



LING YUI HOLDINGS LIMITED

凌銳控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 784)

Executive Directors:

Mr. Ling Chi Fai (*Chairman*)

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

Non-executive Director:

Mr. Ling Yuk Tong

Independent non-executive Directors:

Mr. Chong Kam Fung

Mr. Ho Chun Chung Patrick

Mr. Shi Wai Lim William

Ms. Yau Suk Man

Registered office in the Cayman Islands:

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Regatta Office Park

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Grand Cayman KY1-1108

Cayman Islands

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

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698 Prince Edward Road East

San Po Kong

Kowloon

Hong Kong

5 May 2026

To the Independent Shareholders

Dear Sir/Madam,

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

INTRODUCTION

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

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

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

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

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

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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

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

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

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

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

THE OFFER

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

For each Offer ShareHK\$0.2375 in cash

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

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

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

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

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

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

Guaranteed Revenue and Guaranteed EBTDA

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

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

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

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

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

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

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

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

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

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

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

A. *General assumptions*

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

B. Specific assumptions

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

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

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

INFORMATION ON THE GROUP

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

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

SHAREHOLDING STRUCTURE OF THE COMPANY

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

Table 2: Shareholding structure of the Company

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

Notes:

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

INFORMATION ON THE OFFEROR

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

FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

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

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that:

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

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

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

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

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

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

RECOMMENDATION

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

PROPOSED CHANGE OF COMPANY NAME

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

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

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

ADDITIONAL INFORMATION

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

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

By order of the Board
Ling Yui Holdings Limited

A handwritten signature in black ink, consisting of stylized Chinese characters, positioned above the printed name and title.

Ling Chi Fai
Chairman and Executive Director