
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in NIU Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

NIU HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8619)

**(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**

Placing Agent to the Rights Issue



First Shanghai Securities Limited

Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders

Nuada Limited

Capitalised terms used in this cover page shall bear the same meaning as those defined in the section headed “Definitions” in this circular unless the context requires otherwise.

A letter from the Board is set out on pages 12 to 42 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages IBC-1 to IBC-2 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-34 of this circular.

A notice convening the EGM of NIU Holdings Limited to be held at Flat 804, 8/F, Inter-Continental Plaza, 94 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 20 April 2026, at 3:00 p.m. or any adjournment thereof is set out on pages EGM-1 to EGM-5 of this circular. A form of proxy for use at the EGM is enclosed herein. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.niuholdings.com.hk).

Whether or not you are able to attend the EGM, you are advised to read the notice and to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Registrar, Union Registrars Limited at, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time for holding of the EGM (i.e. not later than 3:00 p.m. on Saturday, 18 April 2026) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof.

References to time and dates in this circular are to Hong Kong time and dates.

Kindly be informed that there will be NO food and beverage service and NO distribution of gifts at the EGM.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company served prior to 4:00 p.m. on Thursday, 4 June 2026 to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. Such events are set out in the section headed “Termination of the Underwriting Agreement” of this circular. If the Underwriter terminates the Underwriting Agreement, or the Underwriting Agreement does not become unconditional, the Rights Issue will not proceed.

It should also be noted that the Rights Issue is only underwritten on a non-fully underwritten basis. Pursuant to the Company’s constitutional documents, there are no requirements for minimum levels of subscription in respect of the Rights Issue.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“Announcement”	the announcement of the Company dated 11 February 2026 regarding, among other things, the Rights Issue
“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	NIU Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8619)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the resolutions contained in the EGM Notice
“EGM Notice”	notice of the meeting which is set out on pages EGM-1 to EGM-5 of this circular, or any adjournment thereof
“Extreme Conditions”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong

DEFINITIONS

“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the same meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing on GEM of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in effect
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, namely Ms. LUNG Wing Yee, Mr. LEUNG Man Chun and Mr. WONG Chun Man, which has been established in accordance with the GEM Listing Rules to give recommendation to 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
“Independent Financial Adviser”	Nuada Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company, for the purpose of advising the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, the Placing Agreement and the Underwriting Agreement, and as to the voting action therefor

DEFINITIONS

“Independent Placees”	placee(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies), for the Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to
“Independent Shareholders”	the Shareholders other than (i) Mr. Yuen and parties acting in concert with him; and (ii) all other Shareholders who are involved in or interested in (other than by being Shareholder) or have a material interest in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder
“Independent Third Parties”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Irrevocable Undertaking”	the irrevocable undertaking provided by Mr. Yuen under the Underwriting Agreement as set out in the section headed “The Irrevocable Undertaking” in this circular
“Last Trading Day”	11 February, 2026, being the last full trading day of the Shares on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Practicable Date”	30 March 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 18 May 2026 (or such other time and date as the Company may determine), being the latest time and date for acceptance of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Thursday, 4 June 2026, or such other time or date as may be agreed between the Company and the Underwriter in writing, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the same meaning ascribed to it under the GEM Listing Rules
“Memorandum and the Articles of Association”	the existing amended and restated memorandum and articles of association of the Company adopted by a special resolution passed on 17 November 2023
“Mr. Yuen” or the “Underwriter”	Mr. YUEN Chi Ping, a substantial Shareholder, the Chairman and a non-executive Director of the Company
“Net Gain”	any premium over, the aggregate amount of (i) the Subscription Price for Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), under the Compensatory Arrangements

DEFINITIONS

“No Action Shareholders”	those Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making reasonable enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions or prohibitions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in such jurisdictions
“NQS Unsold Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their provisional entitlements under the Rights Issue
“Placing” or “Compensatory Arrangements”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best efforts basis by the Placing Agent, who and whose ultimate beneficial owners shall be Independent Third Party(ies), to the independent placee(s) after the Latest Time of Acceptance on the terms and subject to the conditions set out in the Placing Agreement
“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, appointed by the Company as the placing agent pursuant to the Placing Agreement. 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

DEFINITIONS

“Placing Agreement”	the placing agreement dated 11 February, 2026 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Proposed Amendments”	the proposed amendments to the Memorandum and Articles of Association set out in Appendix III to this circular
“Prospectus”	the prospectus (including any supplementary prospectus, if any) to be despatched to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Monday, 4 May 2026, or such other date as the Company may determine, for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Thursday, 30 April 2026, or such other date as the Company may determine, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, being the Company’s share registrar and transfer office
“Rights Issue”	the proposed issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of two (2) Rights Share for every one (1) existing Shares held on the Record Date at the Subscription Price
“Rights Share(s)”	up to 289,090,000 new Shares proposed to be offered to the Qualifying Shareholders for subscription by way of the Rights Issue
“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 the share capital of the Company with nominal value HK\$0.1 per Share

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share Option Scheme”	The Share Option Scheme adopted on 27 August, 2018, as amended from time to time
“Subscription Price”	the subscription price of HK\$0.107 per Rights Share under the Rights Issue
“substantial Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs
“Third Amended and Restated Memorandum and Articles of Association”	the third amended and restated memorandum and articles of association which contains the Proposed Amendments, proposed to be adopted by the Shareholders with effect from the close of the EGM upon passing of the relevant special resolution at the EGM
“treasury share(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Undertaken Shares”	43,647,200 Rights Shares, being the maximum number of Rights Shares for which Mr. Yuen has undertaken to subscribe pursuant to the Irrevocable Undertaking
“Underwriting Agreement”	the underwriting agreement dated 11 February, 2026 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	the Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent.

If there is any inconsistency in this circular between the Chinese and English versions, the English version shall prevail.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue. All times and dates stated in this circular refer to Hong Kong local times and dates. The expected timetable is indicative only and may be varied. Any changes to the expected timetable will be announced by way of an announcement by the Company as and when appropriate.

Events	Hong Kong Time and Date
Latest time for lodging transfer of the Shares to qualify for attendance and voting at the EGM	4:00 p.m. on Monday, 13 April 2026
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both days inclusive)	Tuesday, 14 April 2026 to Monday, 20 April 2026
Latest time for lodging proxy forms for the EGM	3:00 p.m. on Saturday, 18 April 2026
Record date for attendance and voting at the EGM.....	Monday, 20 April 2026
Expected date and time of the EGM.....	3:00 p.m. on Monday, 20 April 2026
Announcement of the poll results of the EGM.....	Monday, 20 April 2026
Register of members of the Company re-opens	Tuesday, 21 April 2026
Last day of dealings in Shares on a cum-rights basis relating to the Rights Issue	Tuesday 21 April 2026
First day of dealings in Shares on an ex-rights basis relating to the Rights Issue	Wednesday, 22 April 2026
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:00 p.m. on Thursday, 23 April 2026

EXPECTED TIMETABLE

Events	Hong Kong Time and Date
Closure of register of members for determining entitlements under the Rights Issue (both days inclusive)	Friday, 24 April 2026 to Thursday, 30 April 2026
Record Date for the Rights Issue.....	Thursday, 30 April 2026
Register of members of the Company re-opens	Monday, 4 May 2026
Despatch of the Prospectus Documents	Monday, 4 May 2026
First day of dealings in nil-paid Rights Shares	Wednesday, 6 May 2026
Latest time for splitting of PALs	4:00 p.m. on Friday, 8 May 2026
Last day of dealings in nil-paid Rights Shares	Wednesday, 13 May 2026
Latest Time for Acceptance.....	4:00 p.m. on Monday, 18 May 2026
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Tuesday, 26 May 2026
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	Wednesday, 27 May 2026
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Thursday, 4 June 2026
Latest time for terminating the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Thursday, 4 June 2026
Announcement of the results of the Rights Issue	Tuesday, 9 June 2026
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place	Wednesday, 10 June 2026

EXPECTED TIMETABLE

Events	Hong Kong Time and Date
Refund cheques, if any, to be despatched	Wednesday, 10 June 2026
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 11 June 2026
Payment of Net Gain to relevant No Action Shareholders and Non-Qualifying Shareholders and net proceeds from sale of nil-paid Rights Shares to the relevant Non-Qualifying Shareholders (if any)	Monday, 15 June 2026

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place if there is a tropical cyclone warning signal no. 8 or above, or Extreme Condition, or a “black” rainstorm warning signal:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. in Hong Kong.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed “Expected Timetable” above in this circular may be affected. The Company will notify the Shareholders by way of announcement of any change to the timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

Pursuant to 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:

1. 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
2. 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
3. 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
4. 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
5. 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

TERMINATION OF THE UNDERWRITING AGREEMENT

6. 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
7. 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 the Prospectus Documents 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 Underwriter terminates the Underwriting Agreement.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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 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

LETTER FROM THE BOARD

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;

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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:

Oversea Shareholder No.	Location	Number of Share Held	Percentage interest in the Share capital (approximately)
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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

- 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

LETTER FROM THE BOARD

- (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:

LETTER FROM THE BOARD

- (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

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

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;

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- (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

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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:

	2026 2nd half	2027 1st half	Total	Approximate
	HK\$' million	HK\$' million	HK\$' million	percentage (%)
(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>

LETTER FROM THE BOARD

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, 25 April 2025, 9 May 2025, 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 (ii) fully utilized as intended (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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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:

LETTER FROM THE BOARD

	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
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
Total	144,545,000	100.00	433,635,000	100.00	433,635,000	100.00	175,291,243	100.00

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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) and the Stock Exchange (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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the text of a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.

NIU HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8619)

31 March 2026

To the Independent 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**

We refer to the circular dated 31 March 2026 of the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used herein shall have the same meaning as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to advise the Independent Shareholders as to whether the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and to recommend how the Independent Shareholders should vote at the EGM.

Nuada Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in these regards. Details of the advice of the Independent Financial Adviser, together with the principal factors it has taken into consideration in giving its advice, are contained in its letter set out on pages IFA-1 to IFA-34 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of the Independent Financial Adviser, we consider that the Rights Issue, the Placing Agreement, the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and/or its Independent Shareholders. We also consider that the Underwriting Agreement is on normal commercial terms, and the terms of the Underwriting Agreement are fair and reasonable and in the interests of the Company and/or the Independent Shareholders, despite the transaction contemplated under the Underwriting Agreement is not in the Company's ordinary and usual course of business. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement and the Underwriting Agreement.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Ms. LUNG Wing Yee
*Independent non-executive
Director*

Mr. LEUNG Man Chun
*Independent non-executive
Director*

Mr. WONG Chun Man
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Nuada Limited, which has been prepared for the purpose of incorporation into this circular, setting out its opinion to the Independent Board Committee and the Independent Shareholders in connection with the Rights Issue, the Underwriting Agreement and the Placing Agreement.

Nuada Limited

Nuada Limited
Unit 7, 10/F.,
Hing Yip Commercial Centre,
272-284 Des Voeux Road Central,
Sheung Wan, Hong Kong

31 March 2026

*To: The Independent Board Committee and
the Independent Shareholders of
NIU Holdings Limited*

Dear Sirs or Madams,

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE
HELD ON RECORD DATE
ON A NON-FULLY UNDERWRITTEN BASIS; AND
(II) CONNECTED TRANSACTION IN RELATION TO THE
UNDERWRITING AGREEMENT**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, the Underwriting Agreement, the Placing Agreement and the transactions contemplated thereunder. Details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular of the Company dated 31 March 2026, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in this circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 11 February 2026 regarding, among other things, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Assuming that there is no change in the number of issued Shares on or before the Record Date and all Rights Shares to be issued under the Rights Issue have been taken up in full, the gross proceeds from the Rights Issue will be approximately HK\$30.933 million. The net proceeds from the Rights Issue (after deduction of estimated professional fees and other related expenses of approximately HK\$0.55 million) are estimated to be approximately HK\$30.383 million (assuming no changes in the number of Shares in issue on or before the Record Date). The net price per Rights Share (after deducting the cost and expenses of the Rights Issue) is estimated to be approximately HK\$0.105.

Mr. Yuen, a substantial shareholder, a non-executive Director and the Chairman of the Company as at the time of conducting the Rights Issue, will act as the Underwriter. Pursuant to Rule 10.31(2) of the GEM Listing Rules, 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 (if any) by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (if any) to the Independent Placees for the benefit of the No Action Shareholders and Non-Qualifying Shareholders.

After the trading hours of the Stock Exchange on 11 February 2026, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (if any) to the Independent Placees on a best effort basis. Mr. Yuen has (in addition to its 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 with the note to Rule 10.26(2) of the GEM Listing Rules.

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, there is no controlling Shareholders. As such, Mr. Yuen, who is 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 the Announcement and the Latest Practicable Date), and his associates 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 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 does 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.

As at the Latest Practicable Date, Mr. Yuen and the parties acting in concert with him are interested in 21,823,600 Shares, representing approximately 15.10% of the issued share capital of the Company. Assuming that there is no change in the issued share capital of the Company other than the allotment and issue of the Rights Shares and assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (if any) have been placed by the Placing Agent, all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (if any) were subscribed for through the Underwriter up to the Underwritten Shares, Mr. Yuen and parties acting in concert with him will be interested in 52,569,843 Shares, approximately 29.99% of the issued share capital of the Company as enlarged by the issue of the Rights Shares.

THE INDEPENDENT BOARD COMMITTEE

An 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 formed to advise the Independent Shareholders as to whether the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Independent Shareholders as a whole, and whether the transaction contemplated under the Underwriting Agreement is conducted under the Company's ordinary and usual course of business, taking into account our recommendations.

OUR INDEPENDENCE

We, Nuada Limited, have been appointed by the Company, with the approval of the Independent Board Committee, to advise the Independent Board Committee in respect of the Rights Issue, and in particular, as to whether the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Independent Shareholders as a whole, taking into account our recommendations.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the proposed Rights Issue, there were no other engagements between the Group and us during the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser. Apart from normal professional fees for our services to the Company in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we have received/will receive any fees and/or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. As at the Latest Practicable Date, we were not aware of any relationships or interests between us and the Company or any other parties that could reasonably be regarded as hindrance to our independence as defined under Rule 17.96 of the GEM Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or any other parties to the Rights Issue. Accordingly, we are independent from, and are not associated with the Company or its substantial shareholder(s) or connected person(s) as defined under the GEM Listing Rules, and accordingly are eligible to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in this circular and the information and representations provided to us by the Company, the Directors, the management of the Company (the “**Management**”). We have no reason to believe that any information or representation relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in this circular, which have been provided by the Company, the Directors and the Management and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true up to the Latest Practicable Date and should there be any material changes after the despatch of this circular, the Shareholders would be notified as soon as possible.

The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in this circular and have confirmed in this circular, having made all reasonable inquiries, that to the best of their knowledge, opinion expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement in this circular misleading.

Our review and analyses were based upon, among others, the information provided by the Group including this circular, the Underwriting Agreement, the Placing Agreement and certain published information from the public domain, including but not limited to, the annual report of the Company for the year ended 31 March 2025 (the “**Annual Report 2025**”) and the interim report of the Company for the six months ended 30 September 2025 (the “**Interim Report 2025**”). We have also discussed with the Directors and the Management with respect to the reasons for the Rights Issue, the terms of the Placing Agreement and the Underwriting Agreement, the businesses and outlook of the Group. We have not, however, for the purpose of this exercise, conducted any in-depth independent investigation into the businesses or affairs and future prospects of the Group nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Your attention is drawn to the responsibility statements as set out in the paragraph headed “1. Responsibility statement” under the section headed “Appendix IV General information” in this circular. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the circular, save and except for this letter of advice.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinions and recommendations in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, we have taken into consideration of the following principal factors and reasons:

1. Background and financial information of the Group

(a) Background of the Group

As stated in the Letter from the Board and according to the Management, 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 its technological capabilities and providing clients with flexible and cost-efficient IT resources.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) Financial performance of the Group

Set out below is a summary of the financial performance of the Group for the financial years ended 31 March 2025 (“**FY2025**”) and 31 March 2024 (“**FY2024**”) respectively as extracted from the Annual Report 2025 and the six months ended 30 September 2025 (“**HY2025**”) and 30 September 2024 (“**HY2024**”) respectively as extracted from Interim Report 2025 and according to the Management:

	FY2025	FY2024	HY2025	HY2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	104,274	100,981	47,622	59,455
– Construction of new properties	89,316	79,593	38,530	50,831
– Refurbishment/maintenance of existing properties	7,369	9,693	4,967	5,157
– Others (<i>Note</i>)	7,589	11,695	4,125	3,467
Gross profit	24,519	33,314	13,637	4,516
Fair value changes on financial assets at fair value through profit or loss (“ FVTPL ”)	77,700	18,307	17,572	38,993
Profit before taxation	64,013	3,584	12,366	19,292
Profit for the year attributable to owners of the Company	64,506	3,718	11,988	19,247

Note: Others represent revenue from the provision of installation services for IT equipment, expert witness services and other minor works services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2024 vs FY2025

Revenue

According to the Annual Report 2025, the revenue of the Group for FY2024 and FY2025 represented revenue generated from provision of (i) comprehensive structural and geotechnical engineering consultancy services; and (ii) equipment rental services in Hong Kong; and (iii) provision of installation services for IT equipment. As set out in the table above, the revenue of the Group for FY2025 increased by approximately HK\$3.3 million or 3.3% from approximately HK\$100.98 million for FY2024 to approximately HK\$104.27 million for FY2025. Such increase was mainly due to increase in revenue contributed from service line from construction of new properties and partially off-set by the decrease in revenue from service lines from refurbishment/maintenance of existing properties and others.

Gross Profit/Margin

The Group recorded gross profit of approximately HK\$24.52 million for FY2025 represented a decrease of approximately HK\$8.80 million or 26.4% from approximately HK\$33.31 million for FY2024. The decrease in gross profit was mainly caused by increase in cost of services. The cost of services increased from approximately HK\$67.7 million for FY2024 to approximately HK\$79.8 million for FY2025, representing an increase of approximately HK\$12.1 million or 17.9%. The cost of services mainly comprised of staff costs for professional staff (including Directors' remuneration) and sub-consulting costs. The percentage of staff costs to total cost of services for FY2025 was approximately 80.4% (for FY2024: approximately 87.4%). The increase in total cost of services was mainly attributable to the effect of (i) increase in sub-consulting charges incurred for the construction projects related to structural and geotechnical engineering consultancy services; and (ii) increase in staff costs and benefits as a result of additional manpower to support extra work and raises in basic salary and staff welfare for the structural and geotechnical engineering consultancy services for FY2025.

The gross profit margin was decreased from approximately 33.0% for FY2024 to approximately 23.5% for FY2025. The decrease was mainly caused by the decrease in number of small scale projects with higher gross profit margin in general.

Profit

Profit for the year of the Group amounted to approximately HK\$64.5 million for the year ended 31 March 2025 (for the year ended 31 March 2024: profit of approximately HK\$3.7 million). The profit was primarily attributable to the fair value changes on financial asset at fair value through profit or loss of approximately HK\$77.7 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

HY2024 vs HY2025

Revenue

According to the Interim Report 2025, the revenue of the Group for HY2024 and HY2025 represented revenue generated from provision of (i) comprehensive structural and geotechnical engineering consultancy services; and (ii) equipment rental services in Hong Kong; and (iii) provision of installation services for IT equipment. As set out in the table above, the revenue of the Group for HY2025 decreased by approximately HK\$11.83 million or 19.90% from approximately HK\$59.46 million for HY2024 to approximately HK\$47.62 million for HY2025. Such decrease was mainly due to the decrease in revenue contribution from structural and geotechnical engineering consultancy services of construction of new properties and refurbishment/maintenance of existing properties from decreased number of projects.

Gross Profit/Margin

The Group recorded gross profit of approximately HK\$13.64 million for HY2025 represented an increase of approximately HK\$9.12 million or 201% from approximately HK\$4.52 million for HY2024. The increase in gross profit was mainly caused by decrease in cost of services. The cost of services decreased from approximately HK\$54.94 million for HY2024 to approximately HK\$33.99 million for HY2025, representing a decrease of approximately HK\$20.95 million or 38.14%. The cost of services mainly comprised of staff costs for professional staff (including Directors' remuneration) and sub-consulting costs. Such decrease was mainly attributable to decrease in director remuneration and staff cost. The percentage of staff costs to total cost of services for HY2025 was approximately 90.49% (for the year ended HY2024: approximately 74.0%).

The gross profit margin was increased from approximately 7.6% for HY2024 to approximately 28.6% for HY2025. The increase was mainly caused by the decrease in director remuneration and staff cost.

Profit

Profit for the half year of the Group amounted to approximately HK\$11.99 million for HY2025 (for HY 2024: profit of approximately HK\$19.25 million). The decreased in profit was primarily attributable to net effect of (i) decrease in the fair value changes on financial asset at fair value through profit or loss from approximately HK\$38.99 million for HY2024 to that of HK\$17.57 million for HY2025 and (ii) increase of the gross profit from approximately HK\$4.52 million for HY2024 to that of approximately HK\$13.64 million for HY2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) *Financial position of the Group*

Set out below is the consolidated statement of financial position of the Group as at 30 September 2025 and 31 March 2025 respectively as extracted from the Interim Report 2025:

	As at 30 September 2025	As at 31 March 2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Non-current assets	136,312	112,230
– Property, plant and equipment	7,940	2,590
– Financial assets at FVTPL	116,903	96,831
	<hr/>	<hr/>
Current assets	122,009	131,189
– Trade and other receivable	62,248	84,987
– Contract assets	32,035	29,844
– Cash and cash equivalent	27,726	16,358
	<hr/>	<hr/>
Total assets	258,321	243,419
	<hr/> <hr/>	<hr/> <hr/>
Current liabilities	36,625	38,329
– Trade and other payable	6,537	8,808
– Contract liabilities	27,499	26,726
– Lease liabilities	2,090	2,610
	<hr/>	<hr/>
Non-current liabilities	9,963	7,770
– Lease liabilities	5,723	6,830
– Bond payable	3,300	–
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Total liabilities	46,588	46,099
	<hr/> <hr/>	<hr/> <hr/>
Net current assets	85,384	92,860
	<hr/> <hr/>	<hr/> <hr/>
Net assets	211,733	197,320
	<hr/> <hr/>	<hr/> <hr/>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Non-current asset

As set out above, the non-current assets of the Group mainly consist of financial assets at FVTPL. The financial assets held by the Group as at 30 September 2025 and 31 March 2025 was investment in OPS Holdings Limited (“OPS”), a company incorporated in the BVI with limited liability which was acquired by the Group on 22 July 2021. At 30 September 2025, the Group owns 2.56% equity interest of the OPS and it is a financial asset at FVTPL of the Group. The OPS’s subsidiary Super X AI Technology Ltd. (Formerly known as Junee Limited) has been successfully listed on NASDAQ (Stock Code: SUPX, former Stock Code: JUNE) on 17 April 2024. The movement in market value of Super X AI Technology Ltd. is the main cause for the increase of fair value of the financial assets at FVTPL.

Current assets

The current assets of the Group are mainly (i) trade and other receivables; (ii) contract assets and (iii) cash and cash equivalent. The current assets of the Group are approximately HK\$122.01 million as at 30 September 2025 which represents a decrease of approximately HK\$9.18 million when compared to that of the Group as at 31 March 2025. The decrease are mainly due to the decrease in trade and other receivables from approximately HK\$84.99 million as at 31 March 2025 to that of the Group of approximately HK\$62.25 million as at 30 September 2025 and partially off-set by the increase of contract asset from approximately HK\$29.84 million as at 31 March 2025 to that of approximately HK\$32.04 million as at 30 September 2025 and increase in cash and cash equivalents from approximately HK\$16.36 million as at 31 March 2025 to approximately HK\$27.73 million as at 30 September 2025.

Current Liabilities

The current liabilities of the Group are mainly (i) contract liabilities and (ii) trade and other payables. The current liabilities of the Group are approximately HK\$36.63 million as at 30 September 2025 which represents a decrease of approximately HK\$1.71 million when compared to that of the Group as at 31 March 2025. The decrease are mainly due to the decrease in trade and other payable from approximately HK\$8.81 million as at 31 March 2025 to that of the Group of approximately HK\$6.54 million as at 30 September 2025 and partially off-set by the increase of contract liabilities from approximately HK\$26.73 million as at 31 March 2025 to that of approximately HK\$27.50 million as at 30 September 2025.

Non-current liabilities

The non-current liabilities of the Group are mainly (i) lease liabilities and (ii) bond payable. The non-current liabilities of the Group are approximately HK\$9.96 million as at 30 September 2025 which represents an increase of approximately HK\$2.19 million when compared to that of the Group as at 31 March 2025. The increase is mainly due to the net effect of (i) new bond payable of approximately HK\$3.30 million and (ii) decrease of lease liabilities of approximately HK\$1.1 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Reasons for and benefits of the Rights Issue and use of proceeds

(a) *Intended use of proceeds*

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%, i.e. HK\$8.203 million for the expansion and improvement of our existing IT and smart building management businesses, including recruitment of additional manpower (15%, HK\$4.557 million), acquisition of supplementary IT equipment (7%, HK\$2.127 million), and development of various software applications for both internal use and external commercial purposes (5%, HK\$1.519 million);
- (ii) approximately 15%, i.e. HK\$4.557 million for establishing and growing the Group's engineering consultancy services, including recruitment of manpower (5%, HK\$1.519 million), targeted marketing and promotional initiatives (5%, HK\$1.519 million); and enhancements to our core operating system and platforms (5%, HK\$1.519 million);
- (iii) approximately 20%, HK\$6.077 million 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%, HK\$9.115 million for the general working capital of the Company, including but not limited to (a) staff salary (15%, HK\$4.557 million); (b) Directors' remuneration (4%, HK\$1.217 million); (c) office rent and rates (3%, HK\$0.911 million); (d) professional fees (including but not limited to legal advisers and auditors), listing annual fee, and other administrative overheads (8%, HK\$2.430 million); and
- (v) approximately 8%, i.e. HK\$2.430 million for repayment of debt, including (a) 5% (HK\$1.519 million) as to an amount due to a director; and (b) 3% (HK\$0.911 million) 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 stated in the Annual Report 2025, the Group will make use of existing resources to develop current business of geotechnical engineering consultancy. Also, the Group has successfully introduced IT business with deployed Artificial Intelligence ("AI") driven analytics and Building Information Modeling (BIM) in key projects, achieving measurable improvements in design efficiency and real-time monitoring. Notably, the Group's strategic adoption of Modular Integrated Construction (MiC) for major housing developments reduced construction cycles by approximately 20%, validating the Group's commitment to innovation with certain outcomes.

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Adoption of AI related technology in construction industry is becoming more popular. According to the Construction Industry Council, it has been committed to promoting innovation and technology. In 2026, Hong Kong construction industry practitioners should take the lead in proactively embracing the changes brought by AI, rather than waiting passively for opportunities. In addition, as stated above, the adoption of Modular Integrated Construction (MiC) for major housing developments reduced construction cycles by approximately 20%, validating the Group's commitment to innovation with certain outcomes. Based on the above, we are of view and concur with the view of the Management that the allocation of proceeds from the Rights Issue to the expansion and improvement its existing IT and smart building management businesses is justifiable.

As stated in Annual Report 2025, the Group is a construction engineering consultant and all of the revenue are derived from consultancy services related to the construction related area. Therefore, the allocation of proceeds from the Rights Issue for establishing and growing our engineering consultancy services is in line with business development of the Company.

As stated in the Letter from the Board, 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.

In order to assess the latest level of cash and cash equivalent of the Company, we requested the Company to provide its latest level of cash and cash equivalent. Based on our request, the Company provided the level of the cash and cash equivalent as at 28 February 2026. According to the information provided by the Company and discussion with the Management, the cash and cash equivalent of the Company as at 28 February 2026 is 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 required for cash in advanced to consultancy fees for potential new projects. Given the amount of the use of proceeds from the Right Issue as stated above and the intended use of the cash on hand as stated above, the Company does not have enough internal resources to satisfy the funding needs of the plan as stated above. In addition, according to the Management, it is prudent for the Company to maintain sufficient cash level for business operation and unexpected incident. Based on the above, we are of the view and concur with the view of the Management that given the current financial position of the Group, the conduct of Rights Issue is justifiable.

Given the reason stated above, the allocation of proceeds from the Rights Issue for the acquisition of new companies in construction and property development, and IT related segments; or increase the Group's shareholdings in non-wholly owned subsidiaries; or investment in existing subsidiaries is in line with the business development of the Company.

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(b) *Alternative sources of financing*

We have discussed with the management of the Company that the Board has considered the pros and cons of alternative fund-raising methods, including but not limited to debt financing and equity financing such as the placing of new Shares and open offer, before resolving to the Rights Issue, which are summarized as follows:

In respect of debt financing, the Board considered that debt financing will result in additional interest burden, higher gearing ratio of the Group and may not be achievable on favourable terms in a timely manner. We consider that debt financing from financial institutions is not in the interests of the Company as it will increase the gearing of the Group and result in additional interest burden. Based on our analysis on the financial information of the Group as discussed in the section headed “1. Background and financial information of the Group” above, most of the Group’s non-current assets is securities investment in a US stock. The Management considered asset pledging may be required by financial institutions for debt financing. However, majority of the Company’s investment portfolio consists of securities, which are illiquid in nature and generally not regarded by banks as acceptable collateral. As per our discussion with the Management, the Company considers it is prudent to support the Group’s long-term growth through long-term financing, preferably in the form of equity, as this would not result in an increase in the Group’s financing costs.

In respect of equity financing, we note that the Group had conducted fund raising through placing of new shares under general mandate in March 2025 and the proceeds has already been fully utilised as intended. Placing of new Shares, when compared with the Rights Issue, would be less favourable as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. As for open offer, although it is similar to the Rights Issue, it does not allow the trading of rights entitlements. The Rights Issue allows the Qualifying Shareholders to (a) increase their respective interests in the shareholding of the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (b) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market (subject to the market demand). The Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the nil-paid rights in the market. Therefore, the Board considered that the Rights Issue would be more preferable to an open offer as it offers the Qualifying Shareholders an option to sell their entitlement rights. Accordingly, after discussing with the Management and after considering the advantages of flexibility of the Rights Issue, we concur with the Directors’ view that fund-raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

In light of the above, we consider that the Rights Issue is most appropriate fund raising method available to the Company and it is in the interests of the Company and the Independent Shareholders as a whole to proceed with the Rights Issue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Principal terms of the Rights Issue

(a) *Terms of the Rights Issue*

Set out below is the summary of the principal terms of the Rights Issue, further details of which are set out in the Letter from the Board:

Rights 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 at the Latest Practicable Date	:	144,545,000 Shares
		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

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Compensatory arrangements : Any Unsubscribed Rights Shares and NQS Unsold Rights Shares (if any) will be placed to the Independent Places on a best effort basis under the Compensatory Arrangements.

Any Unsubscribed Rights Shares and NQS Unsold Rights Shares (if any) which are not placed under the Compensatory Arrangements will be underwritten by Mr. Yuen up to 43,647,200 Rights Shares.

Number of Underwritten Shares : Mr. Yuen has (in addition to its 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

Saved as a total of 4,480,895 share options the Company granted to its Directors and employees on 27 October 2025, as at the Latest Practicable Date, the Company has no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

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).

(b) Terms of the Placing Agreement

Set out below is the summary of the principal terms of the Placing Agreement:

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

Issuer : The Company

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- 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 : 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.
- Rights Shares and the NQS
Unsold Rights Shares
- 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).

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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.

For details of the terms and conditions of the Placing Agreement, please refer to the section headed “Placing Agreement” in the Letter from the Board.

As stated in the Letter from the Board, 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 the market comparable case (the Placing commission quoted by the Placing Agent to the IRC Limited (Stock code: 1029)). By further considering the size of the Rights Issue, and the current market conditions of the Company, 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 Advisor) consider the terms of the Placing Agreement (including the commission payable) are on normal commercial terms and are fair and reasonable. Please refer to “(h) Placing commission rate in the Placing Agreement” for our analysis regarding the fairness of the placing commission rate in the Placing Agreement.

In order to assess the fairness and reasonableness of the placing commission rate in the Placing Agreement, we have compared the placing commission rate in the Placing Agreement with the placing commission rates provided by the placing agents of recent rights issue transactions, the details of which are set out in the sub-section headed “(h) Placing commission rate in the Placing Agreement” below in this letter.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) *Terms of the Underwriting Agreement*

Set out below is the summary of the principal terms of the 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 its 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.
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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.

For details of the terms and conditions of the Underwriting Agreement, please refer to the section headed “The Underwriting Agreement” in the Letter from the Board.

As stated in the Letter from the Board, the terms of the Underwriting Agreement were determined after arm’s length negotiations between the parties, 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.

We are of the view and concur with the view of the Management that, although the Rights Issue will be conducted on a non-fully underwritten basis, (i) the arrangement can undertake the minimum level of subscription of Rights Share; (ii) the underwriting commission is fair and reasonable as stated above; and (iii) pursuant to Rule 10.31(2) of the GEM Listing Rules, 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 (if any) by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares (if any) to the Independent Placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue, the Rights Issue and its structure are fair and reasonable and be in the interests of the Company.

In order to assess the fairness and reasonableness of the underwriting commission rate in the Underwriting Agreement, we have compared the underwriting commission rate in the Underwriting Agreement with the underwriting commission rates provided by the underwriters of recent rights issue transactions, which the details are set out in the sub-section headed “(i) Underwriting commission rate in the Underwriting Agreement” below in this letter.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(d) Analysis on the Subscription Price

The Subscription Price is HK\$0.107 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or 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 approximately HK\$0.167 per Share as quoted on the Stock Exchange for the 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 approximately HK\$0.166 per Share as quoted on the Stock Exchange for the 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 as adjusted for the effect of the Rights Issue, 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 Date; 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).

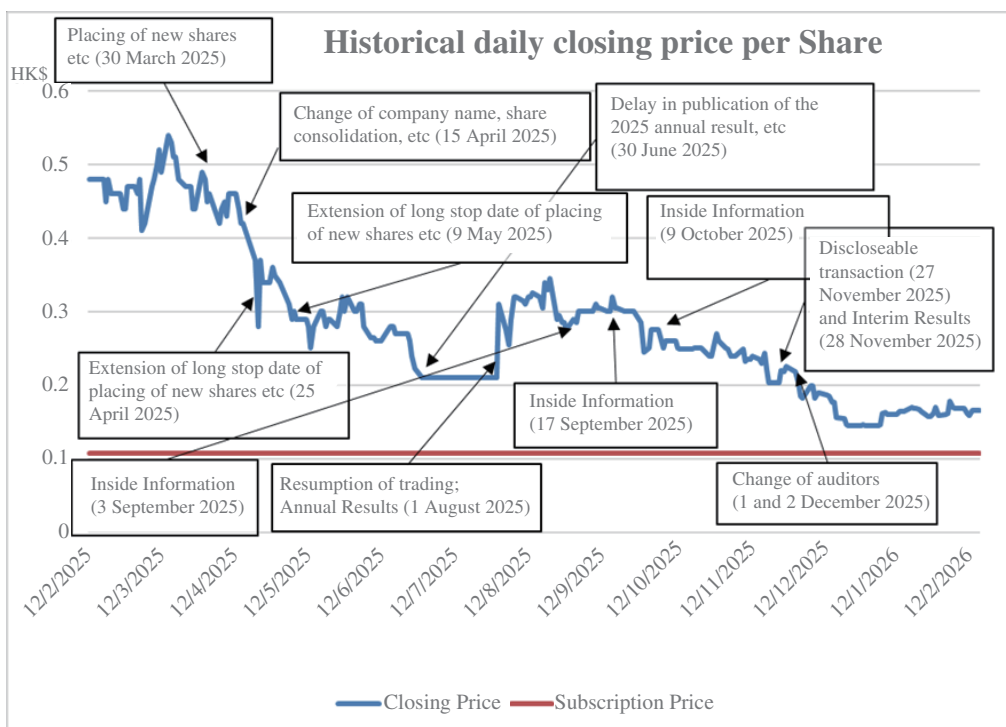
The Subscription Price was determined by the Company with reference to the recent market prices of the Shares, the current market conditions, the financial position of the Group and the reasons and benefits of the Rights Issue as discussed in the section headed "Reasons for the Rights Issue and the Use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

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(e) **Comparison with adjusted historical closing prices of the Shares**

In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the closing prices of the Shares from 12 February 2025 to the Last Trading Day (the “**Share Price Review Period**”) (being a period of approximately 12 months prior to and including the Last Trading Day) and compared with the Subscription Price. We consider that the Share Price Review Period is a reasonably long period covering the annual operating cycle of the Company for analysis purpose to illustrate the general trend and level of movement of the adjusted closing price of the Shares and thus the Share Price Review Period is fair and representative to reflect the market assessment on the financial performance of the Group and the general market sentiment.

Chart 1: Historical closing prices of the Shares



Source: website of the Stock Exchange

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As shown in Chart 1, the closing price of the Shares showed a downward trend in general during the Share Price Review Period. The closing price of the Shares decreased from the highest closing price of HK\$0.54 per Share on 17 March 2025 to the lowest closing price of HK\$0.145 per Share on 24 December 2025, 29 December 2025, 31 December 2025, 2 January 2026 and 5 January 2026, which represents a decrease of approximately 73.1% from the highest closing price of the Shares.

The closing price of the Shares decreased from HK\$0.54 on 17 March 2025 to HK\$0.21 on 30 June 2025, being the trading day before the suspension of trading due to the delay in publication of the 2025 annual result. During the aforesaid period, the Company published (i) the announcement in relation to placing of new Shares under general mandate on 30 March 2025; (ii) the announcement in relation to (1) proposed change of company name and stock short name; (2) proposed share consolidation; (3) proposed change in board lot size; and (4) proposed increase in authorised share capital on 15 April 2025; (iii) the announcements in relation to extension of long stop date of placing of new shares under general mandate on 25 April 2025 and 9 May 2025 respectively; and (iv) the inside information announcement in relation to the (1) possible delay in publication of the 2025 annual results; (2) possible delay in despatch of 2025 annual report; (3) postponement of board meeting and (4) possible suspension of trading on 30 June 2025.

And the closing price of the Shares rebounded to HK\$0.31 on 1 August 2025 after the resumption of trading of the Shares on 1 August 2025 and fluctuated thereafter. Subsequently increased to HK\$0.345 on 22 August 2025. After that, the closing price of the Shares experienced a downward trend and reached the lowest closing price of HK\$0.145 per Share on 24 December 2025, 29 December 2025, 31 December 2025, 2 January 2026 and 5 January 2026. During the aforesaid period, the Company published (i) the annual results announcement on 1 August 2025 and interim results announcement on 28 November 2025, (ii) the announcement in relation to resumption of trading on 1 August 2025; (iii) the inside information announcements in relation to update on the winding up petition filed by National Resources Corporate Finance Limited on 3 September 2025 and 17 September 2025; (iv) the inside information announcement in relation to withdrawal of the winding up petition filed by National Resources Corporate Finance Limited on 9 October 2025 (v) the announcement in relation to the discloseable transaction regarding the acquisition of 60% issued share capital of Smart Building Management System Limited on 27 November 2025; and (vi) announcement in relation to the change of auditor of the Company on 1 December 2025 and the relevant supplemental announcement on 2 December 2025. Except for the abovementioned announcements, there is no particular reason and we are not aware of any information/reason causing the fluctuations on the closing price of the Shares during the Share Price Review Period. The average closing price over the Share Price Review Period is approximately HK\$0.28 per Share.

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The Subscription Price of HK\$0.107 represents (i) a discount of approximately 80.2% to the highest closing price of HK\$0.54 per Share; (ii) a discount of approximately 26.2% to the lowest closing price of HK\$0.145 per Share; and (iii) a discount of approximately 61.8% to the average closing price of HK\$0.28 per Share over the Share Price Review Period. Although the Subscription Price is out of range of the closing price of the Shares during the Share Price Review Period as mentioned above, after considering that (i) the closing price of the Shares has been decreasing during the Share Price Review Period; (ii) the low liquidity of the Shares as discussed in sub-section headed “(f) Historical trading liquidity of the Shares” below; (iii) the funding needs as discussed in the section headed “2. Reasons for and benefits of the Rights Issue and use of proceeds” above; and (iv) the Subscription Price is within the range in the comparable analysis as discussed in the sub-section headed “(g) Comparison with recent rights issue exercises” below; and (v) it is a common market practice to set the subscription price at a discount to the prevailing market prices of the relevant shares to attract the shareholders to participate in the rights issue, we consider that the discount of the Subscription Price is fair and reasonable and the Rights Issue is in the interests of the Company and the Shareholders as a whole.

(f) Historical trading liquidity of the Shares

Month	Number of trading days (days)	Average daily trading volume of Shares during the months/periods	% of average daily turnover over total number of Shares in issue (Note 1)
2025			
February	13	108,692	0.079%
March	21	381,209	0.276%
April	19	180,578	0.133%
May	20	195,640	0.135%
June	21	290,723	0.201%
July (Note 2)	0	–	–
August	21	750,800	0.519%
September	22	512,183	0.354%
October	20	50,380	0.035%
November	20	80,320	0.056%
December	21	125,009	0.086%
2026			
January	21	106,666	0.074%
1 February to Last Trading Day	8	171,250	0.1185%
Total	231		

Source: website of the Stock Exchange

Note 1: Calculated based on the total number of the Shares at the end of each month.

Note 2: The trading of the Share was suspended from 2 July 2025 and resume on 1 August 2025 due to the delay in publication of annual result of the Company for the year ended 31 March 2025. Please refer to the Company’s announcements dated 2 July 2025 and 1 August 2025 respectively for detailed information.

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As demonstrated in the table above, the average daily trading volume of the Shares during the Share Price Review Period ranged from approximately 0.035% to 0.519% of the number of Shares in issue as at the end of relevant month. We noted that the liquidity of the Shares is thin during the Share Price Review Period and only one month of the the average daily trading volume of the Share during the Share Review Period is over 0.5%. Except for the announcement in relation to resumption of trading on 1 August 2025, there is no particular reason and we are not aware of any information/reason causing the increase in trading of the Shares in August 2025.

Given the thin trading volume and the downward trend in the closing price of the Shares during the Share Price Review Period, we consider that it is reasonable for the Subscription Price to be set at a discount to the historical closing prices of the Shares in order to attract the Qualifying Shareholders to participate in the Rights Issue and to maintain their respective shareholdings in the Company.

(g) Comparison with recent rights issue exercises

In order to further assess the fairness and reasonableness of the terms of the Rights Issue, we intended to search rights issue transactions conducted by other listed companies in the Stock Exchange with similar business, i.e. engaged in consultancy services in structural and geotechnical engineering, civil engineering practice areas and materials engineering and with market capitalisation not more than HK\$45 million (as the market capitalisation of the Company is approximately HK\$23.3 million as at the date of the Announcement) during the period from 12 August 2025 to the date of the Announcement, being the past six months period before the date of the Announcement (the “**Comparable Review Period**”). Based on the aforesaid selection criteria, only one listed company is identified that engaged in similar business of the Company, i.e. consultancy services in construction business. However, the aforesaid listed company did not conduct rights issue during the Comparable Review Period. If we relax the selection criteria in relation to the nature of business, only seven listed companies is identified, which we are of the view that the size of comparable is not enough. Based on the above situation, we relax our selection criteria to rights issue transactions conducted by other listed companies in the Stock Exchange during the Comparable Review Period and we have identified an exhaustive list of 44 rights issue transactions (the “**Comparables**”) announced by other companies listed on the Stock Exchange during Comparable Review Period. Although the Comparables include rights issue in different basis, engaged in different business or have different financial performance and funding needs from the Company, having considered that (i) all of the Comparables and the Company are listed on the Stock Exchange; (ii) our analysis is mainly focus on the principal terms of the rights issue and we are not aware of any established evidence showing any correlation between the entitlement basis of the rights issue and its underlying principal terms; (iii) including transactions conducted by the Comparables with different funding needs and business represent a more comprehensive overall market sentiment in our comparable analysis; (iv) an approximately six months period for the selection of the Comparables has generated a reasonable samples size to reflect the market practice regarding rights issue in the recent period; and (v) the Comparables were included without any artificial selection or filtering on our part so the Comparables represent a true and fair view of the recent market trends for similar rights issue transactions conducted by other issuers listed on the Stock Exchange, we consider that the list of Comparables are fair and representative samples. In addition, we consider that the Comparable Review Period is adequate and fair and representative given that (i) such period would provide us with the recent and relevant information in relation to the rights issue to demonstrate the prevailing market practices prior to the Last Trading Day under the prevailing market conditions; and (ii) we are able to identify sufficient number of samples of 44 representative Comparables that meet the aforesaid criteria for comparison analysis in such period.

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No.	Date of initial announcement	Stock code	Company name	Basis of entitlement	Premium/ (discount) of the subscription price over/to the closing price on the last trading day as stated in the relevant announcement	Premium/ (discount) of the subscription price to the theoretical ex-rights price	Premium/ (discount) of the subscription price over/to the consolidated net asset value per share (Note 1)	Theoretical dilution effect (Note 2)	Excess application (Yes/No)	Placing commission	Underwriting arrangement	Underwriting commission	Maximum dilution on the shareholding (Approx. %)
1.	6 February 2026	8021	WLS Holdings Limited	1 for 1	(40.0)%	(25.0)%	(77.10)%	21.60%	No	2.5%	No	N/A	50%
2.	5 February 2026	1991	Ta Yang Group Holdings Limited	2 for 1	(2.44)%	(0.83)%	297.69%	4.80%	Yes	N/A	No	N/A	66.67%
3.	29 January 2026	2623	Add New Energy Investment Holdings Group Limited	1 for 2	(37.66)%	(28.72)%	65.57%	12.55%	Yes	N/A	No	N/A	33.33%
4.	27 January 2026	8547	Pacific Legend Group Limited	1 for 2	25.0%	16.28%	4.09%	4.60%	No	2.0%	No	N/A	33.33%
5.	26 January 2026	1559	Kwan On Holdings Limited	1 for 2	(17.65)%	(12.50)%	79.09%	5.88%	Yes	N/A	No	N/A	33.33%
6.	15 January 2026	770	Shanghai International Shanghai Growth Investment Limited	3 for 8	(60)%	(52.19)%	47.44%	16.33%	No	1.0%	No	N/A	27.27%
7.	14 January 2026	1592	Anchorstone Holdings Limited	4 for 1	(42.86)%	8.57%	51.61%	24.0%	No	1.25%	No	N/A	80%
8.	14 January 2026	3303	Juul Offshore Oil Services Limited	1 for 6	(69.23)%	(66.10)%	(85.13)%	9.92%	No	1.0%	No	N/A	14%
9.	13 January 2026	689	EPI (Holdings) Limited	2 for 1	(17.10)%	(8.57)%	(75.04)%	14.38%	Yes	N/A	Fully underwritten	1.8%	66.67%
10.	2 January 2026	248	HKC International Holdings Limited	1 for 2	(25.50)%	(18.60)%	(79.10)%	8.50%	No	N/A	No	N/A	33.33%
11.	30 December 2025	401	Wanjia Group Holdings Limited	1 for 1	(31.62)%	(18.78)%	(33.33)%	15.81%	No	2.0%	No	N/A	50%
12.	23 December 2025 (Note 5)	8611	Mindtell Technology Limited	1 for 2	(32.40)%	(24.20)%	81.00%	10.80%	No	2.0%	No	N/A	33.33%
13.	19 December 2025	810	China Castson 81 Finance Company Limited	5 for 2	(26.62)%	(9.41)%	(27.14)%	22.73%	No	2.50%	Non-fully underwritten (Note 7)	0.00%	71.43%
14.	12 December 2025	1591	Shun Wo Group Holdings Limited	1 for 3	(6.70)%	(5.08)%	(64.80)%	1.67%	Yes	N/A	No	N/A	25.00%
15.	11 December 2025	1894	Hang Yick Holdings Company Limited	4 for 1	(28.13)%	(7.26)%	(84.67)%	22.50%	No	1.0%	No	N/A	80.00%
16.	21 November 2025	727	Crown International Corporation Limited	3 for 1	(19.75)%	(5.80)%	(44.85)%	19.53%	Yes	N/A	No	N/A	75.00%
17.	19 November 2025	471	SILKWAVE INC	3 for 1	(31.06)%	(10.13)%	(62.81)%	24.51%	Yes	N/A	No	N/A	75.00%
18.	12 November 2025	442	Domaine Power Holdings Limited	1 for 2	(17.44)%	(12.35)%	65.12%	5.81%	Yes	N/A	No	N/A	33.33%
19.	6 November 2025	8238	Winto Group (Holdings) Limited	3 for 1	(6.98)%	(1.96)%	(52.23)%	5.12%	No	3.00%	No	N/A	75.00%
20.	4 November 2025	8283	Zhongshi Miran Holdings Limited	5 for 1	(23.91)%	(4.89)%	(64.68)%	21.67%	No	2.50%	No	N/A	83.33%
21.	2 November 2025	1025	KNT Holdings Limited	1 for 1	(9.09)%	(4.76)%	48.15%	9.39%	No	3.00%	No	N/A	50.00%
22.	24 October 2025	1029	IRC Limited	1 for 2	(16.39)%	(12.17)%	(61.10)%	9.76%	No	HK\$85,000 or 1.25% of the gross placing proceeds whichever is higher (Note 6)	No	N/A	33.33%
23.	24 October 2025	482	Sandmartin International Holdings Limited	1 for 1	2.70%	(6.37)%	N/A (Note 3)	5.99%	Yes	N/A	No	N/A	50.00%
24.	24 October 2025	8153	Jiading International Group Holdings Limited	1 for 2	(38.78)%	(29.69)%	(78.26)%	12.93%	No	2.00%	No	N/A	33.33%
25.	22 October 2025	122	Crocodile Garments Limited	1 for 2	(22.68)%	(16.34)%	(92.46)%	7.56%	Yes	N/A	No	N/A	33.33%

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No.	Date of initial announcement	Stock code	Company name	Basis of entitlement	Premium/ (discount) of the subscription price over/to the closing price on the last trading day as stated in the relevant announcement	Premium/ (discount) of the subscription price to the theoretical ex-rights price	Premium/ (discount) of the subscription price over/to the consolidated net asset value per share (Note 1)	Theoretical dilution effect (Note 2)	Excess application (Yes/No)	Placing commission	Underwriting arrangement	Underwriting commission	Maximum dilution on the shareholding (Approx. %)
26.	17 October 2025	8612	World Super Holdings Limited	3 for 1	23.46%	5.26%	669.23% (Note 4)	0.0%	No	2.50%	No	N/A	75.00%
27.	15 October 2025	1613	Synertone Communication Corporation	2 for 1	(35.71)%	(15.63)%	(43.75)%	23.81%	No	1.00%	No	N/A	66.67%
28.	15 October 2025	209	Winshine Science Company Limited	7 for 1	(23.50)%	(4.10)%	N/A	21.10%	Yes	N/A	Fully underwritten	2.50%	87.50%
29.	9 October 2025	8431	Hao Bai International (Cayman) Limited	4 for 1	(19.23)%	(4.55)%	59.09%	23.24%	No	1.50%	No	N/A	80.00%
30.	9 October 2025	145	CCIAM Future Energy Limited	1 for 2	(18.62)%	(13.07)%	(6.13)%	6.63%	No	HK\$100,000	No	N/A	33.33%
31.	5 October 2025	1909	Fire Rock Holdings Limited	1 for 2	(20.20)%	(14.59)%	195.74% (Note 4)	9.13%	No	HK\$100,000	Non-fully underwritten	0.00%	33.33%
32.	3 October 2025	1680	Macau Legend Development Limited	1 for 2	(45.45)%	(36.17)%	(88.46)%	15.79%	Yes	N/A	Fully underwritten	3.00%	33.33%
33.	2 October 2025	80	China New Economy Fund Limited	1 for 2	(29.29)%	(21.70)%	775.0%	9.70%	Yes	N/A	No	N/A	33.33%
34.	26 September 2025	765	Perfected International Holdings Limited	1 for 2	(18.06)%	(12.72)%	152.14% (Note 4)	6.99%	Yes	N/A	No	N/A	33.33%
35.	22 September 2025	8282	Gameone Holdings Limited	1 for 2	1.69%	1.12%	(3.23)%	0.55%	Yes	N/A	Fully underwritten	0.50%	33.33%
36.	19 September 2025	6978	Immunotech Biopharm Ltd	1 for 5	(47.70)%	(43.18)%	N/A	8.05%	Yes	N/A	Fully underwritten	1.45%	16.67%
37.	15 September 2025	899	Zhong Jia Guo Xin Holdings Company Limited	2 for 1	(33.64)%	(14.45)%	(97.87)% (Note 3)	24.78%	No	5.00%	No	N/A	66.67%
38.	10 September 2025	48	China Automotive Interior Decoration Holdings Limited	3 for 2	(29.73)%	(14.47)%	(88.13)%	17.84%	No	1.50%	Fully underwritten	4.50%	60.00%
39.	4 September 2025	8341	Acco Holding Limited	2 for 1	(25.70)%	(10.35)%	(83.00)%	17.12%	No	2.50%	No	N/A	66.67%
40.	4 September 2025	6696	Many Idea Cloud Holdings Limited	6 for 1	(22.08)%	(4.94)%	(90.55)%	20.63%	No	0.20%	No	N/A	85.71%
41.	26 August 2025	8133	Jisheng Group Holdings Limited	3 for 1	(14.29)%	(4.15)%	(45.45)%	10.57%	No	1.5%	No	N/A	75%
42.	14 August 2025	228	China Energy Development Holdings Limited	1 for 2	(19.90)%	(14.21)% (Note 8)	(73.34)%	6.63%	Yes	N/A	No	N/A	33.33%
43.	13 August 2025	8178	China Information Technology Development Limited	3 for 8	(55.05)%	(47.11)%	(63.0)%	15.12%	Yes	N/A	Fully underwritten	7.07	27.27%
44.	13 August 2025	2324	Capital VC Limited	1 for 1	(27.30)%	(15.79)% (Note 8)	(82.0)%	13.60%	No	HK\$100,000 or 3% whichever is higher	No	N/A	50%
				Maximum Minimum Average	25.0% (69.23)% (23.82)%	16.28% (66.10)% (14.58)%	79.09% (97.87)% (36.50)%	24.78 0.00% 13%					87.50% 14.0% 51.08%
	11 February 2026	8619	The Company	2 for 1	(35.9)%	(20.50)%	(92.70)%	24.80%	No	HK\$85,000 or 1% of the gross placing proceeds whichever is higher	Non-fully underwritten	0.00%	66.67%

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Source: website of the Stock Exchange

Note 1: The net asset value per share was extracted from the relevant announcement or circular of the Comparables, where such information is not available from the above published sources, computed based on the reported net asset value as shown in the latest interim results or annual results of the Comparables divided by the number of issued shares as at the date of the relevant announcement of the Comparables.

Note 2: The theoretical dilution effect is calculated in according to Rule 10.44A of the Rules Governing of the Listing of Securities on GEM or Rule 7.27B of the Listing Rules.

Note 3: It is not applicable due to the net liabilities position in the relevant public financial results.

Note 4: The premium of the subscription price over the net asset value per share of this comparable is exceptionally high and considered an outlier.

Note 5: The relevant rights issue (Comparable number 12) was terminated according to its announcement dated 2 January 2026 and the relevant analysis did not take into account this comparable company.

Note 6: The relevant Comparable also have to pay to the Placing Agent a non-refundable fee of HK\$15,000 upon execution of the relevant placing agreement.

Note 7: The relevant underwriting arrangement is underwritten by the connected person (as defined under chapter 14A of the main board listing rules) of the relevant Comparable.

Note 8: According to the announcements of the relevant Comparable (i.e. Comparable number 42 and Comparable number 44), there is no information regarding the discount rate of the subscription price to the theoretical ex-rights price of the relevant rights issue. The relevant discount is based on our calculation based on the average closing price of the relevant Comparable as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the last trading day

There are 39 out of 43 Comparables (The rights issue of the Comparable number 12 was terminated, therefore, we exclude the aforesaid in our analysis) that the pricing of a rights issue represents a discount to the closing share prices on the last trading day and 39 out of 43 Comparables that the pricing of a rights issue represents a discount to the theoretical ex-entitlement prices of the shares. Except for three Comparables that were in net liabilities position (i.e. Comparable number 23, Comparable number 28 and Comparable number 36) and five Comparables where the premium of the subscription price over the net asset value is exceptionally high and considered as outliers (i.e. Comparable 2, Comparable 26, Comparable 31, Comparable 33 and Comparable 34), there are 27 out of 35 Comparables that the pricing of a rights issue represents a discount to the consolidated net asset value per share. It is a common market practice to set the subscription price of a rights issue at a discount to the closing share prices on the last trading day and the theoretical ex-entitlement prices in order to enhance the attractiveness of the rights issue for encouraging qualifying shareholders to participate in the rights issue.

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The subscription prices of the Comparables:

- (i) ranged from a discount of approximately 69.23% to a premium of approximately 25% (the “**Last Trading Day Range**”), with an average of a discount of approximately (23.82)% (the “**Last Trading Day Average Discount**”) to their respective closing prices per share on the last trading day as stated in the relevant announcements of the Comparables;
- (ii) ranged from a discount of approximately (66.10)% to a premium of approximately 16.28% (the “**Theoretical Ex-Right Price Range**”), with an average of a discount of approximately 14.58% (the “**Theoretical Ex-Right Price Average Discount**”) for their respective average theoretical ex-rights prices per share based on the closing prices on the last trading day as stated in the relevant announcements of the Comparables; and
- (iii) ranged from a discount of approximately (97.87)% to a premium of approximately 79.09% (together, the “**NAV Range**”), with an average of a discount of approximately (37.64)% (the “**NAV Average Discount**”) for their respective subscription price to the net asset value per share of the Comparables.

As stated in the Letter from the Board, the Subscription Price of HK\$0.107 per Rights Share represents (i) a discount of approximately 33.5% to the closing price on the Last Trading Day (the “**Last Trading Day Discount**”); (ii) a discount of approximately 20.5% to the theoretical ex-rights price (the “**Theoretical Ex-Right Price Discount**”); and (iii) a discount of approximately 92.7% to the consolidated net asset value per Share (the “**NAV Discount**”).

We note that, although each of the Last Trading Day Discount, Theoretical Ex-Right Price Discount and NAV Discount is lower than the Last Trading Day Average Discount, the Theoretical Ex-Right Price Average Discount and the NAV Average Discount, it is within the Last Trading Day Range, the Theoretical Ex-Right Price Range and the NAV Range respectively.

Given (i) the NAV Discount is within the range of NAV Range (although it is ranked in lower end of the NAV Range); (ii) the closing price of the Shares within the Share Price Review Period is below the net asset value per Share as at 30 September 2025 of approximately HK\$1.465 as shown in Chart 1 above (with maximum discount of approximately 90.1%); and (iii) the liquidity of the Shares is thin during the Share Price Review Period and only one month of the the average daily trading volume of the Share during the Share Review Period is over 0.5% of the number of Shares in issue as at the end of relevant month, the NAV Discount is justifiable.

We noted that the theoretical dilution effect of the Comparables ranged from discount of approximately 24.78% to nil. The theoretical dilution effect of the Rights Issue is slightly higher than that of the Comparables (The maximum theoretical dilution effect of the Comparable is approximately 24.78% whereas that of the Rights Issue is approximately 24.80%).

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Given (i) each of the Last Trading Day Discount, Theoretical Ex-Right Price Discount and NAV Discount is within the Last Trading Day Range, the Theoretical Ex-Right Price Range and the NAV Range respectively; (ii) the dilution on the shareholding of the Rights Issue is within the range of that of the Comparables; (iii) the use of proceeds of the Rights Issue is fair and reasonable as stated in ” (a) Intended use of proceeds” above; and (iv) the theoretical dilution effect of the Rights Issue is 0.02% more than the range of that of the Comparables, we are of the view that the theoretical dilution effect of the Rights Issue is justifiable.

Having 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 Last Trading Day Discount, Theoretical Ex-Right Price Discount and the NAV Discount is within the Last Trading Day Range, Theoretical Ex-Right Price Range and NAV Range, respectively; (iii) the closing price of the Shares within the Share Price Review Period is below the net asset value per Share as at 30 September 2025 of approximately HK\$1.465 and (iv) the theoretical dilution effect of the Rights Issue is only slightly higher than the range of the Comparables and 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, we are of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue is in the interests of the Company and the Shareholders as a whole.

(h) *Placing commission rate in the Placing Agreement*

With reference to the Letter from the Board, the terms of the Placing Agreement, including the commission payable, were determined after arm’s length negotiation between the Company and the Placing Agent with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms.

As set out in table under the sub-section headed “(g) Comparison with recent rights issue exercises” above, we note that the placing commission rate of HK\$85,000 or 1% of the gross placing proceeds (whichever is higher) under the Placing Agreement. The 1% is within the range of the placing commission rates provided by the placing agents of the Comparables, which was ranged from 0.20% to 5.00% of the fund raised. We also note that some of the placing agents of the Comparables would require a fixed fee ranged from HK\$85,000 to HK\$100,000 and that of the Placing Agreement of HK\$85,000 is also within the range of that of the aforesaid.

The Company also has to pay the Placing Agent a non-refundable fee of HK\$15,000 upon execution of the Placing Agreement. We noted that one of the Comparables, i.e. Comparables number 22, also has the non-refundable fee of HK\$15,000 upon execution of the relevant placing agreement. Accordingly, we consider that the aforesaid documentation fee is justifiable.

Taking into account the above principal terms of the Rights Issue and the Placing Agreement, we consider that the terms of the Rights Issue and the Placing Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

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(i) Underwriting commission rate in the Underwriting Agreement

With reference to the Letter from the Board, the terms of the Underwriting Agreement, including the underwriting commission were determined after arm's length negotiations between the parties, taking into account the financial position of the Group, the size of the Rights Issue, the current and expected market conditions and the prevailing market rates of underwriting commission.

Pursuant to the Underwriting Agreement, the Underwriter will not receive any underwriting commission. From the comparison with recent rights issue exercises, where the selection criteria were set as the same under the comparable analysis under the sub-section headed "(f) Comparison with recent rights issue exercises" above, we observe that the underwriting commission received by the underwriters of the Comparables ranged from nil to 7.07%. Among these comparables, two underwriters (i.e. Comparable number 13 and Comparable number 31) are a connected person and did not receive underwriting commission, which is common for connected transaction under the underwriting agreement. We consider that zero-commission arrangement under the Underwriting Agreement is beneficial to the Company as it can avoid any additional transaction cost to be incurred should the Company appoint a willing independent underwriter for the Rights Issue.

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 it 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. We consider that Irrevocable Undertaking indicate Mr. Yuen's support for the Rights Issue and the Group's business development.

Taking into account the above principal terms of the Underwriting Agreement, we consider that the terms of the Underwriting Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

4. Dilution effect of the Rights Issue on the shareholding 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:

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	(i) As at the Latest Practicable Date		Immediately upon completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders		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) 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	
			Approximate % of total no. of		Approximate % of total no. of		Approximate % of total no. of	
	No. of Shares	Shares in issue	No. of Shares	Shares in issue	No. of Shares	Shares in issue	No. of Shares	Shares in issue
Shareholders								
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
Total	<u>144,545,000</u>	<u>100.00</u>	<u>433,635,000</u>	<u>100.00</u>	<u>433,635,000</u>	<u>100.00</u>	<u>175,291,243</u>	<u>100.00</u>

Note 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.

Note 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.

Note 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.

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Note 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.

Note 5: Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

All Qualifying Shareholders are entitled to subscribe for the Rights Shares. For those Qualifying Shareholders who take up their provisional allotments in full under the Rights Issue, their shareholding interests in the Company will remain unchanged upon completion of the Rights Issue (assuming full acceptance of the Rights Issue). Qualifying Shareholders who do not accept the Rights Issue entitlements can, subject to the then prevailing market conditions, consider selling their nil-paid Rights Shares in the market. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue and their aggregate shareholding interests in the Company may be reduced by a maximum of approximately 66.67%.

We note that, assuming no subscription by the Qualifying Shareholders under the Rights Issue, the shareholding interests of the existing public Shareholders would be diluted from approximately 77.36% to 25.79% of the total number of issued Shares immediately before and after the Rights Issue respectively. However, such dilution effect may only arise when Qualifying Shareholders do not subscribe for their pro-rata Rights Shares. Those Qualifying Shareholders who choose to accept the Rights Issue in full can maintain their respective existing shareholding interests in the Company and have the opportunity to realise their nil-paid rights to subscribe for the Rights Shares in the market. Furthermore, the Rights Issue is subject to Independent Shareholder's approval at the EGM. The Independent Shareholders have the opportunity to express their views on the terms of the Rights Issue through their votes at the EGM. The maximum dilution effect of the Rights Issue was approximately 66.67%, which fall within the range of the Comparables, ranging from approximately 14% to 87.50%.

Having considered that (i) the Rights Issue offers the Qualifying Shareholders an opportunity to subscribe for the Rights Shares for maintaining their respective existing shareholding interests in the Company; (ii) the Qualifying Shareholders have the opportunity to sell their nil-paid Rights Shares in the market if they do not wish to take up the Rights Issue entitlements; (iii) the reasons for and benefits of the Rights Issue and the funding needs as stated in the section headed "2. Reason for and benefits of the Rights Issue and use of proceeds" above; (iv) the principal terms of the Rights Issue, the Placing Agreement and the Underwriting Agreement are consistent with prevailing market practices; and (v) the positive impact on the financial position of the Group as stated in the section headed "5. Possible financial effects of the Rights Issue" below, we are of the view that the potential dilution effect on the shareholding interest of the Shareholders (who decide not to take up their assured entitlements in full) as a result of the Rights Shares is acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Possible financial effects of the Rights Issue

It should be noted that the analysis below is for illustrative purpose only and does not purport to represent how the financial position of the Group will become upon completion of the Rights Issue.

Upon completion of the Rights Issue in full and before the utilization of net proceeds as intended by the Company, the estimated net proceeds from the Rights Issue are expected to enhance the Group's net tangible assets, from approximately HK\$208.5 million (the Group's net tangible assets as at 30 September 2025, i.e. approximately HK\$211.7 million and adjusted by the estimate impact of goodwill of approximately HK\$3.2 million arising from disclosable transaction announced by the Group on 27 November 2025) to approximately HK\$238.9 million and the Rights Issue is expected to strengthen the Group's liquidity position immediately after its completion. As such, the Rights Issue is expected to have a positive impact on the financial position of the Group.

RECOMMENDATION

Having taken into account the principal factors and reasons as discussed above, in particular,

- (i) the use of proceeds from the Rights Issue is fair and reasonable as stated in the sub-section headed "(a) Intended use of proceeds";
- (ii) the Rights Issue is the most appropriate fund-raising method over the other financing alternatives as discussed in the sub-section headed "(b) Alternative sources of financing";
- (iii) the principal terms of the Rights Issue, the Placing Agreement and the Underwriting Agreement are consistent with prevailing market practices as discussed in sub-section headed "(g) Comparison with recent rights issue exercises";
- (iv) the Rights Issue is expected to have a positive impact on the financial position of the Group; and
- (v) Irrevocable Undertaking provided by Mr. Yuen demonstrate Mr. Yuen confidence and support for the Group's business development and zero-commission arrangement under the Underwriting Agreement is favourable to the Group;

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Having considered the above principal factors and reasons, we are of the opinion that although the entering into of the Underwriting Agreement were not in the ordinary and usual course of business of the Group, the terms of the Rights Issue (together with the Underwriting Agreement and the Placing Agreement) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue including the transactions contemplated thereunder are in the interests of the Company and the Shareholder as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we advise the Independent Shareholders, to vote in favour of the relevant resolution for approving the Rights Issue at the EGM.

Yours faithfully,
For and on behalf of
Nuada Limited
Kim Chan
Director

Mr. Kim Chan is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 18 years of experience in the corporate finance industry.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 March 2023, 2024 and 2025 and for the six months ended 30 September 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.niuholdings.com.hk/>).

- Annual report of the Company for the year ended 31 March 2025 (pages 79 to 152): <https://www1.hkexnews.hk/listedco/listconews/gem/2025/0801/2025080100023.pdf>
- Annual report of the Company for the year ended 31 March 2024 (pages 87 to 163): <https://www1.hkexnews.hk/listedco/listconews/gem/2024/0731/2024073101762.pdf>
- Annual report of the Company for the year ended 31 March 2023 (pages 87 to 159): <https://www1.hkexnews.hk/listedco/listconews/gem/2023/0630/2023063002748.pdf>
- Interim report of the Company for the six months ended 30 September 2025 (pages 3 to 16): <https://www1.hkexnews.hk/listedco/listconews/gem/2025/1230/2025123000362.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 28 February 2026, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group was as follows:

Unsecured bond payables

As at the Latest Practicable Date, the Group had outstanding unsecured, non-guarantee bonds payable in an aggregate principal amount of approximately HK\$3,300,000. The unsecured, non-guarantee bond payables are unsecured interest bearing at 6% p.a. and will mature on 31 March 2032.

Lease liabilities

As at 28 February 2026, all lease liabilities of the Group amounting to approximately HK\$7.3 million in respect of lease agreements for office premises and office equipment on three offices and two printers, which is secured by refundable deposit.

Save as aforesaid or otherwise disclosed herein, and apart from intragroup liabilities and normal trade payables in the ordinary course of business, as at the close of business on 28 February 2026, the Group did not have any debt securities issued and outstanding, and authorized or created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowings including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, other recognized lease liabilities, lease commitments, hire purchase commitments, mortgages or charges, contingent liabilities or guarantees outstanding.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least 12 months from the date of this circular in the absence of any unforeseen circumstances. The Company has obtained the relevant confirmation as required under Rule 19.66(13) of the GEM Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP

For the year ended 31 March 2025, the Group was engaged in Construction Engineering Consulting Business and IT Business, generating revenue of approximately HK\$104.3 million (2024: approximately HK\$101.0 million). The increase was mainly due to the slightly increase in number of projects and revenue contribution from structural and geotechnical engineering consultancy services, also provision of IT solution services.

The Group was focusing on developing business opportunities from existing clients and was looking for diversifying the types of services to be provided to various clients such as provision of equipment rental services in construction site. In the meantime, the Group changed its name to NIU Holdings Limited during the year. It represents a start of new era by not only providing construction engineering consultancy services but targets to kick in new business segments including beverage and information technology industries.

Looking forward, the Directors consider that the potential increase in supply of land for residential and commercial development is one of the key industrial drivers of the construction engineering consultancy in Hong Kong. With the Group's experienced management team and reputation in the market, the Directors consider that the Group is well-positioned to compete against its competitors under future challenges that are commonly faced by all competitors, and the Group will continue to strengthen the market position in the industry and expand the market share by securing more consultancy engineering service contracts. In the meantime, the Group will start new business segments when opportunities appear.

STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE
ASSETS

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company prepared in accordance with Rule 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited is set out below to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 30 September 2025.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company has been prepared for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, may not give a true picture of the consolidated financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company is based on the audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 September 2025, adjusted as described below:

Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 September 2025 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 2)	Estimated impact of goodwill arising from discloseable transaction HK\$'000 (Note 5)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company after the completion of the Rights Issue HK\$'000 (Note 3)	Unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company after the completion of the Rights Issue HK\$'000 (Note 4)
Rights Issue of 289,090,000				
Rights Shares to be issued at subscription price of HK\$0.107 per Rights Share	211,733	30,383	(3,193)	238,923
	1,46			0.55

Notes:

- The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2025 is extracted from the interim report of the Group for the six months ended 30 September 2025, which is based on the consolidated net assets attributable to the owners of the Company as at 30 September 2025 of approximately HK\$211,733,000.

2. The estimated net proceeds from the Rights Issue are based on 289,090,000 Right Shares to be issued (in the proportion of two Rights Shares for every one existing Share held on the Record Date on a non-fully underwritten basis) at the subscription price of HK\$0.107 per Rights Share and after deduction of estimated professional fees and other related expenses of approximately HK\$550,000.

	<i>HK\$'000</i>
Estimated net proceeds 289,090,000 Rights Shares * HK\$0.107 per Rights Share	30,933
Estimated professional fees and other related expenses	(550)
	<u>30,383</u>

3. The unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 September 2025 of HK\$1.46 was based on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 September 2025 of HK\$211,733,000 and 144,545,000 Shares in issue as at 30 September 2025.

	<i>HK\$'000</i>
Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company	<u>211,733</u>
Number of shares	<u>144,545,000</u>
	<i>HK\$</i>
Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share	<u>1.46</u>

4. The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived after aggregating the unaudited consolidated net tangible assets of the Group of HK\$211,733,000 as at 30 September 2025 (Note 1), the estimated net proceeds of HK\$30,383,000 from the Rights Issue (Note 2), the estimated impact of the discloseable transaction as at 27 November 2025 (Note 5), and on the basis that 144,545,000 Shares were in issue as at 30 September 2025 and 289,090,000 Rights Shares were issued under the Rights Issue assuming the Rights Issue has been completed on 30 September 2025, but does not take into account of any Shares which may be issued upon the exercise of options granted under the Share Option Scheme or any Shares which may be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.

	<i>HK\$'000</i>
Unaudited consolidated net tangible assets of the Group attributable Rights Issue	<u>238,923</u>
Number of shares	<u>433,635,000</u>
	<i>HK\$</i>
Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share	<u>0.55</u>

5. The adjustment reflects the discloseable transaction announced by the Group on 27 November 2025. The adjustment amount of HK\$3,193,000 is calculated based on the difference between the consideration (approximately HK\$7,500,000) and the Group's 60% share (approximately HK\$4,307,000) of the Target Company's unaudited consolidated net tangible asset value as at 30 September (approximately HK\$7,179,000). For the purpose of the statement of unaudited pro forma adjusted consolidated net tangible assets, such difference, representing the estimated goodwill arising from the acquisition, has been deducted from the consolidated net tangible assets attributable to the owners of the Company. Saved as disclosed above, no adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2025.

**INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE COMPILATION
OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report, prepared for the sole purpose of inclusion in this circular from the independent reporting accountant, TARGET CPA Limited, Certified Public Accountants, Hong Kong.

**To the Directors of NIU Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of NIU Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the statement of unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 September 2025, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-3 of the Company’s circular dated 31 March 2026 (the “**Circular**”), in connection with the proposed rights issue of the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 and II-3 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the Group’s financial position as at 30 September 2025 as if the proposed rights issue had taken place at 30 September 2025. As part of this process, information about the Group’s financial position as at 30 September 2025 has been extracted by the Directors from Group’s unaudited consolidated financial information for the six months ended 30 September 2025, on which no audit or review report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with Rule 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, as required by Rule 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with Rule 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 30 September 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for the Rights Issue and the Use of Proceeds" set out on pages 29 to 31 of the Circular.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 7.31(1) of the GEM Listing Rules.

TARGET CPA Limited
Certified Public Accountants
Hong Kong, 31 March 2026

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

Details of the proposed amendments to the Memorandum and Articles of Association are set out as follows, with deletions shown in strikethrough and additions shown in underline:

**THIRD~~SECOND~~ A MENDED AND RESTATED MEMORANDUM OF
ASSOCIATION OF
NIUWAC Holdings Limited**

(Adopted by a special resolution dated 9 April 2026~~Adopted by a special
resolution dated 17 November, 2023~~)

Article No. Proposed amendments showing changes to the Memorandum and the Articles of Association

1. The name of the Company is NIUWAC Holdings Limited (formerly known as “King Of Catering (Global) Holdings Ltd.” and “WAC Holdings Limited”).

...

8. The share capital of the Company is HK\$150,000,000~~15,000,000~~ divided into 1,500,000,000 shares of a nominal or par value of HK\$0.01 each, with the power for the Company, insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said share capital subject to the provisions of the Companies Act (as revised) and the Articles of Association of the Company and to issue any part of its capital, whether original, redeemed or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

THIRD~~SECOND~~ AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

NIUWAC Holdings Limited
(Adopted by a special resolution dated 9 April 2026~~Adopted by a special-
resolution dated 17 November, 2023~~)

TABLE A

...

INTERPRETATION

Article No. Proposed amendments showing changes to the Memorandum and the Articles of Association

2. (1) ...

WORD	MEANING
...	...
<u>“Company’s website”</u>	<u>the website of the Company to which any Shareholder may have access, the address or domain name of which has been notified to the Shareholders by the Company or as subsequently amended by notice given to the Shareholders by the Company.</u>
...	...
<u>“electronic”</u>	<u>relating to technology having electrical, digital, magnetic, wireless, optical electromagnetic or similar capabilities and such other meanings as given to it in the Electronic Transactions Act (as amended) of the Cayman Islands as may be amended from time to time.</u>
<u>“electronic communication”</u>	<u>a communication sent, transmitted, conveyed and received by electronic means in any form through any medium.</u>
<u>“electronic means”</u>	<u>includes sending or otherwise making available to the intended recipients of the communication in electronic format.</u>

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
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<u>“electronic meeting”</u>	<u>means a general meeting held and conducted wholly and exclusively by virtual attendance and participation by members and/or proxies by means of electronic facilities.</u>
<u>“electronic record”</u>	<u>has the same meaning as in the Electronic Transactions Act (as amended) of the Cayman Islands as may be amended from time to time.</u>
...	...
<u>“hybrid meeting”</u>	<u>a general meeting convened for the (i) physical attendance and participation by members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and at the same time (ii) virtual attendance and participation by members and/or proxies by means of electronic facilities.</u>
<u>“Meeting Location”</u>	<u>has the meaning given to it by Article 64A(1).</u>
...	...
<u>“Member” or “Shareholder”</u>	<u>a duly registered holder from time to time of the shares in the capital of the Company.</u>
...	...
<u>“physical meeting”</u>	<u>a general meeting held and conducted by physical attendance and participation by members and/ or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations.</u>
<u>“Principal Meeting Place”</u>	<u>has the meaning given to it by Article 65.</u>
...	...
<u>“Relevant Territory”</u>	<u>Hong Kong or such other territory where any of the securities of the Company is listed on a stock exchange in that territory.</u>
...	...

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

“Treasury Share(s)” share(s) of the Company that was/were previously issued but was/were purchased or redeemed by the Company or surrendered to the Company and not cancelled and classified and held by the Company as treasury share(s).

... ...

- (2) ...
- (h) references to a document (including, but without limitation, a resolution in writing) being executed include references to it being executed under hand or under seal or by electronic signature or by electronic communication or by any other method of verifying the authenticity of an electronic record and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;
- (i) ...
- (j) references to the right of a Shareholder to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;
- (k) references to votes cast or taken at a general meeting shall include all votes taken (in such manner as may be directed by the chairman of that meeting whether by a count of votes by show of hands and/or by the use of ballot or voting papers or tickets and/or by electronic means) of the Shareholders attending in person, by corporate representative or by proxy at that meeting;
- (l) references to a meeting (a) shall mean a meeting convened and held in any manner permitted by these Articles and any member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Act, the Listing Rules and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly; and (b) shall, where the context is appropriate, include a meeting that has been postponed or changed to another date, time and/or place and/or the electronic facilities and/or the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) has been changed by the Board pursuant to Article 64;

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
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- (m) references to a person’s participation in the business of a general meeting include, without limitation and as relevant, the right (including, in the case of a corporation, through a duly authorised corporate representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Act, the Listing Rules or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly; and
- (n) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise).

SHARE CAPITAL

3. (1) ...

(2) Subject to the Act, the Company’s Memorandum and Articles of Association and, where applicable, the Listing Rules and/or any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the Act. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Act. Shares purchased or redeemed by, or surrendered to, the Company may be cancelled or (subject to the rules and regulations of the Designated Stock Exchange on which the shares of the Company are listed and any other relevant regulatory authority) classified and held as Treasury Shares.

...

SHARE RIGHTS

...

9A. Shares that the Company purchases, redeems or acquires by way of surrender in accordance with the Act shall be held as Treasury Shares and not treated as cancelled if:

- (a) the Board so determines prior to the purchase, redemption or surrender of those shares; and
- (b) the relevant provisions of the Memorandum of Association of the Company, the Articles and the Act are otherwise complied with.

9B. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company’s assets (including any distribution of assets to Shareholders on a winding up) may be made to the Company in respect of a Treasury Share.

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
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9C. The Company shall be entered in the Register as the holder of the Treasury Shares. However:

- (a) the Company shall not be treated as a Shareholder for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void; and
- (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Act.

9D. Treasury Shares may be disposed of by the Company in accordance with the Act and otherwise on such terms and conditions as the Board determines.

9E. Subject to the rules and regulations of the Designated Stock Exchange on which the shares of the Company are listed and any other relevant regulatory authority, the Board may by a resolution of the Directors at any time to:

- (a) cancel any one or more Treasury Shares; or
- (b) transfer any one or more Treasury Shares to any person, whether or not for valuable consideration (including at a discount to the nominal or par value of such shares).

...

GENERAL MEETINGS

...

57. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. General meetings may be held in any part of the world as may be determined by the Board. A general meeting may be held by means of such telephone, electronic facilities or other communication facilities (including, without limiting the generality of the foregoing, by telephone, or by video conferencing) as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

57A. All general meetings (including an annual general meeting, any extraordinary general meeting, any adjourned meeting or any postponed meeting) may be held:(a) as a physical meeting in any part of the world and at one or more locations as provided in Article 64A; or (b) as a hybrid meeting; or (c) as an electronic meeting, as may be determined by the Board in its absolute discretion.

APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

58. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company, on a one vote per share basis, carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition and foregoing Members shall be able to add such resolutions to the meeting agenda; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the Principal Meeting Place~~may do so in the same manner~~, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

NOTICE OF GENERAL MEETINGS

59. (1) ...

(2) The notice for any general meeting shall specify: (a) the time and date of the meeting; (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to Article 64A, the principal place of the meeting (the “Principal Meeting Place”) and the other place(s) of the meeting; (c) if the general meeting is to be a hybrid meeting or an electronic meeting, a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or when and how such details will be made available by the Company prior to the meeting; (d) the agenda of the meeting and particulars of resolutions to be considered at the meeting; and (e) in case of special business (as defined in Article 61), the general nature of that business. ~~The notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such.~~ Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

...

63. (1) The chairman of the Company or if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at a general meeting. Subject to Article 63(2), if at any meeting no chairman, is present within fifteen (15) minutes after the time appointed for holding the meeting, or is willing to act as chairman, the deputy chairman of the Company or if there is more than one deputy chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no chairman or deputy chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
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(2) If the chairman of a general meeting held in any form is participating in the general meeting using an electronic facility or facilities which is/are hereby permitted and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Article 63(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities.

64. Subject to Article 64A, the chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place(s) to place(s) and/or from one form to another (as a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

64A. (1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations ("Meeting Location(s)") determined by the Board at its absolute discretion. Any member or any proxy attending and participating in such way or any member or any proxy attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.

(2) All general meetings are subject to the following:

(a) where a member or proxy is attending by being present or by proxy at a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced as if it has commenced at the Principal Meeting Place;

(b) members present in person or by proxy at a Meeting Location and/or members participating in an electronic meeting or a hybrid meeting in person or by proxy by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that members at all Meeting Locations and/or members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
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(c) where members and/or their proxies attend a meeting by being present at one of the Meeting Locations and/or where members and/or their proxies participate in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more members and/or their proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting; and

(d) if any of the Meeting Locations is outside the jurisdiction of the Principal Meeting Place and/or in the case of a hybrid meeting, unless otherwise stated in the notice, the provisions of these Articles concerning the service and giving of notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the notice for the meeting.

(3) The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place and/or any Meeting Location(s) and/or attendance and/or participation and/or voting at an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a member who, pursuant to such arrangements, is unable to attend, in person or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of such member to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location(s) shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
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- (4) If it appears to the chairman of the general meeting that:
- (a) the electronic facilities at the Principal Meeting Place and/or at such other Meeting Location(s) at which the meeting may be attended have become inadequate to give all persons entitled to do so a reasonable opportunity to participate at the meeting or are insufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the notice of the meeting; or
 - (b) in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate to give all persons entitled to do so a reasonable opportunity to participate at the meeting; or
 - (c) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
 - (d) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting, then, without prejudice to any other power which the chairman of the meeting may have under these Articles or at common law, the chairman may, at his/her absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including an adjournment for an indefinite period), or in the case of an electronic meeting or a hybrid meeting, change the electronic facilities. All business conducted at the meeting up to the time of any such adjournment or change of electronic facilities shall be valid.

(5) The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction which the Board or the chairman of the meeting, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting, including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the inspection of their personal property and the restriction of items that may be taken into the meeting place, obeying any precautionary measures and regulations in relation to prevention and control of spread of disease, and determining the number and frequency of and the time allowed for questions that may be raised at a meeting. Members and their proxies shall also comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held. Any decision made by the Board and, at any general meeting, by the chairman of the meeting pursuant to this Article shall be final and conclusive and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
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(6) If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board, in its absolute discretion, considers that it is unreasonable or impractical for any reason to hold the general meeting on the date and/or at the time and/or at the place and/or using the electronic facilities and/or in the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) specified in the notice calling the meeting, it may (a) postpone the meeting to another date and/or time, and/or (b) change the place and/or the electronic facilities and/or the form of the meeting (as a physical meeting, an electronic meeting or a hybrid meeting), without approval from the members. Without prejudice to the generality of the foregoing, the Board shall have the power to provide in every notice calling a general meeting the circumstances in which a postponement and/or change of the relevant general meeting may occur automatically without further notice, including, without limitation, where a number 8 or higher typhoon signal, extreme conditions, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Article shall be subject to the following:

- (a) when (i) a meeting is postponed and/or (ii) there is a change in the place and/or the electronic facilities and/or form of the meeting, the Company shall: endeavour to post a notice of such postponement and/or change on the Company's website as soon as reasonably practicable (provided that failure to post such a notice shall not affect the automatic postponement and/or automatic change of such meeting); and subject to and without prejudice to Article 64, unless already specified in the original notice of the meeting or included in the notice posted on the Company's website above, the Board shall fix the date, time, place (if applicable), electronic facilities (if applicable) and form of the meeting (if applicable) for the postponed and/or changed meeting and shall notify the members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy form) if they are received as required by these Articles not less than forty-eight hours before the time of the postponed and/or changed meeting; and
- (b) notice of the business to be transacted at the postponed and/or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed and/or changed meeting is the same as that set out in the original notice of general meeting circulated to the members.

(7) All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 64A(4), any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

(8) Without prejudice to the other provisions in this Article, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as shall permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting and shall be counted in the quorum of the meeting.

65. ...

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

VOTING

66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

...

72. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, or postponed meeting, as the case may be.

(2) Any person entitled under Article 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting, or postponed meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

73. ...

(3)___Where the Company has knowledge that any Member is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

(4) All members (including a member which is a clearing house (or its nominee(s))) have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

74. ...

the objection or error shall not vitiate the decision of the meeting or adjourned meeting or postponed meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

...

77. (1) The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Articles) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Article is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Article or if no electronic address is so designated by the Company for the receipt of such document or information.

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
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(2) The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate), or if the Company has provided an electronic address in accordance with Article 77(1), shall be received at the electronic address specified, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or postponed meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

...

79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith), or if the Company has provided an electronic address in accordance with Article 77, shall have been received by the Company at the electronic address so specified, two (2) hours at least before the commencement of the meeting or adjourned meeting or postponed meeting, at which the instrument of proxy is used.

...

149. Subject to Article 150, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent in accordance with Article 158 to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting held in accordance with Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

...

APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

NOTICES

158. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or electronic address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website ~~and/or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website.~~ In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

158A. (a) Any Shareholder whose registered address is outside the Relevant Territory may notify the Company in writing of (i) an address in the Relevant Territory which for the purpose of service of notice shall be deemed to be his registered address; or (ii) an electronic address for the purpose of service of notice. Where the registered address of the Shareholder is outside the Relevant Territory, notice, (i) if given through the post, shall be sent by prepaid airmail letter where available, or (ii) if served by electronic means, shall be sent in accordance with Article 158.

(b) Any Shareholder who fails (and, where a Share is held by joint holders, where the first joint holder named on the register fails) to supply his registered address or a correct registered address, or, in case of electronic communications, fails to supply his electronic address or a correct electronic address, to the Company for service of notices and documents on him shall not (and where a Share is held by joint holders, none of the other joint holders whether or not they have supplied a registered address shall) be entitled to service of any notice or documents by the Company and any notice or document which is otherwise required to be served on him may, if the Board in its absolute discretion so elects (and subject to them re-electing otherwise from time to time), be served, in the case of notices, by displaying a copy of such notice conspicuously at the Office and the head office or, if the Board sees fit, by advertisement in the newspapers, and, in the case of documents, by posting up a notice conspicuously at the Office and the head office addressed to such Shareholder which notice shall state the address within the Relevant Territory at which he may obtain a copy of the relevant document, or by displaying or otherwise making available the relevant notice or document on the Company’s website and stating the address within the Relevant Territory at which he may obtain a copy of the notice or the document. Any notice or document served in the manner so described shall be sufficient service as regards Shareholders with no registered or incorrect addresses, or, in case of electronic communications, no or an incorrect electronic address, provided that nothing in this paragraph (b) shall be construed as requiring the Company to serve any notice or document on any Shareholder with no or an incorrect registered address for the service of notice or document on him or on any Shareholder other than the first named on the register of members of the Company.

**APPENDIX III PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION**

- (c) If on 3 consecutive occasions notices or other documents have been sent through the post to any Shareholder (or, in the case of joint holders of a Share, the first holder named on the register) at his registered address or by electronic means to his electronic address but have been returned undelivered, such Shareholder (and, in the case of joint holders of a Share, all other joint holders of the Share) shall not thereafter be entitled to receive or be served (save as the Board may elect otherwise pursuant to paragraph (b) of this Article) and shall be deemed to have waived the service of notices and other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or a new electronic address for the service of notices on him.
- (d) Notwithstanding any election by a Shareholder, if the Company is advised that the sending of any notice or other documents to any electronic address supplied by a Shareholder may or might infringe the law of any relevant jurisdiction, or if the Company cannot verify the location of the server at which the electronic address of the Shareholder is located, the Company may in lieu of the sending of any notice or other document to the electronic address supplied by the Shareholder concerned, place the same on the Company’s website and the website of the Designated Stock Exchange, and any such placement shall be deemed effective service on the Shareholder, and the relevant notice and document shall be deemed to be served on the Shareholder on the date on which the same is first placed on the Company’s website and the website of the Designated Stock Exchange.
- (e) Notwithstanding any election by a Shareholder from time to time to receive any notice or document through electronic means, such Shareholder may, at any time, require the Company to send to him, in addition to an electronic copy thereof, a printed copy of any notice or document which he, in his capacity as Shareholder, is entitled to receive.

159. ...

- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed or made available on the Company’s website ~~or~~ and the website of the Designated Stock Exchange, is deemed to have been served or delivered on the first day it was so published~~given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;~~

...

1. RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular (other than those relating to the Underwriter and parties acting in concert with it) 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 circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Rights Issue (assuming full acceptance of the Rights Shares) are set out as follows:

(a) Share capital as at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>1,500,000,000</u> Shares of HK\$0.1 each	<u>150,000,000.00</u>

Issued and fully paid:

<u>144,545,000</u> Shares of HK\$0.1 each	<u>14,454,500.00</u>
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(b) Immediately upon completion of the Rights Issue (assuming full acceptance of Rights Shares)

<i>Authorised:</i>	<i>HK\$</i>
<u>1,500,000,000</u> Shares of HK\$0.1 each	<u>150,000,000.00</u>

Issued and fully paid:

144,545,000 Shares of HK\$0.1 each	14,454,500.00
<u>289,090,000</u> Rights Shares to be allotted and issued under the Rights Issue	<u>28,909,000.00</u>
<u>433,635,000</u> Shares in issue immediately upon completion of the Rights Issue	<u>43,363,500.00</u>

Saved as a completion of a placing on 30 May 2025 with a total of 63,450,000 Shares have been successfully placed by the placing agent of the said placing, in the period between 31 March 2025 (being the date to which the Company's latest published audited accounts were prepared) and the Latest Practicable Date, the Company did not issue any Shares.

All the existing Shares and the Rights Shares, when allotted and issued, shall rank *pari passu* with each other in all respects including the rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with each other and the Shares in issue on the date of allotment and issue of the Rights Shares in all respects including rights to dividends, voting and return of capital. 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 issue of the fully-paid Rights Shares.

The Company will apply to 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. No new class of securities of the Company will be listed. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

None of the capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

Saved as a total of 4,480,895 share options the Company granted to its Directors and employees on 27 October 2025, as at the Latest Practicable Date, the Company had no outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares.

3. DISCLOSURE OF INTERESTS

(i) **Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations**

As at the Latest Practicable Date, the interest and the short positions the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Directors or chief executives	Nature of interest	Number of Shares held/ interested	Number of underlying Shares held <i>Note 1</i>	Percentage interest in the issued share capital of the Company <i>Note 2</i>
Mr. Yuen	Beneficial owner	21,823,600	–	15.10%
	Beneficial owner	–	144,545	0.10%

Notes:

1. These represent the interests in underlying Shares in respect of share options granted by the Company on 27 October 2025.
2. Based on the number of issued Share of 144,545,000 as at the Latest Practicable Date (the actual number of such Shares will be determined with reference to the number of Shares in issue as at the date of passing of the relevant resolution).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which was required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, entered in the register referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(ii) **Substantial shareholders and other persons' interest and short positions in Shares and underlying Shares**

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following person, other than a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial shareholders	Nature of interest	Number of Shares held/ interested	Percentage interest in the issued share capital of the Company ^{Note 4}
Manning Properties Limited ^{Note 1}	Beneficial owner	10,903,200	7.54%
Dr. Chan Yin Nin ^{Note 1}	Interest of corporation controlled	10,903,200	7.54%
Mr. Kwong Po Lam ^{Note 1}	Interest of corporation controlled	10,903,200	7.54%
Ms. Julia Gower Chan ^{Note 2}	Interest of spouse	10,903,200	7.54%
Ms. Leung Kwai Ping	Interest of spouse	10,903,200	7.54%
Makarov Vitaly	Beneficial owner	8,850,000	6.12%

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. Based on the number of issued Share of 144,545,000 as at the Latest Practicable Date (the actual number of such Shares will be determined with reference to the number of Shares in issue as at the date of passing of the relevant resolution).

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or which were required to record in the register required to be kept by the Company under Section 336 of the SFO.

As at the Latest Practicable Date, so far as known to the Directors and save as disclosed in this paragraph headed “3. Disclosure of Interests” in this Appendix IV, no Director is a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

4. DIRECTORS’ SERVICES CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which would not expire or was not determinable within one year without payment of compensation, other than statutory compensation.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling shareholders of the Company and their respective close associates had any interest in any business which competes or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person has or may have with the Group that need to be disclosed pursuant to the GEM Listing Rules.

6. DIRECTORS’ INTEREST IN ASSETS, CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 March 2025, being the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group. Nevertheless, the Company entered into the Underwriting Agreement with the Underwriter, a substantial Shareholder and also the Chairman and a non-executive Director of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the GEM Listing Rules. Mr. Yuen, the non-executive Director and chairman of the Board is the Underwriter, and as such he has abstained from voting at the meeting of the Board and the EGM convened to consider the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder.

7. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group, were entered into by members of the Group after the date falling two years immediately preceding the issue of this Circular and up to and including the Latest Practicable Date and which are or may be material:

- (i) the Sale and Purchase Agreement dated 27 November 2025 entered into between Kelca Limited (“**Kelca**”), a wholly-owned subsidiary of the Company, as purchaser, and Mr. YIP Man Chun (“**Mr. Yip**”), as vendor, pursuant to which Mr. Yip agreed to sell and Kelca agreed to acquire 60% of the equity interest in Smart Building Management System Limited at a total consideration of HK\$7,500,000;
- (ii) the Placing Agreement; and
- (iii) the Underwriting Agreement (including the Irrevocable Undertaking).

8. LITIGATION

As at the Latest Practicable Date, as far as the Directors are aware, neither the Company nor any member of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any member of the Group.

9. EXPERT AND CONSENT

The qualifications of the experts who have given opinions, letters or advice contained in this circular are set out below:

Name	Qualification
Nuada Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
TARGET CPA Limited	Certified public accountants

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter, advice, report and/or references to its names, in the form and context in which they are respectively included.

As at the Latest Practicable Date, the above expert was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, nor did it have any interest, either directly or indirectly, in the assets which have been, since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. EXPENSES

The expenses payable by the Company in connection with the Rights Issue, the Placing Agreement and the Underwriting Agreement, including printing, registration, translation, legal, financial advisory, accounting and other professional fees, are estimated to be approximately HK\$0.550 million.

11. DIRECTORS AND SENIOR OF MANAGEMENT OF THE COMPANY

(a) Business Addresses

The business address of all the Directors and senior management is the same as the address of the Company's principal place of business in Hong Kong at Room 804, Intercontinental Plaza, No. 94 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong.

(b) Biographical Details

Executive Directors

Ms. LEUNG Suet Yiu (“**Ms. Leung**”), aged 32, has been an executive Director of the Company since 6 December 2021. Ms. Leung worked as architectural assistant for various firms, including Simon Kwan & Associates Limited and AHL Project Management (Int'l) Co. Limited. In 2018, she began to pursue a career in the entertainment industry as side business. She joined Diamond Term Group from 2019 to 2020 with her last position as business director. She was Business Development Executive of Llewellyn & Partners Co. Ltd in 2021.

Ms. Leung obtained a bachelor degree of environments with a major in architecture from the University of Melbourne in August 2015 and obtained a master degree in 2023 under the faculty of architecture at the University of Hong Kong.

Mr. LEUNG Chun Yu Edmund (“Mr. Leung”), aged 58, has been an executive Director of the Company since 23 August 2024. Mr. Leung obtained a professional diploma in Chinese Catering Management in 2006 and graduated with the first place that the professional diploma course was organised by the Hong Kong Institute of Vocational Education, Rice Seedling Cultivation Program and Vocational Training Council together. Mr. Leung has been working as chairman and director of various private companies since 1998. Mr. Leung was a non-executive Director of Simplicity Holding Limited (Stock code: 8367) since 16 August 2023 and resigned on 10 October 2023.

Mr. Leung has over 30 years’ experience in marketing and management and holds office currently in several associations, including but not limited to, namely executive vice chairman of Catering and Food Industry Alliance of Guangdong-Hong Kong-Macao Greater Bay Area, Honorary Vice President of China Cuisine Association Hong Kong, Honorary Chairman of Shenzhen Catering Service Industry Association and honorable advisor of many associations in Hong Kong catering industry.

Non-Executive Directors

Mr. YUEN Chi Ping (“Mr. Yuen”), aged 46, 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.

Mr. Yuen graduated with a Bachelor of Laws (LLB) from the University of Hong Kong in 2001 and completed the PCLL programme in 2002. He began his career as a trainee and later practiced at several leading international law firms. From 2011 to 2014, he served as Special Counsel in the Shanghai office of Baker & McKenzie, where he was responsible for the firm’s securities practice in the region.

In addition to his legal acumen, Mr. Yuen has extensive experience in corporate management, having held board and senior management roles in a number of listed companies. He also supports charitable causes, serving as board member of Pok Oi Hospital since 2017, and has become the Vice Chairman of Pok Oi Hospital since 2025.

Dr. Chan Yin Nin (“Dr. Chan”), aged 69, has been a Director from 25 August 2017, being the date of incorporation of the Company, and redesignated as an executive Director on 21 November 2017, then resigned as an executive Director but be appointed as Honorary Chairman (carrying none executive functions) with effect from 1 April 2025. Dr. Chan is also a director of certain subsidiaries of the Company. Dr. Chan is one of the directors and ultimate beneficial owners of Manning Properties Limited, the company holding 7.54% of the total issued share capital of the Company. Dr. Chan has over 38 years of experience in the engineering industry.

His work experience is summarised as below:

Period	Name of company/ enterprise	Principal business activity	Position	Duties and responsibilities
July 1979 to September 1980	Sir Alfred McAlpine & Son (Southern) Limited	Provision of services as building, civil engineering and public works contractors	Junior engineer	Supervision of building works including drainage and road paving works
August 1981 to February 1982; February 1983 to September 1983	Wan Hin & Co., Ltd.	Provision of services as building and general contractors	Assistant engineer; site engineer	Site supervision and site management
April 1988 to December 1989; January 1990 to August 1993	Ove Arup & Partners Hong Kong Limited	Engineering consultancy	Engineer; senior engineer; associate	Civil and structural engineering consultancy
September 1993 to August 2004	BDT Engineering Consultants Limited	Engineering consultancy	Managing Director	Civil and geotechnical engineering matters, temporary work and materials consultancy and new building projects
April 1999 to Present	Wong & Cheng Consulting Engineers Limited (a wholly-owned subsidiary of the Company since 29 August 2017)	Construction engineering consultancy	Director; chairman	Corporate strategic planning and overall business development of our Group and participating in the day-to-day management of our business operations

Dr. Chan obtained a diploma in engineering with distinction from The University of Dundee in July 1984. Dr. Chan further obtained a doctor's degree of philosophy with The Dr. Angus A. Fulton Postgraduate Prize (Civil Engineering) from The University of Dundee of the United Kingdom in July 1988. He is currently registered as a Registered Professional Engineer in civil, structural, materials, environmental, building, geotechnical, logistics and transportation by ERB and a Registered Structural Engineer and Registered Inspector with the Building Authority.

Details of Dr. Chan's relevant professional qualifications are set out below:

Date of qualification	Professional qualification
March 1990	Registered as a Chartered Engineer by The Engineering Council of the United Kingdom
October 1990	Awarded the title of European Engineer of the European Federation of National Engineering Associations
November 1990	Elected as a member of The Institution of Structural Engineers of the United Kingdom
September 1991	Admitted as a member of The Hong Kong Institution of Engineers (the "HKIE")
December 1991	Admitted as a member of The Institution of Civil Engineers of the United Kingdom
August 1996	Admitted as a member of The Chartered Institution of Water and Environmental Management of the United Kingdom
May 1997	Admitted as a practising member of The Academy of Experts of the United Kingdom
June 2000	Qualified as a PRC Grade 1 Registered Structural Engineer (中華人民共和國一級註冊結構工程師) under the National Administration Board of Engineering Registration (Structural) (全國註冊工程師管理委員會(結構)) in the PRC
July 2002	Registered as a fellow of The Institute of Materials, Minerals and Mining of the United Kingdom
November 2003	Admitted as a fellow of the HKIE

Date of qualification	Professional qualification
November 2003	Elected as a fellow of The Institution of Structural Engineers of the United Kingdom
September 2004	Registered as a Chartered Environmentalist by the Society for the Environment of the United Kingdom
July 2005	Registered as a Chartered Scientist by the Science Council of the United Kingdom
January 2008	Qualified as a Registered Engineer in Macau
September 2016	Admitted as a professional member of Hong Kong Institute of Qualified Environmental Professionals Limited

Details of Dr. Chan's other major relevant achievements are set out below:

Year of achievement	Other achievements
1997 to 1998	Served as chairman of the Materials Division of the HKIE
2000	Registered as a registered principal of The Association of Consulting Engineers of Hong Kong
2006 to 2008, 2010 to 2012	Appointed as a vice president of the Supervisory Council of the Macau Construction Association
2017 to present	Designated as an honorary advisor of the second session of the Macau Society of Civil and Structural Engineers
2014 to present	Appointed as a vice president of the supervisory counselor of the Macau Engineering Consultant Companies
2019 to present	Member of Guangzhou Committee of The Chinese People's Political Consultative Conference

Independent Non-Executive Directors

Ms. LUNG Wing Yee (“Ms. Lung”), aged 34, has been an independent non-executive Director since 23 December 2024. Ms. Lung is the chairlady of the Nomination Committee, a member of the Remuneration Committee and Audit Committee, and is primarily responsible for supervising the Board and providing independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. Ms. Lung graduated from Federation University Australia in 2020 with a Bachelor of degree in applied management. Ms. Lung has a wide array of commercial and managerial experience. Ms. Lung is currently the Consultant of a global investment management firm. She is also an associate director of a securities firm. Ms. Lung has over 5 years of experience in corporate finance, investment and business development in Hong Kong.

Mr. LEUNG Man Chun (“Mr. Leung”) aged 37, has been an independent non-executive Director since 31 March 2025. Mr. Leung is the chairman of the Audit Committee and Remuneration Committee, and a member of the Nomination Committee, and is primarily responsible for supervising the Board and providing independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. Mr. Leung obtained a Master’s degree in Analytics from Northeastern University in 2023 and a Bachelor’s Degree in Social Sciences from Hong Kong Baptist University in 2009.

Mr. Leung has over 16 years of experience in the accounting and finance industry. Mr. Leung was employed at KPMG as an auditor from 2009 to 2012 and HSBC Hong Kong as a commercial banker from 2012 to 2014. Mr. Leung ran his own business in the Fast Moving Consuming Goods industry from 2014 to 2020. Mr. Leung served as an independent non-executive director of several Companies which was listed on the GEM Board from 2016 to 2021. Since 2020, Mr. Leung has been serving as the Financial Controller at MTT Group Holdings Limited (stock code: 2350).

Mr. WONG Chun Man (“Mr. Wong”), aged 39, has been an independent non-executive Director since 31 January 2026. Mr. Wong is a member of the Audit Committee, Remuneration Committee, and Nomination Committee. Mr. Wong obtained a Degree of Bachelor of Arts with Second Class Honours (1st Division) in International Hospitality Management offered by Edinburgh Napier University, United Kingdom, in 2012.

Mr. Wong has around 14 years’ experience in commercial and managerial roles, and more than 10 years of experience in areas related to Hong Kong/US stock financing and Crypto investment.

Senior Management

Mr. NG Chun Chung (“Mr. Ng”), aged 43, is the company secretary of the Company and has more than 19 years of experience in accounting and auditing. Mr. Ng served in several sizeable audit firm as Audit Associate to Audit Manager from 2005 to 2014. In September 2014, Mr. Ng served as the finance manager in Wai Chi Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1305). From 2017 to 2020, Mr. Ng served as the chief financial officer of two private limited companies. In June 2020, Mr. Ng was appointed as the executive director, chief financial officer and company secretary in Sun Cheong Creative Development Holdings Limited, a company delisted on the Main Board of the Stock Exchange. Since July 2021, Mr. Ng was appointed as a director and practising in an audit firm.

Mr. Ng obtained his bachelor degree in business administration from Lingnan University in Hong Kong in December 2005. Mr. Ng was admitted as a member of the Hong Kong Institute of Certified Public Accountants in January 2012 and a practising member in 2021.

Mr. FONG Chi Wai (“Mr. Fong”), aged 54, is a technical director of our Group and is mainly plays supervising role in various type of our Group’s projects, such as design, management and site administration of new buildings, alterations and additions, and renovation projects.

Mr. Fong has approximately 28 years of experience in the engineering industry. Mr. Fong served as senior civil engineer at W&C Hong Kong since March 2002 and was promoted to be an associate director in September 2010 and was further redesignated as a technical director in August 2018.

Mr. Fong graduated from The Hong Kong Polytechnic University and received a bachelor’s degree of engineering in civil engineering in November 1994 and further obtained a postgraduate diploma in civil engineering in November 2000. In July 2015, Mr. Fong obtained a juris doctor’s degree from the City University of Hong Kong.

Mr. Fong became a member of the Hong Kong Institution of Engineers in September 1998, an associate of the Hong Kong Institute of Arbitrators in December 1998, a member of The Chartered Institute of Arbitrators in September 1999, a Registered Professional Engineer (Civil) in Hong Kong in February 2004 and a member in the Panel of Adjudicators of The Hong Kong Institution of Engineers in November 2021.

Mr. HEUNG Siu Kee (“Mr. Heung”), aged 81, is a technical director of our Group and is mainly responsible for the administration, design and supervision of superstructure, foundation and excavation works and coordination and site supervision of construction projects.

Mr. Heung has approximately 52 years of experience in the engineering industry. Prior to joining our Group, from April 1969 to May 1970, Mr. Heung served as a draftsman in the engineering division at HLK Services, Ltd. Mr. Heung later worked as a senior structural engineer at Gordon Wu & Associates from June 1970 to March 1981. From February 1981 to June 1991, Mr. Heung served as an engineer at KNW Architects & Engineers Limited and subsequently joined W&C Hong Kong as senior structural engineer in July 1991. He was promoted to be an associate director of our Group in May 2010 and was further redesignated as a technical director in August 2018.

Mr. Heung graduated from the National Taiwan University and received a bachelor's degree in civil engineering in June 1967.

Mr. HUANG Wan Fu (“Mr. Huang”), aged 72, is a technical director of our Group and is mainly responsible for the geotechnical engineering design works such as ground investigation, site formation planning, natural terrain hazard assessment, deep excavation and lateral support (“ELS”) design for basement and pile cap construction and supervision of slope stabilisation, ELS and wall strengthening works.

Mr. Huang has more than 18 years of experience in the engineering industry. Mr. Huang served as senior engineer at W&C Hong Kong since December 2005 and was promoted to be an associate director in August 2013 and was further redesignated as a technical director in August 2018.

Mr. Huang graduated from the National Taiwan University and received a bachelor's degree of science in engineering in June 1974. Mr. Huang obtained a master's degree in engineering from the Asian Institute of Technology in Thailand in April 1980.

Mr. LEE Sik Kwan (“Mr. Lee”), aged 60, is a technical director of our Group and is mainly responsible for the structural and geotechnical engineering design, and supervision and administration works for building and civil projects.

Mr. Lee has more than 31 years of experience in the engineering industry. Mr. Lee served as an assistant structural engineer at W&C Hong Kong since August 1991 and was promoted to be an associate director in September 2010 and was further redesignated as a technical director in August 2018.

Mr. Lee graduated from the University of Hong Kong and received a bachelor's degree of science in engineering in December 1989. Mr. Lee became a member of The Institution of Structural Engineers in November 1994 and a member of The Hong Kong Institution of Engineers in September 1996. Mr. Lee became a Registered Professional Engineer (Structural) in Hong Kong in December 1999, and a Registered Structural Engineer in Hong Kong since February 2017.

Mr. NGAI Wai Bun (“Mr. Ngai”), aged 55, is a technical director of our Group and is mainly responsible for the geotechnical engineering design and related works such as geotechnical assessment and natural terrain hazard study, and site supervision.

Mr. Ngai has approximately 28 years of experience in the engineering industry. Mr. Ngai worked as an engineer at Meinhardt (C&S) Limited from September 1999 to June 2004. Mr. Ngai joined our Group as senior engineer at W&C Hong Kong since September 2008 and was subsequently promoted to be an associate director in May 2013 and was further redesignated as a technical director in August 2018.

Mr. Ngai graduated from The Hong Kong Polytechnic University and received a bachelor's degree of engineering in civil engineering in November 1993. Mr. Ngai later obtained a master's degree of science in civil engineering from The Hong Kong Polytechnic University in November 1998.

Mr. Ngai became a corporate member of The Institution of Structural Engineers since November 2000, a corporate member of The Hong Kong Institution of Engineers in January 2001, and a member of The Institution of Mining and Metallurgy of the United Kingdom in May 2001.

Mr. Ngai became a Chartered Engineer of the Engineering Council of the United Kingdom since March 2001, a Chartered Structural Engineer of The Institution of Structural Engineers of the United Kingdom in November 2000, a Registered Professional Engineer (Structural, Geotechnical) in Hong Kong in February 2004, and a Registered Geotechnical Engineer in Hong Kong since March 2013. Mr. Ngai is a new fellow member of The Hong Kong Institution of Engineers in 2021.

Dr. CHU Yu Tin, Albert (“Dr. Chu”), aged 69, is a technical director of our Group and is mainly responsible for the design management of building development projects.

Dr. Chu has over 40 years of experience in the engineering industry. Prior to joining our Group, Dr. Chu worked as senior structural engineer at the Buildings Department of Hong Kong from September 1992 to May 2016. He then joined W&C Hong Kong as a technical director in September 2016. Dr. Chu graduated from University of Windsor in Canada and received a bachelor’s degree of applied science in civil engineering in October 1980. He later obtained a master’s degree of science in civil engineering from The Hong Kong Polytechnic University in November 1994. Dr. Chu obtained a doctor of philosophy degree in civil engineering from The University of Queensland of Australia in July 2004. Dr. Chu became a member of The Institution of Structural Engineers of the United Kingdom in November 1987, a member of The Hong Kong Institution of Engineers in January 1991 and a member of The Institution of Civil Engineers of the United Kingdom in July 1996. Dr. Chu became a Registered Professional Engineer (Civil, Structural) in Hong Kong in December 1997. He is currently an Authorized Person (list of engineers) and a Registered Structural Engineer with the Building Authority. Dr. Chu is a new fellow member of The Hong Kong Institution of Engineers in 2021.

Dr. CHEN Hui (“Dr. Chen”), aged 67, is a technical director of our Group and is mainly responsible for business development, design and management of geotechnical projects and related works.

Dr. Chen has approximately 24 years of experience in the engineering industry. Dr. Chen worked as a geotechnical engineer at Central Coal Mining Research Institute(煤炭科學研究總院) in the PRC from 1984 to August 1988 and a full-time research fellow at the department of civil and structural engineering of the Nottingham Trent University of the United Kingdom from January 1993 to December 1994. He worked as a geotechnical engineer at Greg Wong & Associates Ltd. and Maunsell Geotechnical Services Ltd. from December 1994 to January 1997 and September 1997 to April 1998, respectively. He worked as a resident engineer (geo) at Montgomery Watson Hong Kong Ltd. from May 1998 to August 1999. He then worked at W&C Hong Kong as an associate from September 1999 to September 2008. From September 2008 to April 2010, Dr. Chen worked as the associate director of Scott Wilson Ltd. From May 2013 to October 2017, he worked as an associate director (and then resident geotechnical engineer) of WSP Hong Kong Limited. Dr. Chen joined our Group as a geotechnical director in July 2018 and was further redesignated as a technical director in August 2018.

Dr. Chen graduated from the Shandong Institute of Mining and Technology (山東礦業學院 currently known as the Shandong University of Science and Technology (山東科技大學)) in the PRC and received a bachelor's degree in coal mining engineering in October 1982. He later obtained a master's degree in engineering from Central Coal Research Institute of the Coal Industry Ministry* (煤炭工業部煤炭科學研究總院) in the PRC in December 1984. He studied full time in the Department of Mining Engineering at the University of Nottingham from October 1988 to June 1992 and obtained a doctor of philosophy degree from the University of Nottingham in July 1992.

Dr. Chen became a professional member of The Institute of Materials, Minerals and Mining of the United Kingdom in May 1996, a Chartered Engineer of the Engineering Council of the United Kingdom in January 1997, a member of The Hong Kong Institution of Engineers in December 1997 and a Registered Professional Engineer (Geotechnical) in Hong Kong in December 1998.

Company Secretary

Mr. Ng Chun Chung (“Mr. Ng”), aged 44, graduated from Lingnan University with a degree of Bachelor of Business Administration in Accounting. He is a practising certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales. He was appointed as the company secretary of the Company since 15 September 2023.

Mr. Ng has over 18 years of working experience in auditing, accounting, investment and corporate finance.

12. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Executive Directors	Ms. LEUNG Suet Yiu Mr. LEUNG Chun Yu Edmund
Non-executive Director	Mr. YUEN Chi Ping (<i>Chairman</i>) Dr. CHAN Yin Nin (<i>Chairman</i>)
Independent non-executive Directors	Ms. LUNG Wing Yee Mr. LEUNG Man Chun Mr. WONG Chun Man
Company Secretary	Mr. NG Chun Chung <i>Practising certified public accountant of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants</i> <i>Member of the Institute of Chartered Accountants in England and Wales</i>

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
Authorised Representative	Mr. LEUNG Chun Yu Edmund Room 804, Intercontinental Plaza No. 94 Granville Road Tsim Sha Tsui, Kowloon Hong Kong Mr. Ng Chun Chung Room 804, Intercontinental Plaza No. 94 Granville Road Tsim Sha Tsui, Kowloon Hong Kong
Legal advisers to the Company in relation to the Rights Issue	<i>As to Hong Kong law:</i> Hastings & Co. 11th Floor, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong
Auditors and reporting accountant	TARGET CPA Limited <i>Certified Public Accountants</i> Room E, 22/F, Tower A Billion Centre, 1 Wang Kwong Road Kowloon Bay, Kowloon Hong Kong
Principal banker	Industrial and Commercial Bank of China (Asia) Limited Shop B, G/F, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon Bank of China (HK) Limited 24-28 Carnarvon Road, Tsim Sha Tsui, Kowloon

Share registrar and transfer office	Union Registrars Limited Suites 3301-04, 33/F, Two Chinachem Exchange Square 338 King's Road, North Point Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Nuada Limited Unit 07, 10/F, Hing Yip Commercial Centre 272-284 Des Voeux Road Central Sheung Wan Hong Kong
Placing Agent	First Shanghai Securities Limited 19/F, Wing On House 71 Des Voeux Road Central Hong Kong
Underwriter	Mr. Yuen

13. AUDIT COMMITTEE

The Audit Committee currently consists of three independent non-executive Directors, namely Ms. Lung Wing Yee, Mr. Leung Man Chun and Mr. Wong Chun Man.

The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, re-appointment and removal of external auditors; review the financial statements of the Company and areas involving judgements in respect of financial reporting; and oversee internal control procedures of the Company. All members of the Audit Committee are appointed by the Board.

14. GENERAL

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Company (www.niuholdings.com.hk), the Stock Exchange (www.hkexnews.hk) from the date of this circular for at least 14 days:

- (i) the report from TARGET CPA Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;
- (ii) the written consents of the experts as referred to in the paragraph headed "9. Experts and Consents" in this Appendix IV;

- (iii) the material contracts referred to in the paragraph headed “7. Material Contracts” in this Appendix IV;
- (iv) the letter from the Board, the text of which is set out on pages 12 to 42 of this circular;
- (v) the letter from the Independent Board Committee, the text of which is set out on pages IBC-1 to IBC-2 of this circular; and
- (vi) the letter from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-34 of this circular.

16. MISCELLANEOUS

- (a) There are no contracts for the hire or hire purchase of plant to or by the Group for a period of over one year which are substantial in relation to the Group’s business.
- (b) As the Group carried out a major portion of its operations in the PRC and Hong Kong and substantially all of its business transactions, assets and liabilities are denominated in either Renminbi or HK\$, the foreign exchange risk of the Group was considered minimal.

NOTICE OF EGM

NIU HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8619)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**” or the “**EGM**”) of NIU Holdings Limited (the “**Company**”) will be held at Flat 804, 8/F., Inter-Continental Plaza, 94 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 20 April 2026, at 3:00 p.m. to consider and, if thought fit, pass the following resolutions of the Company. Unless otherwise stated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the company dated 31 March 2026 (the “**Circular**”):

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon the fulfilment of all conditions as set out in the section headed “Letter from the Board — Proposed Rights Issue — Conditions of the Rights Issue” in the circular of the Company dated 31 March 2026:
 - (a) the Underwriting Agreement dated 11 February 2026 (“**Underwriting Agreement**”) signed between the Company and Mr. YUEN Chi Ping (“**Underwriter**”) (a copy of the Underwriting Agreement marked “A” has been produced to this Meeting and initialled by the chairman of this Meeting for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
 - (b) the issue by way of rights issue (“**Rights Issue**”) of not more than 289,090,000 new ordinary Shares (“**Rights Shares**” and each a “**Rights Share**”), on the basis of two (2) Rights Shares for every one (1) existing ordinary shares held by the shareholders of the Company (“**Shareholders**”) on Thursday, 30 April 2026 (the “**Record Date**”) (or such other date as may be agreed between the Company and the Underwriter for determining entitlements of Shareholders to participate in the Rights Issue), at a subscription price of HK\$0.107 per Rights Share (“**Subscription Price**”) to Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date (“**Qualifying Shareholders**”), save for overseas Shareholders to whom the directors of the Company (“**Directors**”), based on legal opinions to be provided by the legal advisers to the Company, consider it necessary or expedient not to offer the Rights Shares (“**Non-Qualifying Shareholders**”) on account either of the legal restrictions under the laws of the relevant place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), and substantially on the terms and conditions set out in the Circular (a copy of the Circular marked “B” has been produced to this Meeting and initialled by the chairman of this Meeting for the purpose of identification) and such other terms and conditions as may be determined by the Directors, be and is hereby approved, confirmed and ratified;

NOTICE OF EGM

- (c) the placing agreement dated 11 February 2026 (“**Placing Agreement**”) entered into between the Company and First Shanghai Securities Limited (“**Placing Agent**”) in relation to the placing of those Rights Shares that are not successfully sold by the Company (“**Unsubscribed Rights Shares**”) and/or the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form (“**NQS Unsold Rights Shares**”) at the placing price of not less than the Subscription Price on a best effort basis (a copy of the Placing Agreement marked “C” has been produced to this Meeting and initialed by the chairman of this Meeting for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (d) the board of Directors (“**Board**”) or a committee thereof be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue in accordance with the terms set out in the Circular;
- (e) the Board or a committee thereof be and is hereby authorised to make such other exclusions or other arrangements in relation to the Non-Qualifying Shareholders as it may deem necessary or expedient having regard to any restrictions or obligations under the articles of association of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong, and generally to do such things or make such arrangements as it may think fit to effect the Rights Issue; and
- (f) any one or more Director(s) be and is/are hereby authorised to do all such acts and things, to sign and execute all such further documents or deeds and to take such steps as he/she/they may in his/her/their absolute discretion consider necessary, appropriate, desirable or expedient to carry out or to give effect to or in connection with the Rights Issue, the Underwriting Agreement, the Placing Agreement and any transactions contemplated thereunder.”

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SPECIAL RESOLUTION

As special business, to consider and, if thought fit, approve the following special resolution:

2. **“THAT:**

- (a) the proposed amendments (the **“Proposed Amendments”**) to the existing memorandum of association and articles of association of the Company (the **“Existing Memorandum and Articles of Association”**), details of which are set out in Appendix III to the circular of the Company dated 31 March 2026, be and are hereby approved;
- (b) the new memorandum of association and articles of association of the Company (the **“New Memorandum and Articles of Association”**), which contain all the Proposed Amendments and a copy of which has been produced to this meeting and marked “D” and initialed by the chairman of the meeting, be and are hereby approved and adopted in substitution for and to the exclusion of the Existing Memorandum and Articles of Association with immediate effect after the close of this meeting; and
- (c) any director or company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to this resolution 2, including without limitation, attending to the necessary filings with the Registrar of Companies in the Cayman Islands and Hong Kong.”

By Order of the Board
NIU Holdings Limited
Mr. NG Chun Chung
Company Secretary

Hong Kong, 31 March 2026

Headoffice and Principal place of business in Hong Kong:

Room 804, Intercontinental Plaza

No. 94 Granville Road

Tsim Sha Tsui, Kowloon

Hong Kong

NOTICE OF EGM

Notes:

1. Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The Chairman of the EGM will therefore put each of the resolutions to be proposed at the EGM to be voted by way of poll in accordance with the articles of association of the Company. Treasury shares, if any, registered in the name of the Company, shall have no voting rights at the EGM. For the avoidance of doubt, treasury shares, if any, pending withdrawal from and/or transfer through CCASS, shall not bear any voting rights at the EGM.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a Shareholder. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
3. In order to be valid, a proxy form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Share Registrar (i.e. Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong) as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. 3:00 p.m. on Saturday, 18 April 2026) or any adjournment thereof. Delivery of the proxy form shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the proxy form shall be deemed to be revoked.
4. To ascertain Shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 14 April 2026 to Monday, 20 April 2026 (both days inclusive) during which period no Share transfer will be effected. The record date for determining the entitlement of the Shareholders to attend and to vote at the EGM will be Monday, 20 April 2026. In order to qualify for attending and voting at the EGM, unregistered holders of Shares should ensure that all completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's Share Registrar, Union Registrars Limited (at its address shown in Note 3 above), for registration no later than 4:00 p.m., on Monday, 13 April 2026.
5. References to time and dates in this Notice are to Hong Kong time and dates.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in effect any time after 11:30 a.m. on the date of the Meeting, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.niuholdings.com.hk and on the website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and venue of the rescheduled meeting.

NOTICE OF EGM

7. In case of discrepancy between the English version and the Chinese version of this notice of the EGM, the English version shall prevail.

As at the date of this notice, the Board comprises, Ms. LEUNG Suet Yiu and Mr. LEUNG Chun Yu Edmund as executive Directors; Mr. YUEN Chi Ping and Dr. CHAN Yin Nin as non-executive Directors; and Ms. LUNG Wing Yee, Mr. LEUNG Man Chun and Mr. WONG Chun Man as independent non-executive Directors.