, save for 684,750,000 Shares in issue, the Company did not have other class of securities, outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares.

All issued Shares rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital.

The Company has not issued any Shares since 31 March 2026, the date to which the latest audited financial statements of the Group were made up.

The issued Shares are listed on the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought on any other stock exchange.

## 3. MARKET PRICE

The table below sets out the closing price of the Shares on the Stock Exchange on (1) the last business day of each of the calendar months during the Relevant Period, (2) the Last Trading Day, and (3) the Latest Practicable Date:

| **Date** | **Closing price of each Share** *(HK$)* |
|---|---|
| 30 January 2026 | 0.154 |
| 27 February 2026 | 0.174 |
| 31 March 2026 | 0.270 |
| 30 April 2026 | 0.340 |
| 29 May 2026 | 0.430 |
| 30 June 2026 | 0.390 |
| 15 July 2026 (Last Trading Day) | 0.430 |
| 31 July 2026 | 0.485 |
| 11 August 2026 (Latest Practicable Date) | 0.460 |

During the Relevant Period, the highest and the lowest closing prices of the Shares as quoted on the Stock Exchange were HK$0.600 per Share on 27 July 2026 and HK$0.138 per Share on 28 January 2026.

## 4. DISCLOSURE OF INTERESTS

**Directors' and chief executives' interests in the securities of the Company and its associated companies**

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required 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 taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code.

**Disclosure of interests of substantial Shareholders**

As at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange:

| **Name** | **Capacity/Nature of interest** *(Note 1)* | **Number of Shares held** | **Approximate Percentage of shareholding** |
|---|---|---|---|
| Wise Triumph Limited *(Notes 1, 2)* | Beneficial owner | 502,140,000 | 73.33% |
| Mr. Chen *(Notes 1, 2)* | Interest in controlled corporation | 502,140,000 | 73.33% |

*Notes:*

1. All interests stated are long position. This is based on the total Shares in issue as at the Latest Practicable Date, being 684,750,000 Shares.

2. Wise Triumph Limited, the Offeror, is wholly owned by Mr. Chen. As such, Mr. Chen is deemed, or taken to be interested in the Shares held by the Offeror by virtue of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, no person had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange.

## 5. ADDITIONAL DISCLOSURE OF INTERESTS

(a) As at the Latest Practicable Date, none of the Directors was interested within the meaning of Part XV of the SFO in the Shares or any warrants, options, convertible securities or derivatives in respect of any Shares.

(b) As at the Latest Practicable Date, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer.

(c) During the Relevant Period and as at the Latest Practicable Date, none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, 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" in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding any exempt principal trader and exempt fund managers), had owned or controlled or dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

(d) During the Offer Period and up to the Latest Practicable Date, save for the Sale and Purchase Agreement, there was no person who had arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or 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" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of "associate" under the Takeovers Code, and no such person had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

(e) During the Offer Period and up to the Latest Practicable Date, no Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

(f) As at the Latest Practicable Date, none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares.

(g) During the Relevant Period, save for the disposal of the Sale Shares by the Vendors pursuant to the Sale and Purchase Agreement, neither the Company nor any Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

(h) There is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i)(a) the Offeror, Mr. Chen, the Vendors and/or parties acting in concert with any of them, or (i)(b) the Company, its subsidiaries or associated companies on one hand; and (ii) any Shareholder on the other hand.

(i) Save for the Sale and Purchase Agreement, as at the Latest Practicable Date, there was no understanding, arrangement, agreement, special deal (as defined in Rule 25 of the Takeovers Code) between (i) any Shareholder, and (ii) the Company, its subsidiaries or associated companies.

## 6. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

As at the Latest Practicable Date:

(a) 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;

(b) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and

(c) save for the Sale and Purchase Agreement, no material contracts had been entered into by the Offeror in which any Director had a material personal interest.

## 7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

## 8. MATERIAL CONTRACTS

None of the members of the Group entered into any contract, not being 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, within two years preceding the date of the commencement of the Offer Period and up to and including the Latest Practicable Date and which are material.

## 9. EXPERT AND CONSENT

The following is the name and qualification of the expert whose letter, opinion or advice is contained or referred to in this Composite Document:

| Name | Qualification |
|---|---|
| Rainbow Capital | a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO |

As at the Latest Practicable Date, Rainbow Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinion or advice and the references to its name, logo and/or its qualifications included herein in the form and context in which they appear.

As at the Latest Practicable Date, Rainbow Capital 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 it has any direct or indirect interest in any assets which had been, since 31 March 2026, 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.

## 10. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the date of the commencement of the Offer Period; or (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period; or (iv) was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

## 11. MISCELLANEOUS

(a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, George Town, Grand Cayman KY1-1111, Cayman Islands.

(b) The principal place of business of the Company in Hong Kong registered under Part 16 of the Companies Ordinance is situated at Unit 103–105, 1/F, New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

(c) The company secretary of the Company is Mr. Wong King Sum, who is a member of CPA Australia and an associate member of The Hong Kong Chartered Governance Institute.

(d) The Company's principal share registrar and transfer office is Conyers Trust Company (Cayman) Limited, situated at Cricket Square, Hutchins Drive, P.O. Box 2681, George Town, Grand Cayman KY1-1111, Cayman Islands.

(e) The branch share registrar and transfer of the Company in Hong Kong is Tricor Investor Services Limited, located at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(f) As at the Latest Practicable Date, the Board comprised Mr. Chan Lap Wai Gary, Mr. Chan Lap Chuen Edmond and Ms. Chan Chin Ying Amanda as executive Directors, and Mr. Li Hon Hung, *BBS, MH, JP*, Mr. Cheng Chi Hung, Mr. Wong Yip Kong as independent non-executive Directors.

(g) The registered office of Rainbow Capital is at Office 710, 7/F Wing On House, 71 Des Voeux Road Central, Central, Hong Kong.

(h) The English text of this Composite Document shall prevail over their respective Chinese text, in case of any inconsistency.

## 12. DOCUMENTS ON DISPLAY

Copies of the following documents are available on display (i) on the website of the Company (www.simonandsons.com.hk); and (ii) on the website of the SFC (www.sfc.hk), from the date of this Composite Document up to and including the Closing Date:

(a) the second amended and restated memorandum of association and third amended and restated articles of association of the Company;

(b) the 2026 Annual Report, the 2025 Annual Report and the 2024 Annual Report;

(c) the letter from the Board, the text of which is set out in this Composite Document;

(d) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;

(e) the letter of advice from Independent Financial Adviser, the text of which is set out in this Composite Document;

(f) the written consents referred to under the paragraph headed "9. Expert and Consent" in this Appendix; and

(g) this Composite Document and the accompanying Form of Acceptance.