

# NIU HOLDINGS LIMITED

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

**(Stock Code: 8619)**

*Executive Directors:*

Ms. LEUNG Suet Yiu

Mr. LEUNG Chun Yu Edmund

*Non-executive Director:*

Mr. YUEN Chi Ping (*Chairman*)

Dr. CHAN Yin Nin (*Chairman*)

*Independent non-executive Directors:*

Ms. LUNG Wing Yee

Mr. LEUNG Man Chun

Mr. WONG Chun Man

*Registered office:*

Cricket Square Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Headoffice and Principal place of  
business in Hong Kong:*

Room 804, Intercontinental Plaza

No. 94 Granville Road

Tsim Sha Tsui, Kowloon

Hong Kong

*Company Secretary:*

Mr. NG Chun Chung

31 March 2026

*To the Qualifying Shareholders,*

Dear Sir or Madam,

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR  
EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE ON  
A NON-FULLY UNDERWRITTEN BASIS; AND  
(II) CONNECTED TRANSACTION IN RELATION  
TO THE UNDERWRITING AGREEMENT  
(III) ADOPTION OF THE THIRD AMENDED AND RESTATED MEMORANDUM  
AND ARTICLES OF ASSOCIATION  
AND  
(IV) NOTICE OF EXTRAORDINARY GENERAL MEETING**

## **INTRODUCTION**

Reference is made to the Announcement in relation to, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the announcement dated 11 February 2026 in relation to the Proposed Amendments.

The purpose of this circular is to provide you with, among other things, (i) further details of the Rights Issue, the Placing Agreement and the Underwriting Agreement; (ii) a letter of recommendations from the Independent Board Committee in respect of the Rights Issue, the Placing Agreement and the Underwriting Agreement; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in regard to the aforesaid; (iv) the Proposed Amendments and (v) a notice convening the EGM.

## THE RIGHTS ISSUE

The Company proposes to raise up to approximately HK\$30.933 million before expenses by way of the issue to the Qualifying Shareholders of a maximum of 289,090,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.107 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing Share held on the Record Date on a non-fully underwritten basis. The Rights Issue is available only to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

The principal terms of the Rights Issue are as follows:

### Issue statistics

|   |   |   |
|---|---|---|
| Basis of the Rights Issue   | : | two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date  |
| Subscription Price  | : | HK\$0.107 per Rights Share  |
| Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)                               | : | Approximately HK\$0.105 per Rights Share, if fully subscribed   |
| Number of Shares in issue as at the Latest Practicable Date   | : | 144,545,000 Shares<br><br>As at the Latest Practicable Date, the Company does not hold any treasury shares and there is no repurchased Share pending cancellation.  |
| Maximum number of Rights Shares to be issued under the Rights Issue (assuming the Rights Issue is fully subscribed)   | : | 289,090,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)  |
| Maximum total number of issued Shares as enlarged by the Rights Issue (assuming the Rights Issue is fully subscribed) | : | 433,635,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) |
| Gross proceeds from the Rights Issue (before expenses)  | : | No more than approximately HK\$30.933 million   |
| Net proceeds from the Rights Issue  | : | No more than approximately HK\$30.383 million   |
| Rights of excess application  | : | There will be no excess application arrangements in relation to the Rights Issue  |

Assuming that there is no change in the number of issued Shares on or before the Record Date and no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 289,090,000 Rights Shares proposed to be provisionally allotted and issued pursuant to the Rights Issue represents approximately 200% of the number of issued Shares as at the Latest Practicable Date and will represent approximately 66.67% of the total number of issued Shares of the Company as enlarged by the issue of the Rights Shares (assuming the Rights Issue is fully subscribed).

### **The Subscription Price**

The Subscription Price of HK\$0.107 per Rights Share is payable in full upon the acceptance of the relevant provisional allotment of Rights Shares or, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 57.2% to the closing price of HK\$0.250 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 33.5% to the closing price of HK\$0.161 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 35.9% to the average closing price of HK\$0.167 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 35.7% to the average closing price of HK\$0.166 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 20.5% to the theoretical ex-rights price of approximately HK\$0.128 per Share based on the closing price of HK\$0.161 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (vi) theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 24.8%, represented by the theoretical diluted price of HK\$0.128 per Share to the benchmarked price of approximately HK\$0.170 per share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the five (5) previous consecutive trading days prior to the Last Trading Day; and
- (vii) a discount of approximately 92.7% to the net asset value per Share as at 30 September 2025 of approximately HK\$1.465 (based on a total of 144,545,000 Shares in issue as at the Latest Practicable Date and the Group's unaudited total equity attributable to owners of the Company of approximately HK\$211,733,000 as at 30 September 2025 as disclosed in the interim report of the Company for the six months ended 30 September 2025).

The Subscription Price was determined by the Company with reference to the recent market prices of the Shares, the current market conditions, the financial position of the Group and the reasons and benefits of the Rights Issue as discussed in the section headed "Reasons for the Rights Issue and the Use of Proceeds" below in this circular.

While the Subscription Price represents a discount of approximately 92.7% to the unaudited consolidated net asset value of the Company per Share as at 30 September 2025, the Company noted that the Shares were traded at a discount to the net asset value per share of the Company ranging between 81.2% and 90.1% since the last quarter of 2025 and up to the Last Trading Day, and such recent trading prices of the Shares reflected the market sentiment. The Company observes that a significant portion of the Group's asset base comprises financial assets at fair value through profit or loss. In light of the market volatility affecting the securities held, the fair value of such assets has experienced a downward adjustment subsequent to 30 September 2025. Such volatility indicates that the recorded fair values may not accurately represent the realisable value. The Company is of the view that the net asset value may not be a meaningful reference to determine the Subscription Price, which should instead be determined with reference to the recent market outlook.

Having also considered that (i) a discount to the prevailing historical closing prices of the Shares may attract the Qualifying Shareholders to participate in the Rights Issue; (ii) the closing prices of the Shares have remained below the historical net asset value per Share during the period from 30 September 2025 to the Latest Practicable Date; (iii) the theoretical dilution effect of the Rights Issue does not result in a theoretical dilution effect of 25% or more, which is in compliance with Rule 10.44A of the GEM Listing Rules, the Directors (other than the members of the Independent Board Committee whose opinion will be set forth in the Circular after considering the advice from the Independent Financial Adviser) consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder at the close of business on the Record Date.

In order to be registered as a member of the Company at the close of business on the Record Date, all transfer documents for Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged for registration with the Registrar by no later than 4:00 p.m. on Thursday, 23 April 2026.

It is expected that the last day for dealing in Shares on a cum-rights basis is Tuesday, 21 April 2026, and the Shares will be dealt with on an ex-rights basis starting from Wednesday, 22 April 2026.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors of the Company should consult their professional advisers if they are in doubt.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholder for their information only.

**Qualifying Shareholders who take up their pro-rata assured entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

#### **Non-Qualifying Shareholders (if any)**

The Prospectus Documents to be issued in connection with the Rights Issue will not be filed or registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. Accordingly, no provisional allotment of Rights Shares will be made to the Non-Qualifying Shareholders and Non-Qualifying Shareholders will not be entitled to apply for Rights Shares.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form on the Stock Exchange as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, levies and stamp duty, if more than HK\$100, the excess will be paid pro-rata (but rounded down to the nearest cent) to the shareholdings of the relevant Non-Qualifying Shareholders held on the Record Date in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit to cover the administrative costs that it would have incurred.

Any NQS Unsold Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, will be placed by the Placing Agent under the Compensatory Arrangements together with the Unsubscribed Rights Shares.

### ***Rights of Overseas Shareholders***

As at the Latest Practicable Date, the Company has 7 Overseas Shareholders, who is holding representing approximately 5.532% of the total issued share capital of the Company. The below are Overseas Shareholders' location and respective Share numbers:

| <b>Oversea Shareholder No.</b> | <b>Location</b>     | <b>Number of Share Held</b> | <b>Percentage interest in the Share capital (approximately)</b> |
|--------------------------------|---------------------|-----------------------------|---|
| 1                              | NANTONG, CHINA      | 2,350                       | 0.002%  |
| 2                              | HEILONGJIANG, CHINA | 160,000                     | 0.111%  |
| 3                              | BEIJING, CHINA      | 7,330                       | 0.005%  |
| 4                              | HANGZHOU, CHINA     | 1,317,200                   | 0.911%  |
| 5                              | BEIJING, CHINA      | 26,350                      | 0.018%  |
| 6                              | FUJIAN, CHINA       | 1,483,490                   | 1.026%  |
| 7                              | TOKYO, JAPAN        | 5,000,000                   | 3.459%  |

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

In compliance with Rule 17.41(1) of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on the legal advice provided by the respective legal advisers of the PRC and Japan, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholders. Further details will be disclosed in the Prospectus.

The Company will continue to ascertain whether there are any other Overseas Shareholders as at the Record Date and will, if necessary, make further enquiries with legal advisers in other overseas jurisdictions regarding the feasibility of extending the Rights Issue to such Overseas Shareholders as at the Record Date and make relevant disclosure in the Prospectus.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders only and will, subject to the advice given in the legal opinions provided by the Company's legal advisers in the relevant overseas jurisdictions of Overseas Shareholders, if any, and to the extent reasonably practicable, send the Prospectus (without the PAL) to the Non-Qualifying Shareholders for information purposes only.

It is the responsibility of any person (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining of any government or other consents, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any such person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Such persons are advised to consult their own professional advisers if in doubt.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41 (1) of the GEM Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.**

#### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank pari passu among themselves and in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

#### **Basis of provisional allotment**

The basis of provisional allotment of Rights Shares will be two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotments should be made by completing a PAL (in accordance with the instructions printed thereon) and lodging the same with a remittance for the Rights Shares being applied for with the Registrar, Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Monday, 18 May 2026.

## **The Irrevocable Undertaking**

The Board has received from Mr. Yuen, the substantial Shareholder who is interested in 21,823,600 Shares (representing approximately 15.10% of all issued Shares as at the Latest Practicable Date), the Irrevocable Undertaking under the Underwriting Agreement. Pursuant to the Irrevocable Undertaking, Mr. Yuen has provided irrevocable undertakings to the Company that, among other things, (i) to take up all of the assured entitlements to the Rights Shares in respect of Shares beneficially owned by him as at the date of the Irrevocable Undertaking pursuant to the terms of the Rights Issue provided that the total number of Rights Shares to be subscribed by Mr. Yuen under the Rights Issue will be scaled down to the extent that Mr. Yuen will not trigger a general offer obligation in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; (ii) not dispose of, or agree to dispose of, any of the 21,823,600 Shares owned by him as at the date of the Underwriting Agreement up to and including the Record Date; and (iii) lodge or procure the acceptance of the 43,647,200 Rights Shares which will be the number of Rights Shares provisionally allotted (on nil-paid basis) to him under the Rights Issue, with the Registrar with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.

As at the Latest Practicable Date, save for Mr. Yuen, the Company does not have any other substantial or controlling Shareholder and the Board has not received any indication from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

## **Closure of register of members of the Company**

The register of members of the Company will be closed from Tuesday, 14 April 2026 to Monday, 20 April 2026 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

The register of members of the Company will be closed from Friday, 24 April 2026 to Thursday, 30 April 2026 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

## **Fractional entitlement to the Rights Shares**

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares (if any) will be aggregated and rounded down to the nearest whole number and, if a premium (net of expenses) can be achieved, sold in the market by the Company for its own benefit.

## **Odd lot arrangement**

No odd lot matching services will be provided.

### **Application for listing of the Rights Shares**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 10,000 Shares in one board lot. No part of the share capital and debt securities of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

### **Admission of Rights Shares into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms are expected to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders whose Shares are held through CCASS should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **Stamp duty and other applicable fees**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

## **Taxation**

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, subscribing, exercising, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

## **Share certificates and refund cheques for Rights Issues**

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on Wednesday, 10 June 2026. Those entitled, except HKSCC Nominees Limited, and in the case of joint Qualifying Shareholders, the first-named Qualifying Shareholder, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued thereto.

If the Rights Issue does not proceed, refund cheques are expected to be despatched on or before Wednesday, 10 June 2026 to the applicants without interest to their registered addresses by ordinary post at their own risks.

## **Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements**

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to Independent Placees for the benefit of relevant No Action Shareholders and Non-Qualifying Shareholders. There will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on 11 February, 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best effort basis. Any premium over, the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised will be paid to the No Action Shareholders and the Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Thursday, 4 June 2026, placee(s) for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will be taken up by the Underwriter to an extent pursuant to the Underwriting Agreement and the remaining Rights Shares (if any) will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the relevant No Action Shareholders and Non-Qualifying Shareholders as set out below on pro-rata basis (but rounded down to the nearest cent):

- (i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- (ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of (i) more than HK\$100, the entire amount will be paid to the relevant No Action Shareholders or Non-Qualifying Shareholders in Hong Kong Dollars only; or (ii) HK\$100 or less, such amount will be retained by the Company for its own benefit.

Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

## **PLACING AGREEMENT**

Details of the Placing Agreement are summarised as follows:

- Date : 11 February 2026 (after trading hours of the Stock Exchange)
- Issuer : The Company
- Placing Agent : First Shanghai Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO. The Placing Agent is a third party independent of and not connected with the Company and any of its connected persons, and confirms that it is independent of and not acting in concert with the Underwriter and parties acting in concert with any of them.
- Commission and expenses : The Company shall pay to the Placing Agent a nonrefundable fee of HK\$15,000 within three Business Days upon execution of the Placing Agreement.

Subject to the satisfaction of the conditions of the Placing, the Company shall pay to the Placing Agent a placing commission of HK\$85,000 or 1% of the gross placing proceeds (i.e. the placing price multiplied by the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares successfully placed by the Placing Agent), whichever is higher.

- Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, Stock Exchange trading fee or the AFRC transaction levy as may be payable), and the final placing price shall be determined based on the demand for and the prevailing market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the placement process.
- Independent Placees : The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies).
- The Placing Agent will use reasonable endeavour to, and the Company will ensure that (i) the Company will continue to comply with public float requirement under Rule 11.23(7) of the GEM Listing Rules upon the completion of the Rights Issue and the Placing; and (ii) that the Placing shall not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.
- Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares then in issue and be free from all encumbrances and with all rights attaching thereto on and after the date of their allotment.
- Conditions of the Placing Agreement : The completion of the Placing is conditional upon the following conditions being fulfilled:
- (i) the Company's warranties given under the Placing Agreement remaining true and accurate and not misleading in all material respects at all times prior to the date of completion of the Placing; and

- (ii) the Listing Committee granting the listing of, and permission to deal in, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by no later than the Latest Time for Termination (or such other time or date as may be agreed between the Placing Agent and the Company) and such listing permission not subsequently revoked prior to the date of completion of the Placing.

In the event that the above condition precedents have not been fulfilled on or before the Latest Time for Termination (or such later date as may be agreed between the parties thereto in writing), all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and neither of the parties to the Placing Agreement shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof).

#### Termination

- : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise (except for any temporary suspension of trading pending the publication of any information relating to the Rights Issue, the Placing Agreement and the Underwriting Agreement) and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

- (v) any breach of any of the representations and warranties given by the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the completion of the Placing which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vi) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and the NQS Unsold Right Shares (including the commission payable) was determined after arm's length negotiations between the Placing Agent and the Company with reference to a market comparable case (the Placing commission quoted by the Placing Agent to the IRC Limited (Stock code: 1029)), and the commission terms adopted by the Company in placing of new shares completed on 30 May 2025 under general mandate. By further considering the discount of subscription price against the market price, the market comparable, the size of the Right Issue, the current market conditions, and the Placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares is on best effort basis, the Directors (other than members of the Independent Board Committee whose opinion will be set forth in the Circular after considering the advice from the Independent Financial Adviser) consider the terms of the Placing Agreement (including the commission payable) are on normal commercial terms and are fair and reasonable.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; and (ii) a compensatory mechanism for No Action Shareholders and the Non-Qualifying Shareholders, the Directors (other than members of the Independent Board Committee whose opinion will be set forth in the Circular after considering the advice from the Independent Financial Adviser) consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the minority Shareholders.

## THE UNDERWRITING AGREEMENT

The Rights Issue is non-fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement as described below:

### Underwriting Agreement

Date : 11 February, 2026 (after trading hours of the Stock Exchange)

Issuer : The Company

Underwriter : Mr. Yuen

As at the Latest Practicable Date, Mr. Yuen is beneficially interested in 21,823,600 Shares, representing approximately 15.10% of the total number of issued Shares of the Company and is a substantial Shareholder, a non-executive Director and the Chairman of the Company. As such, the Underwriter complies with Rule 10.24A(2) of the GEM Listing Rules.

The Underwriter is a qualified lawyer in both Hong Kong and England & Wales and does not engage in securities underwriting as part of his ordinary course of business.

Number of Rights Shares underwritten by the Underwriter : Mr. Yuen has (in addition to his obligations under the Irrevocable Undertaking) conditionally agreed to underwrite such number of Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), which together with the Shares already held by Mr. Yuen and the Undertaken Shares, will not reach to a percentage of enlarged issued share capital of the Company at completion of the Rights Issue, which will trigger a general offer obligation in accordance to the note to Rule 10.26(2) of the GEM Listing Rules

For the avoidance of doubt, in the event that the number of Shares already held by Mr. Yuen together with the Undertaken Shares reached to a percentage of enlarged issued share capital of the Company at completion of the Rights Issue, which will trigger a general offer obligation in accordance to the note to Rule 10.26(2) of the GEM Listing Rules, no further Rights Share will be underwritten by Mr. Yuen under the Underwriting Agreement.

Commission : The Underwriter will not receive any underwriting commission.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the identity of the Underwriter as the substantial Shareholder of the Group, the size of the Rights Issue and the current market condition. The Directors (other than the members of the Independent Board Committee whose opinion will be set forth in the Circular after considering the advice from the Independent Financial Advisers) consider that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

#### **Conditions of the Underwriting Agreement**

The obligations of the Underwriter under the Underwriting Agreement are conditional on the fulfilment of the following conditions:

- (i) the passing by the Independent Shareholders at the EGM of ordinary resolutions to approve the Underwriting Agreement, the Placing Agreement, the Rights Issue and the transactions contemplated thereunder (the approval by more than 50% of the Independent Shareholders at the EGM by way of poll);
- (ii) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the submission to the Stock Exchange and the registration with the Registrar of Companies in Hong Kong respectively the Prospectus Documents not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance;
- (iv) the Prospectus Documents having been made available to the Qualifying Shareholders on the Prospectus Posting Date, and the Prospectus having been made available to the Non-Qualifying Shareholders, if any, for information purpose on the Prospectus Posting Date;

- (v) the filing and registration of all relevant documents with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (vi) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events; and
- (vii) the compliance with and performance of all the undertakings and obligations of the Underwriter under the Irrevocable Undertaking.

None of the above conditions precedent is capable of being waived.

If any of the conditions precedent are not satisfied by the Latest Time for Termination or, where appropriate, such other time as specifically specified in the above conditions precedent, the Underwriting Agreement shall terminate automatically and no party will have any claim against any other party (save for any antecedent breaches and claims thereof).

As at the Latest Practicable Date, none of the above conditions precedent have been fulfilled.

#### **Termination of the Underwriting Agreement**

The Underwriter shall be entitled by a notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if, prior to the Latest Time for Termination:

- (i) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or is materially adverse in the context of the Rights Issue; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which in the reasonable opinion of the Underwriter will materially and adversely affect the success of the Rights Issue and/or the prospects of the Company taken as a whole; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, an omission which is material in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or this circular or other announcements in connection with the Rights Issue.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine.

**If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement(s) will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.**

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and that the Underwriting Agreement not being terminated in accordance with its terms. Please refer to the section headed "Conditions of the Underwriting Agreement" in this circular for further details.

## REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in consultancy services in structural and geotechnical engineering, civil engineering practice areas and materials engineering. In addition, the Company is also engaged in other related services such as providing registered structural engineer and authorized person services in relation to alteration and addition works, as well as providing expert services from time to time as required by customers. The Company is further engaged in the IT business segment, offering equipment rental services (e.g. rental of fundamental equipment (server racks, cabinets, and monitoring equipment) for data center, storage device leasing (enterprise-level storage arrays and distributed storage nodes)), software and integrated solutions (e.g. ERP system integration solution, BIM platform, and smart home management software), and Device-as-a Service (DaaS) solutions. Such diversification enhances our technological capabilities and providing clients with flexible and cost efficient IT resources. The Directors consider that the Rights Issue would enhance the working capital and equip itself with enhanced capability and flexibility for the business development of the Company.

Subject to completion of the Rights Issue, it is expected that the maximum gross proceeds and net proceeds (after deduction of professional fees and all related expenses of the Rights Issue) from the Rights Issue will be approximately HK\$30.933 million and HK\$30.383 million respectively. The Company intends to apply the net proceeds in the following manners:

- (i) approximately 27% for the expansion and improvement our existing IT and smart building management businesses, including recruitment of additional manpower (15%), acquisition of supplementary IT equipment (7%), and development of various software applications for both internal use and external commercial purposes (5%);
- (ii) approximately 15% for establishing and growing our engineering consultancy services, including recruitment of manpower (5%), targeted marketing and promotional initiatives (5%); and enhancements to our core operating system and platforms (5%);
- (iii) approximately 20% for the acquisition of new companies in construction and property development, and IT related segments; or increase our shareholdings in non-wholly owned subsidiaries; or investment in existing subsidiaries;
- (iv) approximately 30% for the general working capital of the Company, including but not limited to (a) staff salary (15%); (b) Directors' remuneration (4%); (c) office rent and rates (3%); (d) professional fees (including but not limited to legal advisers and auditors), listing annual fee, and other administrative overheads (8%); and
- (v) approximately 8% for repayment of debt, including (a) 5% as to an amount due to a director; and (b) 3% as other payable/accrued expenses.

In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above.

As at 28 February 2025, the Group's cash and cash equivalents amounted to approximately HK\$12.5 million, of which approximately HK\$6.1 million is required for monthly staff payroll disbursements, and approximately HK\$3.3 million is reserved for cash in advanced to external consultant for potential new projects. It is expected the existing cash level of the Group will be utilized for within two months. Given the limited cash resources and recurring operating expenditure requirements, coupled with the ongoing working capital needs for business expansion, project investment and daily operations with reference to the funding conditions, the Group is in urgent need of additional capital to maintain stable operations and support business development.

The Directors (other than the members of the Independent Board Committee whose opinion will be set forth in the Circular after considering the advice from the Independent Financial Adviser) consider that the Rights Issue is in normal commercial terms with reference to the prevailing market conditions and the recent trading performance of the Shares and the terms of the Rights Issue are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Upon reviewing the Group's latest financial position, the Board confirms the need for the Rights Issue. From the perspective of capital allocation, existing resources are mainly deployed on operational commitments, limiting flexibility for strategic initiatives. From the perspective of financial prudence, it avoids incremental leverage and strengthens liquidity buffers amid rising costs and market volatility. Leveraging current market sentiment, the Rights Issue addresses funding needs timely, mitigating risks of delayed financing such as cost escalations or missed opportunities while safeguarding long-term corporate interests.

As at the date of this circular, there is no any target engaging in construction and property development, and IT related segments has been identified, but the Company is looking for and will make related disclosure when fits.

The Board has considered other alternative fund-raising methods such as debt financing, equity financing such as placing, subscription of new Shares or open offer. The Board considered that debt financing may incur further interest burden on the Group and may be subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position and the then financial market condition and it may be relatively uncertain and time-consuming. In respect of equity financing such as placing and subscription of new Shares, taking into account that (i) it is relatively smaller in scale as compared to fund that can be raised through rights issue; and (ii) it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company, it was not considered by the Board to be the most suitable fund-raising methods for the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders opportunity to participate, unlike a rights issue, it does not allow free trading of rights entitlements in the open market which would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

In view of the above, the Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the independent financial adviser) considers that as compared to raising fund by other means, raising funds by way of the Rights Issue, which will allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro rata shareholding interests in the Company and dealing with the Shares, is an appropriate fundraising method and is fair, cost effective, efficient and beneficial to the Company and its shareholders as a whole.

### Timing

Assuming the completion of the Rights Issue and the Rights Shares are fully subscribed, which are expected to take place by the end of June 2026, the net proceeds will amount to approximately HK\$30.383 million. The indicative timeline for the cash deployment is set out below:

|  | <b>2026 2nd half</b> | <b>2027 1st half</b> | <b>Total</b>         | <i>Approximate</i>    |
|--|----------------------|----------------------|----------------------|-----------------------|
|  | <i>HK\$' million</i> | <i>HK\$' million</i> | <i>HK\$' million</i> | <i>percentage (%)</i> |
| (i) Expansion and improvement of IT and smart building management business | 3.65                 | 4.56                 | 8.20                 | 27%                   |
| (ii) Establishing and growing engineering consultancy services             | 1.52                 | 3.04                 | 4.56                 | 15%                   |
| (iii) Further acquisition  | –                    | 6.08                 | 6.08                 | 20%                   |
| (iv) Used for general working capital                                      | 4.56                 | 4.56                 | 9.11                 | 30%                   |
| (v) Repayment of debt  | 2.43                 | –                    | 2.43                 | 8%                    |
|  | <u>12.15</u>         | <u>18.23</u>         | <u>30.38</u>         | <u>100%</u>           |

## FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

During the past 12 months immediately preceding the Latest Practicable Date, the Company had conducted the following equity fund raising activities in the past twelve months immediately prior of the Latest Practicable Date:

| Date of relevant announcements                                 | Fund raising activity                       | Net proceeds (approximately) | Intended use of proceeds as announced   | Actual use of proceeds as at the Latest Practicable Date  |
|--|---|------------------------------|---|---|
| 30 March 2025,<br>25 April 2025,<br>9 May 2025,<br>30 May 2025 | Placing of new shares under general mandate | HK\$2.42 million             | (i) as to approximately 70.0% for the expansion and improvement of IT business segments applied on engineering consultancy, including but not limited to recruitment of additional manpower, expansion of IT equipment rental, recycling, resale services and development of various applications for IaaS (Infrastructure as a Service), PaaS (Platform as a Service), SaaS (Software as a Service) and DaaS (Device as a Service); (ii) as to approximately 15.0% for the business development, including engineering consultant services and provision of equipment rental services; (iii) as to approximately 15.0% for the general working capital of the Company. | (i) fully utilized as intended<br>(ii) fully utilized as intended<br>(iii) fully utilized as intended |

Save as disclosed above, the Company had not conducted any equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

## **RISK FACTORS**

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group, which includes but is not limited to, the following:

### ***Risks relevant to the Group's business***

#### **Market competition and innovation risk**

The Group operates in competitive engineering consulting and IT services sectors. Significant changes may arise in industry competition landscape, pricing environment and gross margin levels. Continuous technological evolution and digital transformation (including BIM, AI and digital twin applications) demand ongoing investment in innovation and capability enhancement. Material shifts in technology trends, client requirements or competitive dynamics may affect the Group's service competitiveness and market positioning.

#### **Concentration of Expertise within the Group**

The Group's success depends considerably on its experienced technical staff members, including but not limited to, those staff members responsible for the development and enhancement of the Group's services. Such staff members are continuously in great demand in the labor market as both engineering consulting and IT services industries are highly competitive. Therefore, the Group's future success depends on its ability to continue to attract and retain highly qualified technical and managerial staff with the appropriate technical expertise. In the event that the Group's competitors offer more attractive compensation packages, the Group may not be able to retain them to sustain its business growth, or its staff expenses in relation thereto may increase substantially, both of which could have a material adverse effect on the Group's business and financial results.

### ***Risks which are relevant to the macro environment which may affect the Group's business***

#### **Risk relating to the Share price**

The price and trading volume of the Shares are determined by demand and supply of investors for the Shares in the public market and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to its business, announcements of new investments, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions both globally and in Hong Kong could cause the market price of the Shares to change substantially.

### **Risk relating to the Right Issue**

Under the Placing Agreement, the Placing Agent is entitled to terminate its obligations by giving notice in writing to the Company upon the occurrence of certain events under the Placing Agreement on or before the Latest Time for Termination. Should the Rights Issue proceed as intended, the shareholding interest of the existing Shareholders in the Company will be diluted if they do not or cannot subscribe for the Rights Shares which they are entitled to. Additional risks and uncertainties not presently known to the Directors, or not expressed or implied above, or the Directors currently deem immaterial, may also adversely affect the Group's business, operating results and financial condition in a material aspect.

### ***Risk relevant to the Groups itself***

#### **Liquidity Risk**

Liquidity risk is the potential risk that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

### **EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Latest Practicable Date, the Company has 144,545,000 Shares in issue. On the assumption that there is no change in the shareholding structure of the Company from the Latest Practicable Date to the completion of the Rights Issue other than the allotment and issue of Rights Shares pursuant to the Rights Issue, the table below depicts, for illustrative purposes only, the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Rights Issue assuming (a) full acceptance of the Rights Shares by all Qualifying Shareholders; (b) nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking) and all of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed to the independent placees under the Compensatory Arrangements; and (c) assuming nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed under the Compensatory Arrangements and, to the extent underwritten by the Underwriter under the Underwriting Agreement, are taken up by the Underwriter:

|   | As at the Latest Practicable Date |                      | Immediately upon completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders) |                      | Immediately upon completion of the Rights Issue (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking) and all of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed to the Independent Places |                      | Immediately upon completion of the Rights Issue (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders (other than the Underwriter pursuant to the Irrevocable Undertaking), none of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are placed under the Compensatory Arrangements and, to the extent underwritten by the Underwriter under the Underwriting Agreement, are taken up by the Underwriter |                      |
|---|-----------------------------------|----------------------|--|----------------------|---|----------------------|--|----------------------|
|   | <i>Number of Shares</i>           | <i>Approximate %</i> | <i>Number of Shares</i>  | <i>Approximate %</i> | <i>Number of Shares</i>   | <i>Approximate %</i> | <i>Number of Shares</i>  | <i>Approximate %</i> |
|   |                                   |                      |  |                      |   |                      |  |                      |
| Mr. Yuen (the Underwriter)                | 21,823,600                        | 15.10                | 65,470,800   | 15.10                | 65,470,800  | 15.10                | 52,569,843   | 29.99                |
|   |                                   |                      |  |                      |   |                      |  | (Note 4)             |
| Manning Properties Limited (Note 1, 2, 3) | 10,903,200                        | 7.54                 | 32,709,600   | 7.54                 | 10,903,200  | 2.51                 | 10,903,200   | 6.22                 |
| Independent Places                        | –                                 | –                    | –  | –                    | 245,442,800   | 56.60                | –  | –                    |
| Public Shareholders                       | 111,818,200                       | 77.36                | 335,454,600  | 77.36                | 111,818,200   | 25.79                | 111,818,200  | 63.79                |
| <b>Total</b>                              | <b>144,545,000</b>                | <b>100.00</b>        | <b>433,635,000</b>   | <b>100.00</b>        | <b>433,635,000</b>  | <b>100.00</b>        | <b>175,291,243</b>   | <b>100.00</b>        |

*Notes:*

- (1) Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan Yin Nin (“**Dr. Chan**”) and approximately 31.8% by Mr. Kwong Po Lam (“**Mr. Kwong**”), which in turn holds 10,903,200 Shares, representing approximately 7.54% of the total share capital of the Company. As the concerted group, Dr. Chan and Mr. Kwong restrict their ability to exercise direct control over the Company by holding their interests through Manning Properties Limited, a common investment holding company. Accordingly, Dr. Chan and Mr. Kwong are deemed to be interested in the 10,903,200 Shares held by Manning Properties Limited.
- (2) Ms. Julia Gower Chan is the spouse of Dr. Chan. By virtue of the SFO, Ms. Julia Gower Chan is deemed to be interested in the shares of the Company interested by Dr. Chan.
- (3) Ms. Leung Kwai Ping is the spouse of Mr. Kwong. By virtue of the SFO, Ms. Leung Kwai Ping is deemed to be interested in the shares of the Company interested by Mr. Kwong.
- (4) Mr. Yuen has provided, under the Undertaking Agreement, an Irrevocable Undertaking to underwrite such number of Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), which together with the Shares already held by him and the Undertaken Shares, will not reach to a percentage of enlarged issued share capital of the Company at completion of the Rights Issue, which will trigger a general offer obligation in accordance to the note to Rule 10.26(2) of the GEM Listing Rules.

## **INFORMATION OF THE GROUP**

The Company is a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM of the Stock Exchange (stock code: 8619). The Company is an investment holding company. The Group is principally engaged in consultancy services in structural and geotechnical engineering, civil engineering practice areas and materials engineering. In addition, the Company is also engaged in other related services such as providing registered structural engineer and authorized person services in relation to alteration and addition works, as well as providing expert services from time to time as required by customers. The Company is further engaged in the IT business segment, offering equipment rental services, software and integrated solutions, and Device-as-a Service (DaaS) solutions. Such diversification enhances our technological capabilities and providing clients with flexible and cost-efficient IT resources.

## **INFORMATION OF THE UNDERWRITER**

Mr. Yuen, being the Underwriter in the Underwriting Agreement, has been appointed as the Chairman and Non-executive Director of the Company with effect from 1 April 2025. Mr. Yuen is a qualified lawyer in both Hong Kong and England & Wales. Mr. Yuen has over 20 years of legal experience, specializing in corporate law, cross-border mergers & acquisitions (public and private), and capital market transactions across Greater China and Hong Kong. As at the Latest Practicable Date, Mr. Yuen is beneficially interested in 21,823,600 Shares, representing approximately 15.10% of the total number of issued Shares of the Company.

## **POSSIBLE ADJUSTMENTS TO THE OPTIONS**

As at the Latest Practicable Date, the Company has a total of 4,480,895 outstanding share options (the “Options”). Pursuant to the terms of the Share Option Scheme, the exercise price of the Options is subject to adjustment upon the occurrence of, among others, rights issues of the Company.

The Company will notify the holders of the Options and the Shareholders by way of announcement as and when appropriate regarding adjustments to be made (if any) pursuant to the terms and conditions of the Share Option Scheme.

Save as disclosed above, as at the Latest Practicable Date, the Company does not have any other share options, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

## **GEM LISTING RULES IMPLICATIONS**

As the Rights Issue, if proceeded with, will increase the number of issued shares of the Company by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on which any controlling Shareholders and their respective associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM under 10.29(1) of the GEM Listing Rules. As at the Latest Practicable Date, Mr. Yuen, who is also the Chairman and a non-executive Director of the Company holding 21,823,600 Shares (representing approximately 15.10% of all issued Shares as at the date of this circular). As such, Mr. Yuen shall abstain from voting in favour of the resolutions to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder at the EGM.

As Mr. Yuen, the Underwriter, is a substantial Shareholder and also the Chairman and a non-executive Director of the Company, he is a connected person of the Company under Chapter 20 of the GEM Listing Rules and the Underwriting Agreement and the transactions contemplated thereunder (which are not in the ordinary and usual course of business of the Company) constitute connected transactions for the Company under the GEM Listing Rules and are subject to the reporting, announcement and Independent Shareholders’ approval requirement under Chapter 20 of the GEM Listing Rules. The Underwriter shall abstain from voting in relation to the Underwriting Agreement at the EGM.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

Mr. Yuen abstained from voting at the meeting of the Board convened to consider the Rights Issue and the Underwriting Agreement due to his interest in the Rights Issue and the Underwriting Agreement.

## **EGM**

The register of members of the Company will be closed from Tuesday, 14 April 2026 to Monday, 20 April 2026 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. The EGM will be convened and held for the purpose of, inter alia, considering and, if thought fit, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Proposed Amendments. Save for the above-mentioned, there is no Shareholders who shall abstain from voting on all the resolutions contained in the EGM Notice at the EGM.

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

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. LUNG Wing Yee, Mr. LEUNG Man Chun and Mr. WONG Chun Man, has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively, and as to the voting action therefor.

In this connection, Nuada Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder.

Subject to, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder having been approved by the Independent Shareholders at the EGM, the Prospectus Documents or the Prospectus, whichever appropriate, will be despatched to the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders in due course.

## **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND THE ADOPTION OF THE THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

Reference is made to the announcement of the Company dated 11 February 2026. The Board proposes to seek approval from the Shareholders at the EGM for amendments to the Memorandum and the Articles of Association, in order to (i) reflecting and aligning with the regulatory requirements, including the relevant requirements of the GEM Listing Rules, in connection with hybrid meetings and electronic voting requirements, treasury shares and the electronic dissemination of corporate communications by listed issuers; (ii) modernising and providing flexibility to the Company in relation to the conduct of general meetings; and (iii) making certain other housekeeping changes.

The Company will seek approval from the Shareholders at the EGM by way of special resolution for the adoption of the Third Amended and Restated Memorandum and Articles of Association incorporating the Proposed Amendments. Details of the Proposed Amendments are set out in Appendix III to this circular.

The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the Proposed Amendments comply with the requirements of the GEM Listing Rules and are not inconsistent with the laws of the Cayman Islands. The Company confirms that there is nothing unusual about the Proposed Amendments for a Cayman Islands company listed on the Stock Exchange.

## **RECOMMENDATION**

The Directors (excluding the members of the Independent Board Committee whose views in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are further set out below and in the letter from the Independent Board Committee contained in this circular) consider that the terms of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (excluding the members of the Independent Board Committee whose views in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are further set out below and in the letter from the Independent Board Committee contained in this circular) recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder.

Although the Underwriting Agreement is not in the ordinary and usual course of business of the Company, the Independent Board Committee having taken into account the advice of the Independent Financial Adviser, considers that the terms of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder.

The Directors believe that the adoption of the Third Amended and Restated Memorandum and Articles of Association to be proposed at the EGM is also in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the special resolution regarding the aforesaid to be proposed at the EGM as well.

## **ADDITIONAL INFORMATION**

Your attention is drawn to the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular which contain its recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder. Your attention is also drawn to the letter from the Independent Financial Adviser set out on pages IFA-1 to IFA-34 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the aforesaid regards.

Your attention is also drawn to the additional information set out in the Appendices to this circular.

## **DESPATCH OF PROSPECTUS DOCUMENTS**

Subject to the approval of the the Rights Issue by the Independent Shareholders at the EGM, the Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company together with the PAL on or before Monday, 4 May 2026. The Prospectus is being made available and/or despatched (subject to Shareholders' election to receive physical copies) to the Shareholders. A copy of the Prospectus will also be made available on the websites of the Company ([www.niuholdings.com.hk](http://www.niuholdings.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Non-Qualifying Shareholders for their information only but will not send the PAL to them.

The Company will despatch the PAL in printed form to the Qualifying Shareholders but will not despatch the PAL to the Non-Qualifying Shareholders.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES**

**Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof, and the GEM Listing Committee granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this circular for further details. Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.**

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

By Order of the Board  
NIU Holdings Limited



**Mr. NG Chun Chung**  
*Company Secretary*