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AI Energy Engineering Holdings Limited

智算能建控股有限公司

(Formerly known as “Kingland Group Holdings Limited 景聯集團控股有限公司”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1751)

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF
TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) SHARES
HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS
AND
(2) PROPOSED CHANGE IN BOARD LOT SIZE**

Placing Agent



PROPOSED RIGHTS ISSUE

The Company proposed to implement the Rights Issue on the basis of two (2) Rights Shares for every five (5) Shares held on the Record Date at the Subscription Price of HK\$0.65 per Rights Share, to raise up to approximately HK\$75.7 million gross proceeds by issuing 116,477,534 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) to the Qualifying Shareholders. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any).

The maximum Net Proceeds is estimated to be approximately HK\$72.4 million (assuming no change in the number of Shares in issue on or before the Record Date). Details of the use of the Net Proceeds are set out in the section headed “**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**” in this announcement.

There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. There are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Qualifying Shareholders

The Rights Issue is only available to Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and be a Qualifying Shareholder. In order to be registered as a member of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by no later than 4:30 p.m. (Hong Kong time) on Wednesday, 26 August 2026.

The Compensatory Arrangements and the Placing Agreement

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of any Unsubscribed Rights Shares and NQS Unsold Rights Shares by offering such Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees, who and whose ultimate beneficial owners(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 17 August 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the Placing. For details of the Placing Agreement and the Compensatory Arrangements, please refer to the sections headed “**The Compensatory Arrangements**” and “**Placing Agreement**” in this announcement. The Placing Agent has confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholders; and (ii) are Independent Third Parties.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in the board lot size of 10,000 Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 10,000 Shares to 2,000 Shares with effect from 9:00 a.m. on Monday, 7 September 2026. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots.

LISTING RULES IMPLICATIONS

Save for the Previous Rights Issue, the Company has not conducted any other rights issue or open offer within the 12-month period prior to the date of this announcement. The Rights Issue (after aggregation with the Previous Rights Issue) will not increase the issued share capital or the market capitalisation of the Company by more than 50% and is not subject to Shareholders' approval under Rule 7.19A(1) of the Listing Rules.

The Rights Issue (together with the Previous 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 7.27B of the Listing Rules.

GENERAL

Subject to the fulfilment of certain conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on the Prospectus Posting Date. To the extent permitted under the relevant laws and regulations and where reasonably practicable, the Prospectus (excluding the PAL) will be made available and/or despatched (as the case may be) to the Non-Qualifying Shareholders (if any) for their information only. The Company will despatch the PALs in printed form to the Qualifying Shareholders, but no PAL will be despatched to the Non-Qualifying Shareholders (if any).

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares will be dealt on an ex-rights basis from Tuesday, 25 August 2026. Dealings in the nil-paid Rights Shares are expected to take place from Monday, 7 September 2026 to Monday, 14 September 2026 (both days inclusive).

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of the conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms in the new board lot size of 2,000 Shares (please refer to the section headed "Conditions of the Rights Issue" in this announcement). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any dealing in the Shares from the date of this announcement up to the date on which all conditions of the Rights Issue are fulfilled, and any Shareholder or other person dealing in the Shares and/or Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. 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 advisor(s).

PROPOSED RIGHTS ISSUE

The Company proposed to implement the Rights Issue on the basis of two (2) Rights Shares for every five (5) Shares held on the Record Date at the Subscription Price of HK\$0.65 per Rights Share, to raise up to approximately HK\$75.7 million gross proceeds by issuing 116,477,534 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) to the Qualifying Shareholders. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any).

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	two (2) Rights Shares for every five (5) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.65 per Rights Share
Number of Shares in issue as at the date of this announcement	:	291,193,835 Shares
Number of Rights Shares	:	up to 116,477,534 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	up to HK\$5,823,876.7 (assuming no change in the number of Shares in issue on or before the Record Date)

Number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	up to 407,671,369 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	:	up to approximately HK\$75.7 million (assuming no change in the number of Shares in issue on or before the Record Date)
Net proceeds from the Rights Issue	:	up to approximately HK\$72.4 million (assuming no change in the number of Shares in issue on or before the Record Date)
Net subscription price per Rights Share (i.e. maximum Net Proceeds divided by the maximum number of Rights Shares to be issued)	:	approximately HK\$0.62 per Rights Share (assuming no change in the number of Shares in issue on or before the Record Date)

As at the date of this announcement, the Company (i) did not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants or convertible securities or other similar rights which are convertible or exchangeable into Shares; and (ii) had no treasury Shares or repurchased Shares pending cancellation. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming no change in the share capital of the Company on or before the Record Date and that no new Shares will be allotted and issued on or before completion of the Rights Issue, the 116,477,534 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 40% of the total number of issued Shares as at the date of this announcement; and (ii) 28.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares (assuming full subscription under the Rights Issue).

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The Company explored potential underwriting options for the Rights Issue and approached a number of securities firms. However, no underwriter was prepared to enter into a full underwriting agreement, only the Placing Agent agreed to participate in a placing capacity.

Accordingly, the Board determined that a non-underwritten Rights Issue, combined with the Placing Agreement, represents the most practical and efficient structure to fulfill the Company's financing needs.

There are no statutory requirements regarding minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code.

Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not (i) trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and/or (ii) result in the non-compliance of the Public Float Requirement on the part of the Company.

Undertakings

The Company has not received any information or irrevocable undertaking from any substantial Shareholder of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the date of this announcement.

Subscription Price

The Subscription Price of HK\$0.65 per Rights Share shall be payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares, or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 7.80% to the closing price of HK\$0.705 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 8.32% to the average closing price of HK\$0.709 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

- (iii) a discount of approximately 12.10% to the average closing price of HK\$0.7395 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 6.95% to the theoretical ex-rights price of HK\$0.69857 per Share as adjusted for the effect of the Rights Issue, based on the benchmarked price of HK\$0.718 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price on the Last Trading Day of HK\$0.705 per Share; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day of HK\$0.718 per Share) (the “**Benchmarked Price**”);
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 2.71%, represented by the theoretical diluted price of HK\$0.69857 per Share to the Benchmarked Price;
- (vi) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 2.71% in aggregation with the Previous Rights Issue of the cumulative theoretical diluted price of approximately HK\$1.60 per Share as compared to the benchmarked price of approximately HK\$1.646 per Share in respect of the Previous Rights Issue (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on 6 March 2026 of HK\$1.58 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days preceding 6 March 2026 of approximately HK\$1.646 per Share); and
- (vii) a premium of 1,525.0% over the consolidated net asset value per Share of approximately HK\$0.04 (based on the latest published audited consolidated net asset value of the Company of approximately HK\$12.53 million as at 31 December 2025 as disclosed in the annual report of the Company for the year ended 31 December 2025 and 291,193,835 Shares in issue as at the date of this announcement).

The Rights Issue (together with the Previous Rights Issue) does not result in a theoretical dilution effect of 25% or more on its own. As such, the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined with reference to, among others, (i) the market price of the Shares under the prevailing market conditions; (ii) the latest business development and financial position of the Group; and (iii) the reasons for and benefits of the Rights Issue as discussed in the section headed “**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**” in this announcement.

In determining the Subscription Price, the Board has taken into account the outcome of the Previous Rights Issue. As disclosed in the announcement of the Company dated 22 May 2026, only 889,835 Rights Shares, representing approximately 0.9% of the Rights Shares available for subscription under the Previous Rights Issue, were validly accepted, while the remaining 95,878,165 Unsubscribed Rights Shares (representing approximately 99.1% of the total number of Rights Shares offered) were subject to the Compensatory Arrangements by way of the Placing but none were successfully placed and accordingly lapsed. As a result, the gross proceeds actually raised under the Previous Rights Issue were reduced to approximately HK\$1.4 million (with Net Proceeds of approximately HK\$0.4 million). The Board further notes that the closing price of the Shares as quoted on the Stock Exchange has been on a general downward trend over the past six months, declining from a closing price of approximately HK\$2.00 per Share in late January 2026 to a closing price of approximately HK\$0.73 per Share on 20 July 2026, representing a decrease of approximately 63.5%. Having regard to the modest response to the Previous Rights Issue and the recent declining price performance of the Shares, the Board considers it appropriate for the Subscription Price to represent a discount to the prevailing market price of the Shares as quoted on the Stock Exchange (i) on the Last Trading Day; (ii) for the five (5) consecutive trading days up to and including the Last Trading Day; and (iii) for the ten (10) consecutive trading days up to and including the Last Trading Day, in order to make the terms of the Rights Issue more attractive and to encourage higher participation by the Qualifying Shareholders in the Rights Issue.

The Directors consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil paid rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; (iii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the recent market price of the Shares; and (iv) the discount of the Subscription Price to the current market price will encourage them to participate in the Rights Issue.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 28.57%. The theoretical dilution effect of the Rights Issue is approximately 2.71% which is below 25% as required under Rule 7.27B of the Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of the following conditions:

- (i) the electronic submission of the Prospectus Documents for authorisation by the Stock Exchange and registration by the Registrar of Companies in Hong Kong not later than the Prospectus Posting Date;
- (ii) the Prospectus Documents being made available and/or despatched (as the case may be) to the Qualifying Shareholders (and, where applicable, the Prospectus to the Non-Qualifying Shareholders, if any, for information only), by no later than the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms in the new board lot size of 2,000 shares; and
- (iv) the Placing Agreement not having been terminated pursuant to the terms thereof, and remaining in full force and effect.

All conditions set out above cannot be waived. If any of the above conditions is not fulfilled at or prior to the Latest Time for Termination, the Rights Issue will not proceed.

As at the date of this announcement, none of the above conditions precedent has been fulfilled.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders only and will not be extended to the Non-Qualifying Shareholders (if any). To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) for registration with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Wednesday, 26 August 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. Such Shareholders 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.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on the Prospectus Posting Date. Copies of the Prospectus Documents will also be made available on the websites of the Company (<https://www.aienergy.com.hk/en/>) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL) will be made available and/or despatched (as the case may be) to the Non-Qualifying Shareholders (if any) for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. The Company will despatch the PALs in printed form to the Qualifying Shareholders, but will not despatch any PAL to Non-Qualifying Shareholders (if any).

Qualifying Shareholders who take up their pro rata assured entitlement in full will not suffer any dilution to their interests in the Company apart from any nominal dilution resulting from the non-issuance of fractional Rights Shares.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of Overseas Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue are not intended to be, have not been, and will not be registered or filed under the applicable securities law of any jurisdiction other than Hong Kong. If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company will make necessary enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholder(s). Such Overseas Shareholders will be regarded as Non-Qualifying Shareholders and will not qualify for the Rights Issue. The basis of exclusion of Non-Qualifying Shareholders, if any, will be disclosed in the Prospectus.

Based on the register of members of the Company, as at the date of this announcement, there is one (1) Overseas Shareholder with a registered address located in the PRC, who is interested in 80,000 Shares, representing 0.03% of the total issued share capital of the Company.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of the enquiries made by the Directors pursuant to Rule 13.36(2) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Closure of register of members

The register of members of the Company will be closed from Thursday, 27 August 2026 to Wednesday, 2 September 2026 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure period.

Basis of provisional allotment

The basis of the provisional allotment shall be two (2) Rights Shares for every five (5) Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. There will be no excess application arrangements in relation to the Rights Issue. Any holdings (or balance of holdings) of less than five (5) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the section headed "**Fractional Entitlements to the Rights Shares**" below.

Fractional entitlements 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 will be aggregated (and rounded down to the nearest whole number of a Share) and sold by the Company in the open market if a premium (net of expenses) can be obtained. Any of the Rights Shares remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Odd lots matching services

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, the Placing Agent has been appointed as designated broker by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties. Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact the Placing Agent at (852) 3665 8111 during the period from 9:00 a.m. on Thursday, 8 October 2026 to 4:00 p.m. on Wednesday, 28 October 2026 (both days inclusive). Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* 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 are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 7 October 2026. If the Rights Issue does not become unconditional, refund cheques (without interest) are expected to be posted on or before Wednesday, 7 October 2026 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

Stamp duty and other applicable fees

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

Application for listing of the Rights Shares

The Company will apply to the Listing Committee for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The Rights Shares, in both their nil-paid and fully-paid forms, will be traded in the new board lot size of 2,000 Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to dealing is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission 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 will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms 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 should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

The Compensatory Arrangements

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of any Unsubscribed Rights Shares and NQS Unsold Rights Shares by offering such Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees for the benefit of those Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated by Rule 7.21(1)(a) of the Listing Rules.

Accordingly, on 17 August 2026 (after trading hours), 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 during the Placing Period to independent placees on a best effort basis, and 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 costs and expenses), that is realised from the Placing (the “**Net Gain**”) will be paid to the relevant No Action Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Tuesday, 29 September 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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

- A. 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
- B. 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 become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

Placing Agreement

Details of the Placing Agreement are summarised as follows:

Date : 17 August 2026 (after trading hours)

Issuer : The Company

Placing Agent : Astrum Capital Management Limited

The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholder; and (ii) they are Independent Third Parties.

Placing Period : A period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be Thursday, 24 September 2026, and ending at 4:00 p.m. on Tuesday, 29 September 2026 or such later date as the Company and the Placing Agent may agree in writing.

Commission and expense : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars of (i) 3.0% of the amount which is equal to the placing price multiplied by the number of Placing Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement; or (ii) an amount equal to HK\$250,000, whichever is higher.

- Placing price of the Placing Shares : The placing price of the Placing Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Placing Shares during the process of placement.
- Placees : The Placing Agent undertakes to use its best endeavour to procure that (i) the Placing Shares shall only be placed to professional persons, institutional, corporate or individual investor(s) who and whose respective ultimate beneficial owner(s) shall be Independent Third Parties and are not acting in concert with any of the connected persons of the Company and their respective associates; (ii) the Placing will 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; and (iii) the Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue.
- Ranking of the successfully placed Placing Shares : The successfully placed Placing Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of allotment and issue.
- Conditions of the Placing Agreement : The Placing is conditional upon the fulfilment of the following conditions:
- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the approval for the listing of, and the permission to deal in, the Rights Shares (including the Placing Shares) in both their nil-paid and fully-paid forms;
 - (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

- (iii) the Placing Agreement not having been terminated pursuant to the terms thereof, including provisions regarding the force majeure events.

In the event that the above condition precedents have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof).

- Termination of the Placing Agreement : If any of the following events occur at any time prior to 10:00 a.m. on the Latest Time for Termination, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the Latest Time for Termination provided that such notice is received prior to 6:00 p.m. on the day immediately preceding the Latest Time for Termination, this Agreement shall thereupon cease to have effect and none of the parties hereto shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:
- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
 - (b) 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 matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (c) any material breach of any of the representations and warranties set out in 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 Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of this Agreement; or
- (d) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

All conditions of the Placing Agreement set out above cannot be waived. As at the date of this announcement, none of the conditions of the Placing Agreement has been fulfilled.

The terms of the Placing Agreement, including the commission payable, was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Company, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of Placing Agreement (including the commission payable) are on normal commercial terms.

As explained above, the Placing Shares will be placed by the Placing Agent to independent placees on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Placing Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Board is of the view that the above Compensatory Arrangements are fair and reasonable and are in the best interests of the Shareholders as a whole after taking into account the following considerations:

- (i) the arrangements are in compliance with the requirements under Rule 7.21(1)(b) of the Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the arrangements, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the respective No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to the Placing will be borne by the Company;

- (ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by an independent licensed placing agent which is subject to the stringent code of conduct over, among others, pricing and allocation of the Placing Shares. The Placing Agent and its ultimate beneficial owner(s) (i) are not a Shareholder; and (ii) are Independent Third Parties; and
- (iii) the Compensatory Arrangements will not only provide an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders, it also provides a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue and Change in Board Lot Size which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Events	Time and Date 2026
Announcement of the Rights Issue and Change in Board Lot Size	Monday, 17 August
Last day of dealing in the Shares on a cum-rights basis	Monday, 24 August
First day for free exchange of existing share certificates in board lot of 10,000 Shares for new share certificates in board lot of 2,000 Shares	Monday, 24 August
First day of dealing in the Shares on an ex-rights basis	Tuesday, 25 August
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Wednesday, 26 August
Closure of the register of members of the Company for the Rights Issue (both days inclusive)	Thursday, 27 August to Wednesday, 2 September
Record Date for determining entitlements to the Rights Issue	Wednesday, 2 September
Register of members of the Company re-opens	Thursday, 3 September

Events**Time and Date
2026**

Despatch of Prospectus Documents (in the case of Non-Qualifying Shareholders, the Prospectus only)	Thursday, 3 September
Last day for trading of Shares in board lot of 10,000 Shares in the original counter.	Friday, 4 September
Effective date of the Change in Board Lot Size From 10,000 Shares to 2,000 Shares	Monday, 7 September
Original counter for trading in the Shares in board lot of 10,000 Shares becomes counter for trading in the Shares in board lot of 2,000 Shares	9:00 a.m. on Monday, 7 September
Temporary counter for trading in the Shares in board lot of 10,000 Shares opens.	9:00 a.m. on Monday, 7 September
First day of parallel trading in Shares (in board lot of 2,000 Shares and board lot of 10,000 Shares)	9:00 a.m. on Monday, 7 September
First day of dealing in nil-paid Rights Shares in the new board lot size of 2,000 Shares.	Monday, 7 September
Latest time for splitting of the PAL.	4:30 p.m. on Wednesday, 9 September
Last day of dealing in nil-paid Rights Shares in the new board lot size of 2,000 Shares.	Monday, 14 September
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Thursday, 17 September

Events**Time and Date
2026**

Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Thursday, 17 September
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Wednesday, 23 September
Commencement of placing of the Placing Shares by the Placing Agent	Thursday, 24 September
Temporary counter for trading in the Shares in board lot of 10,000 Shares closes	4:10 p.m. on Friday, 25 September
Last day of parallel trading in Shares (in board lot of 2,000 Shares and board lot of 10,000 Shares)	4:10 p.m. on Friday, 25 September
Latest time of placing of the Placing Shares by the Placing Agent	4:00 p.m. on Tuesday, 29 September
Latest time for Termination	4:00 p.m. on Tuesday, 29 September
Last day for free exchange of existing share certificates in board lot of 10,000 Shares for new share certificates in board lot of 2,000 Shares	4:30 p.m. on Tuesday, 29 September
Announcement of results of the Rights Issue (including results of the Placing and the amount of the Net Gain per Unsubscribed Rights Share and NQS Unsold Rights Share under the Compensatory Arrangements)	Tuesday, 6 October
Despatch of refund cheques, if any, if the Rights Issue is terminated, on or before	Wednesday, 7 October
Despatch of share certificates of fully-paid Rights Shares	Wednesday, 7 October

Events**Time and Date
2026**

Expected first day of dealings in fully-paid Rights Shares
in the new board lot size of 2,000 SharesThursday, 8 October

Designated broker starts to stand in the market
to provide matching services
for odd lots of the Shares 9:00 a.m. on
Thursday, 8 October

Payment of Net Gain to relevant
No Action Shareholders (if any)Thursday, 15 October

Designated broker ceases to stand in the market
to provide matching services
for odd lots of the Shares 4:00 p.m. on
Wednesday, 28 October

All times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or amended varied by the Company. Any change to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

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

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” as announced by the Government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 17 September 2026. Instead, the latest time for acceptance of and payment for the Rights Shares 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 Thursday, 17 September 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Thursday, 17 September 2026, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

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

The Group is principally engaged in the provision of concrete demolition services in Hong Kong and Macau, mainly as a subcontractor.

The Engineering Projects Pipeline and the Synergistic Effect with Current Business

The Group has strategically expanded its geographical footprint and broadened its engineering service capabilities in the PRC through the acquisition of Guangdong Fengxin. Guangdong Fengxin, which had not substantially commenced business at the time of the acquisition, was acquired for its possession of the necessary certificates to undertake engineering projects in the PRC. Subsequently, leveraging Mr. Cao Yifan's extensive industry experience and network (as discussed below), the Group successfully secured various engineering contracts (including the project disclosed in the announcement of the Company dated 7 January 2026) through Guangdong Fengxin, with an aggregate contract value of RMB878.3 million (collectively, the "**Secured Projects**").

Below are the key details of the Secured Projects:

Project description	Key parties	Contract value	Contracting date
(i) Phase II construction of an industrial waste gas power generation	Employer: Shenzhen Shengshi Environmental Technology Co., Ltd* (深圳市晟世環境技術股份有限公司) (<i>Note (i)</i>) Contractor: Guangdong Fengxin	RMB78.3 million	7 January 2026
(ii) Phase II mechanical and electrical (M&E) construction work for wind turbine generator units (Section A)	Employer: Inner Mongolia Xinmeng New Energy Technology Co., Ltd* (內蒙古新蒙新能源科技有限公司) (<i>Note (ii)</i>) Contractor: Guangdong Fengxin	RMB320 million	9 January 2026

Project description	Key parties	Contract value	Contracting date
(iii) Phase II mechanical and electrical (M&E) construction work for wind turbine generator units (Section B)	Employer: Inner Mongolia Xinmeng New Energy Technology Co., Ltd* (內蒙古新蒙新能源科技有限公司) (<i>Note (ii)</i>) Contractor: Guangdong Fengxin	RMB480 million	9 January 2026

Notes:

- (i) Shenzhen Shengshi Environmental Technology Co., Ltd* (深圳市晟世環境技術股份有限公司) is principally engaged in the investment, construction and operation of renewable power generation facilities, and is an Independent Third Party.
- (ii) Inner Mongolia Xinmeng New Energy Technology Co., Ltd* (內蒙古新蒙新能源科技有限公司) is principally engaged in the construction and operation of wind power generation facilities, and is an Independent Third Party.

The Secured Projects encompass mechanical and electrical (M&E) construction works for wind turbine generator units in the PRC. The Board considers this a natural progression to diversify and elevate the Group's existing construction and engineering service offerings. The Group is well-equipped with the requisite technical expertise and qualified personnel to execute these projects to a high standard. Mr. Cao Yifan, the chairman of the Board and an executive Director, possesses extensive experience in engineering and corporate management in the PRC. Holding the professional title of senior engineer in M&E engineering, Mr. Cao has previously served in senior management roles across several sizable construction and property development companies in the PRC.

To ensure the stringent and timely execution of the Secured Projects, the Group has deployed a dedicated team of more than 100 experienced professionals in the PRC. This team comprises critical roles including, but not limited to, project managers, engineers, technicians, safety officers, materials supervisors and construction workers. The Group is principally responsible for the overall supervision and project management for the Secured Projects, while the labour-intensive works are mainly subcontracted to external subcontractors. The Board is highly confident in the Group's operational capability to deliver the Secured Projects efficiently and with uncompromised quality.

The Directors believe that integrating M&E construction capabilities into the Group's portfolio will yield significant synergistic benefits. By leveraging an enlarged customer base and enhanced technical credentials, the Directors and senior management team will actively cross-sell the Group's broadened range of services. On one hand, the Group aims to introduce its newly acquired M&E engineering capabilities to its established network of clients in Hong Kong and Macau. To facilitate this, the Group has already reinforced its Hong Kong operations with additional managerial and consulting personnel. On the other hand, the Group intends to market its longstanding expertise and track record in demolition and structural engineering works to its expanding client base in the PRC.

In view of the above, the Directors believe that this two-pronged approach will enable the Group to optimise resource allocation, deliver comprehensive integrated engineering solutions, and ultimately drive long-term sustainable growth for the Group and the Shareholders.

Capital Requirements

The implementation of the Secured Projects requires substantial upfront liquidity. Pursuant to the terms of the relevant agreements in respect of project (ii) and (iii), the Group is required to provide performance bonds ranging from 10% to 15% of the respective contract value as security for the due performance and observance of the Group's obligations. The Directors confirmed that the requirement and terms of such performance bonds are under normal commercial terms and were agreed upon through arm's length negotiations.

With reference to the terms of the relevant agreements in respect of project (ii) and (iii), and based on the management's estimation, the upfront cash requirement for performance bonds alone would be expected to be approximately RMB87.8 million to RMB131.7 million, and the initial project costs would be expected to be approximately RMB185.6 million.

The Board considers that the Group has an imminent need to strengthen its liquidity position in order to satisfy these upfront obligations in a timely manner and to support the orderly commencement and execution of the Secured Projects while maintaining a prudent capital structure.

In addition, engineering projects typically involve a time lag between (i) upfront cash outflows (including procurement and subcontractor payments) and (ii) the receipt of progress payments, and may also involve retention monies and other customary deductions. As a result, even where projects are expected to be profitable, the cash conversion cycle may create material short-term liquidity needs. The Board considers it prudent to secure adequate funding headroom to manage such timing differences and execution risks.

Expected Industry Growth and Opportunities

Despite cyclical headwinds in certain segments of the economy, construction and engineering activity in the PRC is expected to sustain its momentum into 2026 and beyond, supported by infrastructure investment and sector diversification. Independent industry forecasts indicate that the PRC construction market, which is already one of the largest globally, is expected to grow further in 2026, with the total market projected to expand from approximately USD4.85 trillion in 2025 to around USD5.03 trillion in 2026. Moreover, long-term projections suggest the market could reach approximately USD6.01 trillion by 2031, underpinned by broad-based investment in infrastructure, industrial facilities and urban development. In addition, analysts project that the construction industry in the PRC will record sustained average annual growth into the latter half of this decade, driven by transport infrastructure, renewable energy projects and government-led capital expenditure programmes, with annual growth rates in the mid-to-high single digits in the medium term. This forward-looking demand environment has resulted in a continued flow of tender invitations and project opportunities for the Group. However, given the Group's current project commitments and resource allocations, the Group has been selective in tendering despite the volume of invitations received. The Board considers that strengthening the Group's capital base through the Rights Issue will enhance its ability to participate in additional high-quality project opportunities in this evolving market while maintaining prudent risk and resource management.

Use of Proceeds

The gross proceeds from the Rights Issue are expected to be approximately HK\$75.7 million. After deducting the relevant expenses, the Net Proceeds are estimated to be approximately HK\$72.4 million. The Company intends to apply the Net Proceeds as follows:

- (i) approximately HK\$48.0 million, representing approximately 66.3% of the Net Proceeds, will be used to satisfy the performance bond requirements as mentioned above; and
- (ii) approximately HK\$24.4 million, representing approximately 33.7% of the Net Proceeds, will be allocated to the upfront project costs, including but not limited to the procurement of construction materials.

The expected timeline for the use of Net Proceeds is as follows:

Project stages	Capital requirement <i>(Note (a))</i>	Expected timeline <i>(Note (a))</i>	Intended use of proceeds
Project (i) – Phase II construction of an industrial waste gas power generation			
Stage 1: Procurement and site preparation	Approximately RMB50.2 million	August 2026 to October 2026	- Approximately HK\$2.6 million to be used for procurement - Approximately HK\$1.1 million to be used for site preparation
Stage 2: Equipment and piping installation	Approximately RMB10.8 million	September 2026 to October 2026	N/A
Stage 3: Final installation & unit commissioning	Approximately RMB7.2 million	November 2026 to December 2026	N/A
Stage 4: System pre-commissioning and quality assurance verification	Approximately RMB3.6 million	January 2027 to February 2027	N/A
Project (ii) & (iii) – Phase II mechanical and electrical (M&E) construction work for wind turbine generator units (Section A & B)			
Stage 1: Pre-project planning, project team assembly, survey and design, consulting services, equipment procurement, site demolition & preparation, construction of temporary facilities	Approximately RMB183.4 million <i>(Note (b))</i>	October 2026 to August 2027	- Approximately HK\$48 million to be used for the payment of performance bond - Approximately HK\$6.2 million to be used for pre-project planning, project team assembly, survey and design, consulting services

Project stages	Capital requirement (Note (a))	Expected timeline (Note (a))	Intended use of proceeds
			- Approximately HK\$9.4 million to be used for equipment procurement - Approximately HK\$3.9 million to be used for site demolition & preparation - Approximately HK\$1.2 million to be used for construction of temporary facilities
Stage 2: Equipment procurement and foundation works	Approximately RMB305.4 million (Note (b))	April 2027 to October 2027	N/A
Stage 3: Substation & site civil works	Approximately RMB254.4 million	August 2027 to March 2028	N/A
Stage 4: Installation & unit commissioning	Approximately RMB78.6 million	March 2028 to July 2028	N/A
Stage 5: Quality assurance verification	Approximately RMB26.2 million	May 2028 to September 2029	N/A

Notes:

- (a) The expected timeline and amounts set out above represent the Company's present estimate of the capital requirements of the Secured Projects, prepared by reference to (i) the payment and delivery milestones stipulated under the relevant project contracts; and (ii) the Company's anticipated construction schedule for the projects on hand as at the Latest Practicable Date. While the expected timeline and amounts set out above represent the Company's best estimate, which is consistent with prevailing industry practice, the precise timing and quantum of individual items may vary having regard to the actual progress of the relevant works, the sequencing of site activities and other factors which may be outside the Company's control.
- (b) The capital requirement includes payment of the performance bond, which will be released upon completion of the respective projects.

The Net Proceeds are expected to be fully utilised by 31 August 2027. In the event that there is an under-subscription of the Rights Issue and the Placing (as the case may be), the Net Proceeds will be allocated and utilised in proportion to the above uses.

Fundraising alternatives considered

Apart from the Rights Issue, the Directors have considered other debt/equity fundraising alternatives such as bank borrowings, placing, or an open offer.

The Directors noted that bank borrowings will carry interest costs and may require the provision of security, creditors will rank before the Shareholders, and placings will dilute the interests of Shareholders without allowing them to participate in the exercise. The Directors consider that over-reliance on debt financing would expose the Group to a huge liquidity risk, especially when there are any unforeseen economic downturns and the additional finance costs would also affect the Group's financial performance. Unlike an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will allow the Qualifying Shareholders to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

In view of the above, the Directors consider raising funds through the Rights Issue is more attractive in the current market condition. The Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position while allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Future fundraising plan to support the Secured Projects

The aggregate contract value of the Secured Projects of RMB878.3 million represents the value of the works to be performed over the respective contract periods and does not fall due as a single upfront payment. The Group's funding requirements in respect of the Secured Projects arise progressively as the works advance, and the Company intends to meet them from a combination of the net proceeds from the Rights Issue, the progress payments received from the relevant employers and the Group's internally generated cash flows from operating activities, supplemented, where appropriate, by bank financing as the last resort. Save for the Rights Issue and the Placing, the Company has not entered into any negotiation, agreement, arrangement or undertaking in respect of any other fundraising as at the date of this announcement. The Directors confirm that the Company has sufficient financial resources to meet the funding requirements of the Secured Projects.

Taking into account the Group's existing financial resources, the cash flows expected to be generated from its operations and the Net Proceeds, and in the absence of unforeseen circumstances, the Directors are of the opinion that the Group has sufficient working capital to satisfy its present requirements and for at least the next twelve months from the date of this announcement. In the event that the Rights Issue is not fully subscribed, the Group will adjust the pace of mobilisation of the Secured Projects to the funding available to it and, where appropriate, apply for bank financing.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders; and (iii) immediately upon completion of the Rights Issue assuming no acceptance by any Qualifying Shareholder and full subscription of the Placing:

Name of Shareholders	As at the date of this announcement		Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders		Immediately upon completion of the Rights Issue assuming (i) no acceptance by any Qualifying Shareholder and (ii) full subscription of the Placing	
	<i>Number of</i>		<i>Number of</i>		<i>Number of</i>	
	<i>Shares</i>	<i>Approx. %</i>	<i>Shares</i>	<i>Approx. %</i>	<i>Shares</i>	<i>Approx. %</i>
	<i>Long position</i>		<i>Long position</i>		<i>Long position</i>	
Applewood Developments Limited (Note 1)	37,800,000	12.98	52,920,000	12.98	37,800,000	9.27
Mr. Cao Yifan 景逸投資有限公司 (Note 2)	33,900,000	11.64	47,460,000	11.64	33,900,000	8.32
	24,000,000	8.24	33,600,000	8.24	24,000,000	5.89
CITIC Securities Company Limited (Note 3)	24,190,000	8.31	33,866,000	8.31	24,190,000	5.93
Other public shareholders	171,303,835	58.83	239,825,369	58.83	171,303,835	42.02
Independent placees	–	0.00	–	0.00	116,477,534	28.57
	<i>Short position</i>		<i>Short position</i>		<i>Short position</i>	
CITIC Securities Company Limited (Note 3)	24,190,000	8.31	33,866,000	8.31	24,190,000	5.89
TOTAL	291,193,835	100.00	407,671,369	100.00	407,671,369	100.00

Notes:

1. Mr. Kwok Shun Tim (“**Mr. Kwok**”) holds more than one-third of the voting power at general meetings of Applewood Developments Limited (“**Applewood Developments**”), which in turn holds 37,800,000 ordinary Shares. By virtue of the SFO, Mr. Kwok is deemed to be interested in the same number of the Shares held by Applewood Developments. In addition, Ms. Yip Nga Wan, the spouse of Mr. Kwok, is deemed under the SFO to be interested in all the Shares in which Mr. Kwok is deemed to be interested.
2. Mr. He Guangping (“**Mr. He**”) holds 100% interest in 景逸投資有限公司 which in turn holds 24,000,000 ordinary shares of the Company. By virtue of the SFO, Mr. He is deemed to be interested in the same number of Shares held by 景逸投資有限公司.
3. CITIC Securities Company Limited holds 100% interest in CITIC Securities International Company Limited. CITIC Securities International Company Limited holds 100% interest in CSI Global Markets Holdings Limited. CSI Global Markets Holdings Limited holds 100% interest in CITIC Securities International Capital Management Limited, which in turn holds a long position of 24,190,000 Shares and a short position of 24,190,000 Shares. By virtue of the SFO, CITIC Securities Company Limited is deemed to be interested in the same number of the Shares held by CITIC Securities International Capital Management Limited.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

FUND RAISING EXERCISE IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities during the twelve months immediately preceding the date of this announcement:

Date of relevant announcement	Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
12 December 2025	Placing of new shares under general mandate	Approximately HK\$70.76 million	(i) approximately HK\$31.84 million towards expanding and developing construction and engineering business in the PRC;	Approximately HK\$13.26 million has been utilised and the remaining portion of the proceeds is expected to be utilised by 31 December 2026.
			(ii) approximately HK\$31.84 million for replenishing the Company’s general working capital; and	Approximately HK\$18.66 million has been utilised and the remaining portion of the proceeds is expected to be utilised by 31 December 2026.

Date of relevant announcement	Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
			(iii) approximately HK\$7.08 million towards developing energy and construction business supporting the overseas computing power hub.	The proceeds have been fully utilised.
6 March 2026	The Previous Rights Issue (i.e. the rights issue on the basis of one (1) rights share for every three (3) existing Shares	approximately HK\$0.4 million	(i) approximately HK\$0.24 million towards satisfying the performance bond requirements in relation to various secured engineering contracts; and (ii) approximately HK\$0.16 million towards paying upfront projects costs in relation various secured engineering contracts, including but not limited to the procurement of construction materials.	The proceeds have been fully utilised. The proceeds have been fully utilised.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in the board lot size of 10,000 Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 10,000 Shares to 2,000 Shares with effect from 9:00 a.m. on Monday, 7 September 2026. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots.

REASON FOR AND BENEFITS OF CHANGE IN BOARD LOT SIZE

Based on the closing price of HK\$0.705 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of each existing board lot of 10,000 Shares is HK\$7,050. Upon the Change in Board Lot Size becoming effective, the market value of each board lot of 2,000 Shares will be HK\$1,410 (based on the closing price of HK\$0.705 per Share as quoted on the Stock Exchange as at the date of this announcement). The Change in Board Lot Size will reduce the board lot value.

The Board is of the view that the reduction in board lot value resulting from the Change in Board Lot Size may improve the liquidity of the Shares and broaden the base of Shareholders. The Change in Board Lot Size will not affect any of the relative rights of the Shareholders. The Board considers that the Change in Board Lot Size is in the interest of the Company and the Shareholders as a whole.

To facilitate the trading of odd lots of Shares which will arise upon the Change in Board Lot Size, the Company will procure an arrangement with an agent to stand in the market to provide matching services for the sale and purchase of odd lots of Shares on a best effort basis. Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact the designated agent during the period from 9:00 a.m. on Thursday, 8 October 2026 to 4:00 p.m. on Wednesday, 28 October 2026 (both days inclusive). Further details in respect of the odd lot arrangement will be set out in the Prospectus.

Holders of Shares in odd lots should note that the matching services mentioned above are on a “best effort” basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate amount of odd lots of Shares available for matching. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its/their own professional advisers.

EXCHANGE OF NEW SHARE CERTIFICATES

Shareholders may submit their existing share certificates in board lot of 10,000 Shares to the Company’s Registrar located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in exchange for new share certificates in board lot of 2,000 Shares free of charge during business hours (i.e. 9:00 a.m. to 4:30 p.m.) from Monday, 24 August 2026 to Tuesday, 29 September 2026 (both days inclusive).

After the expiry of such period, existing share certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate in board lot of 2,000 Shares issued or each existing share certificate submitted, whichever number of share certificate involved is higher. It is expected that the new share certificates will be available for collection from the Registrar by the holders of Shares within ten business days after delivery of the existing share certificates to the Registrar for exchange purpose.

As from Monday, 7 September 2026, any new share certificates will be issued in board lots of 2,000 Shares (except for odd lots or where the Registrar is otherwise instructed). All existing share certificates in board lots of 10,000 Shares will continue to be evidence of legal title to such Shares and be valid for transfer, delivery, and settlement purposes. Save and except for the change in the number of Shares for each board lot, the new share certificates will have the same format and colour as the existing share certificates.

LISTING RULES IMPLICATIONS

Save for the Previous Rights Issue, the Company has not conducted any other rights issue or open offer within the 12-month period prior to the date of this announcement. The Rights Issue (after aggregation with the Previous Rights Issue) will not increase the issued share capital or the market capitalisation of the Company by more than 50% and is not subject to Shareholders' approval under Rule 7.19A(1) of the Listing Rules.

The Rights Issue (together with the Previous 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 7.27B of the Listing Rules.

As at the date of this announcement, save for the Rights Issue and the Placing, the Company did not have any plan and had not entered into any negotiation, agreement, arrangement or undertaking to conduct any other corporate action or arrangement that may affect the trading of the Company's shares in the next 12 months.

GENERAL

Subject to the fulfilment of certain conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on the Prospectus Posting Date. To the extent permitted under the relevant laws and regulations and where reasonably practicable, the Prospectus (excluding the PAL) will be made available and/or despatched (as the case may be) to the Non-Qualifying Shareholders (if any) for their information only. The Company will despatch the PALs in printed form to the Qualifying Shareholders, but no PAL will be despatched to the Non-Qualifying Shareholders (if any).

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

The Shares will be dealt on an ex-rights basis from Tuesday, 25 August 2026. Dealings in the nil-paid Rights Shares are expected to take place from Monday, 7 September 2026 to Monday, 14 September 2026 (both days inclusive).

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of the conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms in the new board lot size of 2,000 Shares (please refer to the section headed "Conditions of the Rights Issue" in this announcement). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any dealing in the Shares from the date of this announcement up to the date on which all conditions of the Rights Issue are fulfilled, and any Shareholder or other person dealing in the Shares and/or Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. 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 advisor(s).

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday or a day on which the “extreme conditions” is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Shares to 2,000 Shares

“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	AI Energy Engineering Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 1751)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.26A(1) (b) of the Listing Rules as described in the section headed “The Compensatory Arrangements” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“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
“Guangdong Fengxin”	Guangdong Fengxin Water Conservancy and Hydropower Engineering Co., Ltd.* (廣東楓鑫水利水電工程有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“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 amended from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate) within the meaning of the Listing Rules
“Last Trading Day”	17 August 2026, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 17 September 2026 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Tuesday, 29 September 2026 or such later time or date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Net Proceeds”	the net proceeds of the Rights Issue, after deducting all relevant expenses
“No Action Shareholder(s)”	those Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Non-Qualifying Shareholders (if any)
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

“NQS Unsold Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) 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) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Placing Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the placing agent to the Placing
“Placing Agreement”	the placing agreement dated 17 August 2026 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	a period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be Thursday, 24 September 2026 and ending at 4:00 p.m. on Tuesday, 29 September 2026 or such later date as the Company and the Placing Agent may agree in writing, during which the Placing Agent will carry out the Placing
“Placing Shares”	collectively, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan

“Previous Rights Issue”	the previous issue by way of rights on the basis of one (1) rights share for every three (3) existing Shares held on 20 March 2026, which was completed in May 2026
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and the PAL(s)
“Prospectus Posting Date”	Thursday, 3 September 2026, or such other date as the Company may determine, being the date on which the Prospectus Documents are made available and/or despatched (as the case may be) to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders (if any)
“Public Float Requirement”	the public float requirement under Rule 13.32B of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Wednesday, 2 September 2026 or such other date as may be determined by the Company, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, the branch share registrar and transfer office of the Company in Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of two (2) Rights Shares for every five (5) Shares held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price
“Rights Share(s)”	new Share(s) proposed to be allotted and issued pursuant to the Rights Issue, being up to 116,477,534 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
“RMB”	Renminbi, the lawful currency of the PRC

“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) of par value HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.65 per Rights Share
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Unsubscribed Rights Share(s)”	the Rights Shares that are not subscribed by the Qualifying Shareholders or transferees of nil-paid Rights Shares by the Latest Time for Acceptance
“%”	per cent

By Order of the Board
AI Energy Engineering Holdings Limited
CAO Yifan
Chief Executive Officer and Chairman of the Board

Hong Kong, 17 August 2026

As at the date of this announcement, the executive Directors are Mr. Cao Yifan (Chief Executive Officer and Chairman of the Board), Ms. Pang Xiaoli and Mr. Su Jia; and the independent non-executive Directors are Mr. Zhang Yongkui, Mr. Ng Ho Man, and Mr. Liu Wengang.

* *For identification purpose only.*