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**REACH GOAL DEVELOPMENT LIMITED**

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



**LING YUI HOLDINGS LIMITED**

**凌銳控股有限公司**

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

**(Stock Code: 784)**

**JOINT ANNOUNCEMENT**

- (1) COMPLETION OF THE SALE AND PURCHASE AGREEMENT  
IN RELATION TO THE SALE AND PURCHASE OF THE SALE SHARES IN  
LING YUI HOLDINGS LIMITED;**
- (2) MANDATORY UNCONDITIONAL CASH OFFER  
BY ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF THE OFFEROR TO  
ACQUIRE ALL THE ISSUED SHARES IN  
LING YUI HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO  
BE ACQUIRED BY THE OFFEROR'S CONCERT GROUP);  
AND**
- (3) RESUMPTION OF TRADING**

**Financial Adviser to the Offeror**

**MESSIS 大有融資**

**Offer Agent to the Offeror**



## **THE SALE AND PURCHASE AGREEMENT**

The Board was notified by the Vendor that on 15 July 2024 (after trading hours), the Vendor (as vendor) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase 100,000,000 Shares, representing 12.50% of the total issued share capital of the Company as at the date of this joint announcement, for a total cash consideration of HK\$4,000,000 (being HK\$0.04 per Sale Share).

Completion took place immediately upon the signing of the Sale and Purchase Agreement on the Completion Date, being 15 July 2024.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Immediately prior to Completion, the Offeror's Concert Group held 230,000,000 Shares, representing 28.75% of the issued share capital of the Company and the Vendor held 302,910,000 Shares, representing approximately 37.86% of the issued share capital of the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror's Concert Group is interested in an aggregate of 330,000,000 Shares, representing 41.25% of the total issued share capital of the Company and the Vendor is interested in 202,910,000 Shares, representing approximately 25.36% of the total issued share capital of the Company. As the Offeror and the Vendor each owns 20% or more of the voting rights of the Company, the Offeror and the Vendor are (i) each associated company of the Company pursuant to the Takeovers Code; and (ii) presumed to be parties acting in concert by virtue of class (1) of the definition of acting in concert under the Takeovers Code. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror's Concert Group).

Messis Capital has been appointed as the Financial Adviser to the Offeror in respect of the Offer. Astrum Capital, the offer agent of the Offeror, will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

**For each Offer Share . . . . . HK\$0.04 in cash**

As at the date of this joint announcement, there are 800,000,000 Shares in issue and the Company does not have any outstanding options, warrants or derivatives or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

The Offer will be unconditional in all respects. Principal terms of the Offer are set out in the section headed "Mandatory Unconditional Cash Offer" of this joint announcement.

The Vendor has given the Irrevocable Undertaking not to accept the Offer in respect of the Remaining Shares. For more details, please refer to sub-section headed “Irrevocable Undertaking not to Accept the Offer”.

Assuming that there is no change in the issued share capital of the Company, taking into account the Irrevocable Undertaking and based on the offer price of HK\$0.04 per Share, the Consideration, together with the value of the Offer, are valued at HK\$14,683,600. The Offer will be made to the Offer Shareholders. As the Offeror’s Concert Group is interested in an aggregate of 330,000,000 Shares immediately after Completion, taking into account the Irrevocable Undertaking, 267,090,000 Shares will be subject to the Offer. Based on the offer price of HK\$0.04 per Share, the maximum consideration of the Offer (other than the Remaining Shares subject to Irrevocable Undertaking) would be HK\$10,683,600.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer and will take appropriate steps (including but not limited to placement of Shares) as soon as possible following the close of the Offer to ensure that a sufficient public float exists in the Shares after the close of the Offer.

#### **FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR**

The Offeror will finance and satisfy the consideration payable under the Offer by its own internal resources and the Facility.

Messis Capital, as the Financial Adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration payable in respect of full acceptance of the Offer.

#### **DESPATCH OF COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) further details on the terms of the Offer; (ii) a letter of recommendation from the Independent Board Committee in respect of the Offer; (iii) a letter of advice from the Independent Financial Adviser in respect of the Offer; and (iv) the form of acceptance and transfer for the Offer Shares, will be despatched to the Shareholders no later than 21 days from the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) will be made when the Composite Document is despatched.

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

An Independent Board Committee comprising all the independent non-executive Directors (namely, Mr. Chong Kam Fung, Mr. Ho Chun Chung Patrick and Mr. Shi Wai Lim William) has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders in respect of the Offer as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

The Independent Financial Adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of 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 pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made upon the appointment of the Independent Financial Adviser.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 16 July 2024 pending the publication of this joint announcement.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 26 July 2024.

## **WARNING**

**The Independent Board Committee has yet to consider and evaluate the Offer. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders of the Offer to be made. The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement. Shareholders and potential investors of the Company are reminded to read the Composite Document, especially the letter from the Independent Board Committee and the letter from the Independent Financial Adviser, and consider their recommendations and advices in connection with the Offer.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

The Board was notified by the Vendor that on 15 July 2024 (after trading hours), the Vendor (as vendor) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase 100,000,000 Shares, representing 12.50% of the total issued share capital of the Company as at the date of this joint announcement, for the consideration of HK\$4,000,000 (being HK\$0.04 per Sale Share). Details of the Sale and Purchase Agreement are set out in the section headed “The Sale and Purchase Agreement” below in this joint announcement.

## **THE SALE AND PURCHASE AGREEMENT**

### **Date:**

15 July 2024 (after trading hours)

### **Parties:**

(i) Vendor: Simple Joy Investments Limited; and

(ii) Offeror: Reach Goal Development Limited

As at the date of this joint announcement, the Offeror is wholly and beneficially owned by Mr. Ling Chi Fai. Mr. Ling is the sole director of the Offeror, an executive Director and substantial shareholder of the Company.

### **The Sale Shares**

The Sale Shares comprise a total of 100,000,000 Shares, representing 12.50% of the total issued share capital of the Company as at the date of this joint announcement. Pursuant to the terms of the Sale and Purchase Agreement, the Sale Shares will be acquired by the Offeror free from all Encumbrances and together with all rights and benefits attached and accrued to them at the Completion Date.

### **Consideration for the Sale Shares**

The Consideration for the Sale Shares under Sale and Purchase Agreement is in the aggregate sum of HK\$4,000,000, being HK\$0.04 per Sale Share, which was agreed between the Offeror and the Vendor after arm’s length negotiations, taking into account the audited consolidated net asset value per Share as at 31 March 2024, the financial performance of the Group, and the business prospect of the Group.

In particular, the Offeror and the Vendor considered (i) the disposal of Shares by the Vendor to the Offeror pursuant to the sale and purchase agreement dated 12 January 2024 (the “**Disposal**”), as disclosed in the announcement by the Company dated 12 January 2024. Since the Disposal, the Share price has remained sluggish in a general downward trend. The Share price declined from a high of HK\$0.114 per Share recorded after the Disposal on 15 January 2024 to a low of HK\$0.045 per Share on 5 July 2024, before the release of the annual report of the Company for the year ended 31 March 2024 (the “**FY2024 Annual Report**”), representing a decrease in value of over 60% during that period. Following the release of the FY2024 Annual Report, the Share price showed no signs of improvement, hovering around HK\$0.05 per Share; (ii) the Company’s financial performance, noting that despite the turnaround from a loss of approximately HK\$30.0 million for the year ended 31 March 2023 to a profit of approximately HK\$0.7 million for the year ended 31 March 2024, revenue dropped approximately 18.8% year-over-year; and (iii) the understanding that the general outlook for the construction industry and the broader business environment is likely to remain challenging.

Considering all the aforementioned factors, after arm’s length negotiations, an approximate 20% discount on the prevailing market price was agreed upon for the price per Sale Share.

The Consideration was settled by the Offeror to the Vendor in cash in Hong Kong dollars at Completion.

Other than the Consideration for the Sale Shares under Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form provided by the Offeror’s Concert Group to the Vendor, its ultimate beneficial owner and parties acting in concert with any of them (excluding the Offeror’s Concert Group).

### **Completion of the Sale and Purchase Agreement**

Completion took place immediately upon the signing of the Sale and Purchase Agreement on the Completion Date, being 15 July 2024.

Immediately after Completion, the Vendor will hold the Remaining Shares of 202,910,000 Shares, representing approximately 25.36% of the issued share capital of the Company as at the date of this joint announcement. It is the intention of the Vendor that it will hold the Remaining Shares as long-term investments following the closing of the Offer. The Vendor has given the Irrevocable Undertaking in favour of the Offeror, pursuant to which, the Vendor has undertaken that it shall (a) not accept the Offer in respect of the Remaining Shares and any other Shares of which it may become the registered holder or beneficial owner or in which it may become so interested after the date of the Irrevocable Undertaking, and (b) not dispose of, transfer, charge, pledge or otherwise encumber or grant any option or other right over or otherwise deal in any of relevant Shares mentioned above or any interest in them (whether conditionally or unconditionally) or enter into any transaction having a similar economic effect. Save for the Irrevocable Undertaking, there is no other arrangement between the Offeror’s Concert Group on the one hand, and the Vendor, its ultimate beneficial owner and parties acting in concert with any of them (excluding the Offeror’s Concert Group) on the other hand, regarding the Remaining Shares.

## MANDATORY UNCONDITIONAL CASH OFFER

### The Offer

Immediately prior to Completion, the Offeror's Concert Group held 230,000,000 Shares, representing 28.75% of the issued share capital of the Company and the Vendor held 302,910,000 Shares, representing approximately 37.86% of the issued share capital of the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror's Concert Group is interested in an aggregate of 330,000,000 Shares, representing 41.25% of the total issued share capital of the Company and the Vendor is interested in 202,910,000 Shares, representing approximately 25.36% of the total issued share capital of the Company. As the Offeror and the Vendor each owns 20% or more of the voting rights of the Company, the Offeror and the Vendor are (i) each associated company of the Company pursuant to the Takeovers Code; and (ii) presumed to be parties acting in concert by virtue of class (1) of the definition of acting in concert under the Takeovers Code. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror's Concert Group). Astrum Capital, the offer agent of the Offeror, will make the Offer for and on behalf of the Offeror on the following basis:

**For each Offer Share . . . . . HK\$0.04 in cash**

As at the date of this joint announcement, there are 800,000,000 Shares in issue and the Company does not have any outstanding options, warrants or securities derivatives which are convertible or exchangeable into Shares, and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Assuming that there is no change in the issued share capital of the Company, taking into account the Irrevocable Undertaking and based on the offer price of HK\$0.04 per Share, the Consideration, together with the value of the Offer, are valued at HK\$14,683,600. The Offer will be made to the Offer Shareholders. As the Offeror's Concert Group is interested in an aggregate of 330,000,000 Shares immediately after Completion, taking into account the Irrevocable Undertaking, 267,090,000 Shares will be subject to the Offer. Based on the offer price of HK\$0.04 per Share, the maximum consideration of the Offer would be HK\$10,683,600. 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 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, i.e. the date of the Composite Document. The Company has not declared and has no intention of declaring any dividend or making any distribution before the close of the Offer.

The Offeror is required to make the Offer pursuant to Rule 26.1 of the Takeovers Code.

## **Offer Price**

The offer price of the Offer of HK\$0.04 per Offer Share represents:

- a discount of approximately 20% on the closing price of HK\$0.05 per Share as quoted on the Stock Exchange on 15 July 2024, being the Last Trading Day;
- a discount of approximately 13% on the average closing price of approximately HK\$0.0462 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 19% on the average closing price of approximately HK\$0.0492 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 34% on the average closing price of approximately HK\$0.0610 per Share as quoted on the Stock Exchange for the 30 consecutive trading days prior to and including the Last Trading Day;
- a discount of approximately 43% on the average closing price of approximately HK\$0.0701 per Share as quoted on the Stock Exchange for the last 60 trading days immediately prior to and including the Last Trading Day; and
- a discount of approximately 59% or HK\$0.06 per Share over the audited consolidated net assets value of the Group of approximately HK\$0.10 per Share as at 31 March 2024 calculated based on the audited consolidated net assets value of the Group as at 31 March 2024 of approximately HK\$77,448,000 and 800,000,000 Shares in issue as at the date of this joint announcement.

## **Highest and lowest trading prices**

During the six-month period immediately preceding and including the Last Trading Day: (a) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.085 per Share on 16 April 2024 and 17 April 2024; and (b) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.045 per Share on 5 July 2024 to 10 July 2024.



## **Irrevocable Undertaking not to accept the Offer**

Immediately after Completion, the Vendor will continue to be the beneficial owner of the 202,910,000 Remaining Shares, representing approximately 25.36% of the total number of Shares in issue. The Vendor has given the Irrevocable Undertaking in favour of the Offeror, pursuant to which, the Vendor has undertaken that it shall (a) not accept the Offer in respect of the Remaining Shares and any other Shares of which it may become the registered holder or beneficial owner or in which it may become so interested after the date of the Irrevocable Undertaking, and (b) not dispose of, transfer, charge, pledge or otherwise encumber or grant any option or other right over or otherwise deal in any of relevant Shares mentioned above or any interest in them (whether conditionally or unconditionally) or enter into any transaction having a similar economic effect.

The Irrevocable Undertaking shall be effective from the Completion Date until the Closing Date.

## **Total value of the offer**

As at the date of this joint announcement, there are 800,000,000 Shares in issue. The offer price of HK\$0.04 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. Assuming that there is no change in the issued share capital of the Company and on the basis of the offer price of HK\$0.04 per Share, the entire issued ordinary share capital of the Company would be valued at HK\$32,000,000.

The offer price of HK\$0.04 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. Assuming that there is no change in the issued share capital of the Company, taking into account the Irrevocable Undertaking, and assuming that the Offer is accepted in full (other than the Remaining Shares subject to Irrevocable Undertaking), the aggregate value of the Offer is HK\$10,683,600.

## **Confirmation of financial resources**

The maximum amount of cash payable by the Offeror in respect of acceptances of the Offer (other than the Remaining Shares subject to Irrevocable Undertaking) is HK\$10,683,600, assuming there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer. The Offeror will finance and satisfy the consideration payable under the Offer by its own internal resources and the Facility.

Messis Capital, as the Financial Adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration payable in respect of full acceptance of the Offer.

The Facility is secured by (i) the share charges of the Pledged Shares; (ii) the charge over the Charged Account; and (iii) the Personal Guarantee. The Offeror confirms that the repayment of the Facility including interest thereon is not dependent on the business of the Group.

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

By accepting the Offer, the Offer Shareholders shall sell their Shares free from all Encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made.

Acceptance of the Offer by any Offer Shareholders will be deemed to constitute a warranty by such person that all the Shares to be sold by such person under the Offer are free from all Encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made, that is, the date of posting of the Composite Document.

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made pursuant to Rule 20.1 of the Takeovers Code as soon as possible but in any event no later than seven (7) Business Days following the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Offer Shares in respect of such acceptance are received by the Offeror to render each such acceptance complete and valid pursuant to Note 1 to Rule 30.2 of the Takeovers Code.

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

### **Hong Kong stamp duty**

The seller' 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 cash amount payable to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller' ad valorem stamp duty on behalf of accepting Offer Shareholders and pay the buyer's 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).

## **Overseas Shareholders**

As the Offer to persons not being resident in Hong Kong may be affected by the laws and regulations 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 legal advice. 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 consents which may be required, or compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in respect of such jurisdictions).

If the receipt of the Composite Document by the Overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, may not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waivers as may be required pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

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. The Overseas Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

There are no Overseas Shareholders identified as at the date of this joint announcement.

## **Taxation advice**

The Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company and their respective ultimate beneficial owners, directors, 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.

## **DEALING AND INTERESTS IN SECURITIES OF THE COMPANY**

The Offeror confirms that as at the date of this joint announcement:

- (a) save for the Sale Shares acquired by the Offeror and the 432,910,000 Shares held by the Offeror's Concert Group, none of the members of the Offeror's Concert Group and the Vendor and Mr. Lee owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;

- (b) none of the members of the Offeror's Concert Group and the Vendor and Mr. Lee had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the 6 months prior to the Last Trading Day up to and including the date of this Announcement;
- (c) save for the Irrevocable Undertaking and the Facility, there are no arrangements (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;
- (d) there are no agreements or arrangements to which any member of the Offeror's Concert Group and the Vendor and Mr. Lee, is a party which relates to circumstances in which the Offeror may or may not seek to invoke a pre- condition or a condition to the Offer;
- (e) none of the members of the Offeror's Concert Group and the Vendor and Mr. Lee has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) Save for the Irrevocable Undertaking, none of the members of the Offeror's Concert Group and the Vendor and Mr. Lee has received any irrevocable commitment to accept or not to accept the Offer;
- (g) save for the Consideration paid by the Offeror to the Vendor under the Sale and Purchase Agreement, there is no other consideration, compensation or benefit in whatever form paid or to be paid by any members of the Offeror's Concert Group to the Vendor, its ultimate beneficial owner and parties acting in concert with any of them (excluding the Offeror's Concert Group) in connection with the sale and purchase of the Sale Shares; and
- (h) there are no agreements or arrangements in relation to outstanding derivative in respect of the securities in the Company which has been entered into by any members of the Offeror's Concert Group and the Vendor and Mr. Lee.
- (i) Save for the Irrevocable Undertaking, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between each of the Vendor, its ultimate beneficial owner and parties acting in concert with any of them (excluding the Offeror's Concert Group) on one hand, and any member of the Offeror's Concert Group on the other hand.
- (j) Save for the Irrevocable Undertaking, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) any member of the Offeror's Concert Group and the Vendor and Mr. Lee; or (b) the Company, its subsidiaries or associated companies.

## SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 ordinary shares, and there are 800,000,000 Shares in issue. The Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares as at the date of this joint announcement.

The table below sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and prior to the Offer:

	Immediately prior to Completion		Immediately upon Completion and prior to the Offer	
	Number of Shares	Approximate (%)	Number of Shares	Approximate (%)
<b>The Offeror and parties acting in concert with it (Note 1)</b>				
Offeror (Note 2)	230,000,000	28.75	330,000,000	41.25
Vendor (Note 3)	<u>302,910,000</u>	<u>37.86</u>	<u>202,910,000</u>	<u>25.36</u>
<b>Sub Total</b>	532,910,000	66.61	532,910,000	66.61
Public Shareholders	<u>267,090,000</u>	<u>33.39</u>	<u>267,090,000</u>	<u>33.39</u>
<b>Total</b>	<u><u>800,000,000</u></u>	<u><u>100</u></u>	<u><u>800,000,000</u></u>	<u><u>100</u></u>

Notes:

1. As the Offeror and the Vendor each owns 20% or more of the voting rights of the Company, the Offeror and the Vendor are (i) each associated company of the Company pursuant to the Takeovers Code; and (ii) presumed to be parties acting in concert by virtue of class (1) of the definition of acting in concert under the Takeovers Code.
2. The Offeror is beneficially wholly-owned by Mr. Ling, an executive Director and substantial shareholder of the Company. Therefore, Mr. Ling is deemed to be interested in all the Shares held by the Offeror under the SFO.
3. The Vendor is beneficially wholly-owned by Mr. Lee. Therefore, Mr. Lee is deemed to be interested in all the Shares held by the Vendor under the SFO.

Save as disclosed above, no Directors (i) held any Shares immediately prior to Completion; and (ii) will hold any Shares immediately upon Completion and prior to the Offer.

## INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares were listed on the main board of the Stock Exchange on 28 December 2017. The Group is principally engaged in the provision of foundation engineering services to customers mainly consisting of main contractors of private foundation projects in Hong Kong.

Set out below is a summary of the audited consolidated financial results of the Group for the financial years ended 31 March 2023 and 31 March 2024, prepared in accordance with the relevant accounting principles and financial regulations applicable to the International Financial Report Standards:

	<b>As at/for the financial year ended</b>	
	<b>31 March 2023</b>	<b>31 March 2024</b>
	<i>(audited)</i>	<i>(audited)</i>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	238,957	194,043
(Loss)/Profit before taxation	(32,722)	655
(Loss)/Profit and total comprehensive (expense) income for the year	(30,039)	655
Net assets	76,793	77,448

## INFORMATION ON THE OFFEROR

The Offeror was incorporated in the BVI with limited liability on 10 July 2019 and has since been an investment holding company without business operations. As at the date of this joint announcement, the Offeror is wholly and beneficially owned by Mr. Ling, who is also the sole director of the Offeror. Mr. Ling, aged 61, was appointed as an executive Director on 1 September 2022. Mr. Ling is also the Company's chairman and the chairman of the nomination committee of the Company and a member of the remuneration committee of the Company. Mr. Ling has approximately 44 years of experience in the construction industry. Mr. Ling joined the Group in 2000 and has accumulated extensive experience in the operations of the foundation industry from working on various projects involving sheet piling, site formation, and excavation and lateral support works. Mr. Ling was previously a general manager of the Group from 2016 to 2022 and project manager of the Group from 2000 to 2016. Since 2000, Mr. Ling has been primarily responsible for daily monitoring and supervision of the operations of construction sites in Hong Kong as well as in charge of the tendering procedure for the Group's construction projects.

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

The Offeror intends to continue the employment of the existing management and employees of the Group. The Offeror also intends to continue the existing principal business of the Group immediately following Completion. The Offeror will, following the completion of the Offer, review the operation and business activities of the Group to formulate a long-term business strategy for the Group. Subject to the results of such review, the Offeror may explore other business and/or seek to expand the geographical coverage of the principal business of the Group. However, as of the date of this joint announcement, no opportunities have been identified and Mr. Ling has no intention to change the Company's business focus or alter the geographical coverage of the principal business of the Group. Save for the Offeror's intention regarding the Group as set out above, (i) the Offeror has no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (ii) as at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group.

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

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

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

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The Directors and the proposed new Director(s) to be nominated by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists for the Shares. The Offeror intends to maintain the listing of the Shares on the main board of the Stock Exchange and will take appropriate steps (including but not limited to placement of Shares) as soon as possible following the close of the Offer to ensure that a sufficient public float exists in the Shares after the close of the Offer.

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

An Independent Board Committee, comprising all the independent non-executive Directors (namely, Mr. Chong Kam Fung, Mr. Ho Chun Chung Patrick and Mr. Shi Wai Lim William), has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Offeror Shareholders as to whether the Offer is, or is not fair, and reasonable and as to the acceptance of the Offer.

The Independent Financial Adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of 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 pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made upon the appointment of the Independent Financial Adviser.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree's board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among others, (i) further details on the terms of the Offer; (ii) a letter of recommendation from the Independent Board Committee in respect of the Offer; (iii) a letter of advice from the Independent Financial Adviser in respect of the Offer; and (iv) the form of acceptance and transfer for the Offer Shares, will be despatched to the Shareholders no later than 21 days after the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) will be made when the Composite Document is despatched.

## **DISCLOSURE OF DEALINGS**

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are reminded to disclose their dealings in any relevant securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*



*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 16 July 2024 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 26 July 2024.

## **WARNING**

**The Independent Board Committee has yet to consider and evaluate the Offer. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders of the Offer to be made. The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement. Shareholders and potential investors of the Company are reminded to read the Composite Document, especially the letter from the Independent Board Committee and the letter from the Independent Financial Adviser, and consider their recommendations and advices in connection with the Offer.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## **DEFINITIONS**

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the purchase of the Sale Shares by the Offeror from the Vendor in accordance with the terms and conditions of the Sale and Purchase Agreement
“Astrum Capital”	Astrum Capital Management Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, being the agent making the Offer on behalf of the Offeror
“acting in concert” or “concert parties”	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
“Charged Account”	the Offeror’s margin account maintained with Astrum Capital pursuant to the Loan Agreement
“Closing Date”	the date to be stated in the Composite Document as the closing date of the Offer or any subsequent closing date as may be announced by the Offeror in accordance with the Takeovers Code
“Company”	Ling Yui Holdings Limited (凌銳控股有限公司), an exempted 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: 784)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date on which the Completion took place, being 15 July 2024
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Offer Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the forms of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser of the Company
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the amount of HK\$4,000,000, being consideration payable by the Offeror to the Vendor for the acquisition of the Sale Shares
“Director(s)”	the director(s) of the Company

“Encumbrances”	any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Facility”	a loan facility in the sum of HK\$4 million granted by Astrum Capital in favour of the Offeror pursuant to Loan Agreement
“Financial Adviser”	Messis Capital, the Financial Adviser to the Offeror
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board, comprising Mr. Chong Kam Fung, Mr. Ho Chun Chung Patrick and Mr. Shi Wai Lim William, being all the independent non-executive Directors, which has been formed for the purpose of advising the Offer Shareholders in respect of the Offer
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company (with approval from the Independent Board Committee) to advise the Independent Board Committee in respect of the terms of the Offer and as to the acceptance of the Offer
“International Financial Report Standards”	international accounting standards issued by the International Accounting Standards Board
“Irrevocable Undertaking”	the irrevocable undertaking dated 15 July 2024 given by the Vendor to the Offeror relating to, inter alia, the Vendor’s undertaking not to accept the Offer with respect to the Remaining Shares held by the Vendor

“Last Trading Day”	15 July 2024, being the last trading day immediately prior to the suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement entered into by and among the Offeror (as borrower), Astrum Capital (as lender) and Mr. Ling (as guarantor) dated 16 July 2024 in relation to the Facility
“Messis Capital”	Messis Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the Financial Adviser to the Offeror
“Mr. Lee”	Mr. Lee Kim Ming, the sole director and the sole ultimate beneficial shareholder of the Vendor
“Mr. Ling”	Mr. Ling Chi Fai, an executive Director and substantial shareholder of the Company and the sole director and the sole ultimate beneficial shareholder of the Offeror
“Offer”	the mandatory unconditional cash offer to be made by Astrum Capital, for and on behalf of the Offeror, to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror’s Concert Group)
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from the date of this joint announcement, and ending on the Closing Date
“Offer Shares”	any of the 267,090,000 Shares that are subject to the Offer
“Offer Shareholder(s)”	holder(s) of Share(s), other than the Offeror’s Concert Group
“Offeror”	Reach Goal Development Limited, a company incorporated in the BVI with limited liability, being the purchaser under the Sale and Purchase Agreement. Mr. Ling is the sole director and sole ultimate beneficial shareholder of the Offeror
“Offeror’s Concert Group”	the Offeror, Mr. Ling and parties acting in concert with any of them (other than the Vendor and Mr. Lee)
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company is/are outside Hong Kong

“Pledged Shares”	the Sale Shares that have been pledged by the Offeror to Astrum Capital on 16 July 2024 and all the Offer Shares that will be pledged (if there are acceptances under the Offer) by the Offeror to Astrum Capital, respectively, pursuant to the Facility
“Personal Guarantee”	the personal guarantee provided by Mr. Ling to Astrum Capital in respect of the performance of the Offeror’s obligations under the Loan Agreement
“Sale and Purchase Agreement”	the agreement for the sale and purchase of Sale Shares dated 15 July 2024 and entered into by and among the Vendors and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares”	100,000,000 Shares sold by the Vendor and acquired by the Offeror pursuant to the terms and conditions of the Sale and Purchase Agreement, representing 12.50% of the entire issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in issued of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“treasury shares”	has the same meaning ascribed to it under the Listing Rules
“Vendor”	Simple Joy Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially wholly-owned by Mr. Lee. Simple Joy Investments Limited, immediately prior to Completion, was interested in 302,910,000 Shares, representing approximately 37.86% of the total issued share capital of the Company
“Remaining Shares”	the 202,910,000 Shares to be held by the Vendor immediately upon Completion, representing approximately 25.36% of the issued share capital of the Company as at the date of this joint announcement
“%”	per cent.

By order of the board of directors of  
**Reach Goal Development Limited**  
**Ling Chi Fai**  
*Sole Director*

By order of the Board of  
**Ling Yui Holdings Limited**  
**Leung Cheuk Ho**  
*Executive Director*

Hong Kong, 25 July 2024

*As at the date of this joint announcement, the executive Directors are Mr. Ling Chi Fai and Mr. Leung Cheuk Ho; and the independent non-executive Directors are Mr. Chong Kam Fung, Mr. Ho Chun Chung Patrick and Mr. Shi Wai Lim William.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement, other than those that are relating to the Offeror, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the sole director of the Offeror in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, Mr. Ling Chi Fai is the sole director of the Offeror. As the sole director of the Offeror, Mr. Ling Chi Fai accepts full responsibility for the accuracy of the information contained in this joint announcement (other than those that are relating to the Vendor and the Group) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than that expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*