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NIU HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8619)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 60% ISSUED SHARE CAPITAL OF THE TARGET COMPANY

Reference is made to the announcement of NIU Holdings Limited (the "**Company**") dated 27 November 2025 (the "**Announcement**") in relation to the disclosable transaction with respect to the acquisition (the "**Acquisition**") of 60% issued share capital of the target company (the "**Target Company**"). Unless otherwise defined, capitalised terms used herein shall have the same meaning as in the Announcement.

CONSIDERATION AND THE REASON FOR THE DIFFERENCE BETWEEN THE NET ASSET VALUE OF THE TARGET COMPANY

The net asset value (the "**NAV**") of the Target Company is approximately HK$7.2 million, 60% of which equates to approximately HK$4.3 million. The consideration is HK$7.5 million, thus the difference between the NAV and the consideration is the premium, which is approximately HK$3.2 million. Five commercial factors contribute specific, verifiable value to the premium. The Board, after arm's length negotiation with the Vendor on normal commercial terms, agreed to the Consideration, and considered the Consideration is fair, reasonable and in the interests of the shareholders.

The aforesaid commercial factors considered by the Board are set out as follows:

(i) the controlling premium, where acquiring a 60% stake grants the Company **controlling ownership** of the Target Company, enabling full consolidation of the Target's financial performance into the Company's consolidated financial statements. The Board estimates the value to be approximately HK$0.40 million, which is approximately 9.3% (i.e. less than 10%) of the NAV. The Board considers this estimation to be justifiable and generally acceptable in the market, as it is not uncommon for the controlling premium to range from around 25% to 30%).

(ii) value including mature technical systems, customer resources, and industry reputation, which are not fully reflected in the NAV. Mature technical systems contribute to the efficient utilisation of human resources and the control of administrative expenses. The Company could save one headcount from the human resources and administrative departments which cost approximately HK$26,500 per month. The Board considers the value brought to the Company would be approximately HK$0.32 million (i.e. HK$26,500 times 12 months)).

(iii) historical results with growth momentum and a stable track record. In the latest two reporting periods, the Target Company's turnover has remained above HK$20 million for two consecutive reporting periods since 2024. The gross profit for these two reporting periods increased by 5.96 times and 2.06 times, respectively, and the net profit increased by 7.36 times and 2.17 times. The Board considers the value to be approximately HK$0.96 million.

(iv) the value of reducing the cost of hiring R&D and marketing staff, and the outsourcing fees for the testing laboratory, and skipping initial losses of the Target Company. The estimated payroll for hiring one R&D staff, one marketing staff to be approximately HK$ 0.42 million per annum and HK$ 0.36 million per annum, respectively. The estimated testing fee to be approximately HK$0.18 million. Therefore, the Board considers the value to be approximately HK$0.9 million.

(v) synergies including but not limited to creating new revenue streams through cross-selling as well as collaborating administration, market and human resources. Based on the Target Company's latest reporting period revenue of approximately HK$22.30 million, a 1% incremental revenue gain from cross-selling is expected (i.e., approximately HK$0.22 million); and approximately HK$0.40 million is expected to be reduced from the office rental and back-office labor cost. The Board considers the combined value is approximately $0.62 million.

The Board is of the view that the aggregate values represented by these commercial factors justify and outweigh the premium of the Consideration over the pro-rata NAV.

SUPPLEMENTAL INFORMATION OF THE TARGET COMPANY

The Target Company is principally engaged in information technology service activities, and is one of the leading enterprises dedicated to providing advanced, reliable, and comprehensive building automation solutions to engineering & construction companies and urban households with specific request. The Target Company has a core business for four areas:

- Building Management System (BMS): Heating, Ventilation, and Air Conditioning (HVAC); Lighting Systems; Electrical and Drainage Systems;
- Energy Management System (EMS): Energy Consumptio Analysis; Trend Forecasting and Optimisation; Reporting and Alerts;
- Hotel Guest Room Management: Smart Panels; Guest Room Automation;
- Home Automation System: Lighting, Climate, and Shading Control.

The Target Company delivers a one-stop service, from design and supply to installation and maintenance, ensuring the stability and efficient operation of the systems while meeting the specific needs of clients across various sectors, including commercial, residential, and hospitality.

EXPLANATION OF ACQUISITION SYNERGIES

The Company's operations are strategically centered on its core business of structural and geotechnical engineering consultancy, which operates alongside a strategic and growing IT segment. The Target Company adopts a business operation model of B2B and B2C, centered on providing end-to-end building automation solutions—a core strength that aligns with the Company's strategic goal. By introducing building automation solutions into the IT segments and leveraging on existed structural and geotechnical engineering, the Acquisition would provide synergies on both clientele and back-office administration.

The acquisition will create immediate and tangible value by integrating the Target Company's building automation solutions with our existing operations. The primary synergies are twofold:

1. Revenue Synergy: Cross-Selling to a Shared Client Base. Both our core structural/geotechnical engineering business and the Target Company primarily serve the construction and property sectors. This shared focus creates a direct opportunity for reciprocal cross-selling. We can introduce smart building solutions (BMS, EMS, etc.) to our existing project clients, while the Target Company can recommend our engineering consultancy services to its automation clients, driving new revenue streams for both businesses.
2. Operational Synergy: Integration of IT and Support Functions. The Target Company's operations will be integrated into our established and growing IT segment. This will generate efficiencies through the sharing of technical personnel, back-office administration, and HR resources. This consolidation eliminates duplicate roles, improves economies of scale, and strengthens the combined team's technical capability.

By Order of the Board

NIU Holdings Limited

Mr. Ng Chun Chung

Company Secretary

Hong Kong, 12 March 2026

As at the date of this announcement, the Board comprises, Ms. Leung Suet Yiu and Mr. Leung Chun Yu Edmund as executive Director; Mr. Yuen Chi Ping as non-executive Director; and Ms. Lung Wing Yee, Mr. Leung Man Chun and Mr. WONG Chun Man as independent non- executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange website at http://www.hkexnews.hk for at least seven days from the date of its publication and the Company's website at http://www.niuholdings.com.hk.