Newtrend

新琪安集團股份有限公司

(Newtrend Group Holding Co., Ltd.)

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2573)

DISCLOSEABLE TRANSACTIONS – CONSTRUCTION CONTRACTS

CONSTRUCTION CONTRACTS

1st Construction Contract

On 21 August 2026, Newtrend Jingzhou entered into the 1st Construction Contract with Jiangxi Henghui, pursuant to which Jiangxi Henghui agreed to undertake construction works and related services for the construction of the industrial-grade glycine workshop and food-grade glycine workshop at the Site, for a contract sum of RMB51.3 million.

2nd Construction Contract

On 21 August 2026, Newtrend Jingzhou entered into the 2nd Construction Contract with Henan Luting, pursuant to which Henan Luting agreed to undertake construction works and related services for the construction of pile foundations, ancillary buildings, structures and supporting infrastructure at the Site, for a contract sum of RMB65.8 million.

As one or more of the applicable percentage ratio(s) in respect of the transactions contemplated under the 1st Construction Contract and 2nd Construction Contract, on a standalone basis, are more than 5% but lower than 25%, each of the transactions contemplated thereunder constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

However, the Company considers that the Construction Contracts should be aggregated under Rule 14.22 of the Listing Rules, as the two transactions were entered into within 12 months and relate to the construction of facilities forming part of the Jingzhou glycine production base at the Site. Upon aggregation, the Construction Contracts still constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratio(s) in respect of the Construction Contracts are still more than 5% but lower than 25%.

CONSTRUCTION CONTRACTS

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2nd Construction Contract

On 21 August 2026, Newtrend Jingzhou entered into the 2nd Construction Contract with Henan Luting, pursuant to which Henan Luting agreed to undertake construction works and related services for the construction of pile foundations, ancillary buildings, structures and supporting infrastructure at the Site, for a contract sum of RMB65.8 million.

The principal terms of the Construction Contracts are as follows:

1st Construction Contract

Date	:	21 August 2026
Parties	:	(1) Newtrend Jingzhou, as the principal; and
		(2) Jiangxi Henghui, as the contractor.

Construction content	:	Jiangxi Henghui shall provide all construction and decoration works as well as equipment installation and commissioning related to the construction of a food-grade and industrial-grade glycine workshop at the Site with a gross floor area of approximately 23,476 square meters, of which approximately 6,449 square meters for the industrial-grade glycine workshop and approximately 17,027 square meters for the food-grade glycine workshop. The scope of work includes but is not limited to renovation works, decoration works, plumbing, high-voltage and low-voltage electricity work, heating, ventilation and air conditioning (HVAC) and other related works.
Construction period	:	The planned commencement date shall be subject to the commencement order. The construction works are expected to be completed not later than 30 June 2027.
Defect liability period	:	24 months, being calculated from the date the construction passes the completion inspection.
Contract sum	:	The contract price shall be RMB51.3 million (tax inclusive), including safe and civilized construction fee, provisional estimated price for specialized works, provisional amount, etc. The final settlement amount for the project shall be determined based on the amount verified by the engineering audit firm engaged by the principal, subject to the confirmation by the Company. As estimated by the Newtrend Jingzhou, the final settlement amount is not expected to exceed the contract price.
Payment terms	:	The contract price shall be paid in the following manner: (i) **Prepayment**: 30% of the contract price shall be paid within 7 days after signing of the 1st Construction Contract;

(ii) **Progress payment**: A monthly payment of 85% of the value of the qualified work actually completed each month shall be made;

(iii) **Upon completion and acceptance**: Upon completion and acceptance of the project, payment shall be made up to 90% of the contract price;

(iv) **Upon final settlement**: following final settlement review, payment shall be made up to 97% of the contract price; and

(v) **Quality assurance deposit**: The remaining 3% shall be retained as deposit for construction quality and shall be refunded without interest upon satisfaction of the contractual quality/defect liability conditions and expiration of the defect liability period.

Completion	:	The construction shall be subject to completion inspection, where the completion inspection should pass the relevant standard. Construction completion shall mean the date when Jiangxi Henghui submits the completion inspection application.
Completion Settlement	:	Newtrend Jingzhou shall complete the payment within 45 days after the issue of completion settlement certificate (竣工付款證書) and inspection by the Supervisor (as defined below).
Supervisor	:	Hubei Chuyuan has been appointed as the supervisor of the works. The supervisor is authorised to check, inspect, review and supervise matters relating to the construction works, including construction organisation, construction quality, progress, payment review, variations, site instructions, claims and safety supervision.

2nd Construction Contract

Date	:	21 August 2026
Parties	:	(1) Newtrend Jingzhou, as the principal; and (2) Henan Luting, as the contractor.
Construction Works	:	Henan Luting shall provide all the construction of pile foundations for the industrial-grade glycine workshop and the food-grade glycine workshop, the power station, methanol tank area, Class A warehouse, maintenance and hardware warehouse, ammonium salt warehouse, comprehensive building, fire pump room, sewage treatment tank, gatehouses and other supporting infrastructure (including but not limited to the enclosure walls, water supply and drainage, electricity work and factory roads) for the Project at the Site.
Construction period	:	The planned commencement date shall be subject to the commencement order. The construction works are expected to be completed not later than 30 June 2027.
Defect liability period	:	24 months, being calculated from the date the construction passes the completion inspection.
Contract sum	:	The contract price shall be RMB65.8 million (tax inclusive), including safe and civilized construction fee, provisional estimated price for specialized works, provisional amount, etc. The final settlement amount for the project shall be determined based on the amount verified by the engineering audit firm engaged by the principal, subject to the confirmation by the Company. As estimated by the Newtrend Jingzhou, the final settlement amount is not expected to exceed the contract price.
Payment terms	:	The contract price shall be paid in the following manner: (i) **Prepayment**: 30% of the contract price shall be paid within 7 days after signing of the 2nd Construction Contract;

(ii) **Progress payment**: A monthly payment of 85% of the value of the qualified work actually completed each month shall be made;

(iii) **Upon completion and acceptance**: Upon completion and acceptance of the project, payment shall be made up to 90% of the contract price;

(iv) **Upon final settlement**: following final settlement review, payment shall be made up to 97% of the contract price; and

(v) **Quality assurance deposit**: The remaining 3% shall be retained as deposit for construction quality and shall be refunded without interest upon satisfaction of the contractual quality/defect liability conditions and expiration of the defect liability period.

Completion	:	The construction shall be subject to completion inspection, where the completion inspection should pass the relevant standard. Construction completion shall mean the date when Henan Luting submits the completion inspection application.
Completion Settlement	:	Newtrend Jingzhou shall complete the payment within 45 days after the issue of completion settlement certificate (竣工付款證書) and inspection by the Supervisor (as defined below).
Supervisor	:	Hubei Chuyuan has been appointed as the supervisor of the works. The supervisor is authorised to check, inspect, review and supervise matters relating to the construction works, including construction organisation, construction quality, progress, payment review, variations, site instructions, claims and safety supervision.

BASIS FOR DETERMINING THE CONSIDERATION OF THE CONSTRUCTION CONTRACTS

The contract sum of the Construction Contracts will be determined with reference to the construction work cost report (the "**Construction Work Cost Report**") as prepared by an independent licensed construction cost engineer. When determining the pricing of each project, the independent licensed construction cost engineer will make reference to the following factors, including but not limited to, (i) market prices, service conditions and the charging basis for the same or similar services provided by other Independent Third Parties; (ii) the applicable law and guidance for civil and engineering works and updates on such guidance materials issued by the regulatory authorities from time to time; (iii) the prices of major materials to be used in the construction projects, which will be based on the construction project information prices announced by the Cost Management Department of the Housing and Urban-Rural Development Bureau (住房及城鄉建設局造價管理部門) of the project location during the construction period and if such information is not available, the market price of the major materials; and (iv) construction plan of the Project.

The Company will settle the consideration of the Construction Contracts with bank loans, net proceeds allocated for the construction of the Jingzhou glycine production base from the Global Offering and internal resources of the Group.

For the reasons set out above, the Directors (including the independent non-executive Directors) consider that the Construction Contracts (including the contract sum and payment terms) are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole, and the Construction Contracts are entered into in the ordinary and usual course of business of the Group.

INFORMATION OF THE PARTIES

Contractors

Jiangxi Henghui

Jiangxi Henghui is a company established in the PRC with limited liability and is principally engaged in construction engineering, building construction works and construction labour outsourcing service. Jiangxi Henghui is directly wholly owned by Mr. Peng Shunhua* (彭舜華).

Henan Luting

Henan Luting is a company established in the PRC with limited liability and is principally engaged in building construction works and construction labour outsourcing services. Henan Luting is directly wholly owned as to 60% by Mr. Wu Jing* (吳靜) and 40% by Ms. Guan Xilan (關細蘭).

Supervisor

Hubei Chuyuan is a company established in the PRC with limited liability and is principally engaged in project management and technical consultation of building construction works. Hubei Chuyuan has Class A construction supervision's qualification for construction and municipal public work and building construction. It is directly owned as to approximately 23.8% by Mr. Lu Qixiong* (盧其雄) and each of the Mr. Peng Wenyuan* (彭文元), Mr. Duan Binghong* (段秉宏) and Mr. Hu Yunze* (胡運澤) hold approximately 19.2% of Hubei Chuyuan, respectively.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Jiangxi Henghui, Henan Luting, and Hubei Chuyuan and each of their respective shareholders and ultimate beneficial owners are Independent Third Parties and not related to other contractors or suppliers of the Company.

INFORMATION OF NEWTREND JINGZHOU AND THE GROUP

The Group is principally engaged in the food additive manufacturing industry, primarily involving the manufacture and sale of food-grade glycine, industrial-grade glycine and sucralose.

Newtrend Jingzhou is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Company. It is principally engaged in the sales and manufacturing of food grade glycine and industrial grade glycine.

No Director has any material interest in the Construction Contracts and is required to abstain from voting on the Board's decision regarding the entering into of the Construction Contracts.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACTS

As disclosed in the Company's announcement and circular dated 14 May 2026 and 15 May 2026, respectively, supplemental announcement dated 3 June 2026 and poll results announcement dated 5 June 2026 in relation to, among others things, the reallocation and change in use of proceeds of the Company, the Company has commenced the construction of a glycine production base in Jingzhou, the PRC, in order to enhance its production efficiency and expand its production capacity of industrial-grade glycine.

In December 2025, the Company engaged an external consultant, Sino Pharmengin Corporation (中國醫藥集團聯合工程有限公司), to prepare a feasibility study report (the "**Feasibility Study Report**") in respect of the proposed Project. The Feasibility Study Report considered that, upon completion and full ramp-up of the production base, the Project is expected to generate annual sales revenue of approximately RMB752.2 million and net profit of approximately RMB62.7 million.

Based on the finding in the Feasibility Study Report, on 20 December 2025, the Board has considered and approved the resolution in relation to the Project and the construction of the Jingzhou glycine production base in view of the expected return from the Project and the Company future strategy in the development of glycine-related products.

In light of the Project, the Company has acquired the Site of approximately 7.37 acres in February 2026 from Jingzhou City Bureau of Natural Resources and Urban-Rural Development (荊州市自然資源和城鄉建設局) through public tender. The Company confirms that the acquisition of the Site, on a standalone basis, does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Company expects to invest approximately RMB299.8 million in the Project in phases. The Company intends to finance the Project through a combination of the reallocated Net Proceeds from the Global Offering, internal resources and bank borrowings, of which approximately RMB228.0 million is expected to be financed by bank loans, while the remaining funding requirement being approximately RMB71.8 million is expected to be satisfied by the Company's own funds and/or the reallocated Net Proceeds. The reallocated Net Proceeds in the amount of approximately HK$69.0 million (approximately equivalent to RMB59.3 million) will be applied towards advance payments and preparatory expenses under relevant subcategories allocated for construction of the Jingzhou glycine production base, pending the availability of the bank borrowings.

The estimate timeline of the Project is as follows:

Timeline	**Event**
May 2026	Safety and environmental assessment
August 2026	Commencement of construction of the Jingzhou production base
no later than 30 June 2027	Completion of the Construction Contracts
July 2027	Commencement of the set up and installation of production machineries
December 2027	Completion of the construction of the Jingzhou production base
January 2028	Commence production

The Project is expected to undergo preparation and construction until December 2027, commence commercial production in January 2028 and achieve full ramp-up in January 2031. The Company currently expects the Jingzhou glycine production base to begin generating revenue in the year of 2028 following the commencement of commercial production. During the ramp-up period from January 2028 to January 2031, the operational production capacity, production volume, capacity utilisation rate, customer base, market share and revenue contribution of the Jingzhou glycine production base are expected to increase progressively.

To facilitate full ramp-up, the Company expects to carry out equipment testing and adjustment, production debugging, stabilisation of production processes, staff training and quality control testing at the Jingzhou glycine production base following the completion of construction and during the ramp-up period. The timing and extent of full ramp-up will be subject to customer acceptance of the Group's products manufactured at the Jingzhou glycine production base, market recognition and order volumes. Such customer acceptance, market recognition and order volumes may take time to develop through market promotion, expansion of customer coverage, increase in market share and the gradual release of demand from downstream customers.

On 1 February 2026, the Project was included by the Hubei Provincial Development and Reform Commission as one of Hubei Province's 2026 provincial key projects pursuant to the *Notice of the Provincial Development and Reform Commission on Issuing the List of Hubei Province's 2026 Provincial Key Projects* (《省發改委關於印發湖北省2026年省級重點項目清單的通知》(鄂發改重點202620號)).

The Jingzhou glycine production base is intended to serve as a modern and more automated production platform for glycine-related products, rather than merely an additional production line. It is expected to have an annual production capacity of 60,000 tonnes of industrial-grade glycine and 40,000 tonnes of food-grade glycine, thereby strengthening the Company's core glycine business, improving production efficiency and quality control, and enhancing the Company's ability to serve larger-scale customer demand.

The Company also expects the Jingzhou glycine production base to improve its cost structure through economies of scale, automated production, localised supply of raw materials and energy, and improved logistics efficiency. Jingzhou, Hubei Province, has a developed pharmaceutical and chemical industry base and is located in Central China, with waterway and land transportation advantages along the Yangtze River. These factors are expected to facilitate a stable and cost-competitive supply of key raw materials and energy, including chloroacetic acid and liquid ammonia, and help reduce logistics costs.

In addition, the Jingzhou glycine production base will also adopt energy-saving and environmentally friendly measures, including recycling design, recovery systems and refrigeration technologies, in line with the Company's green production and sustainable development objectives.

Meanwhile, the Shareholders and potential investors of the Company should note that the estimated investment amount, construction schedule, expected commencement of production, and other information relating to the Project are based on the Group's current plans and estimates. Such plans and estimates may be subject to change depending on, among other things, the progress of construction, market conditions, customer requirements, the obtaining of relevant governmental and regulatory approvals and other relevant circumstances.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) in respect of the transactions contemplated under the 1st Construction Contract and 2nd Construction Contract, on a standalone basis, are more than 5% but lower than 25%, each of the transactions contemplated thereunder constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

However, the Company considers that the Construction Contracts should be aggregated under Rule 14.22 of the Listing Rules, as the two transactions were entered into within 12 months and relate to the construction of facilities forming part of the same Jingzhou glycine production base at the Site. Upon aggregation, the Construction Contracts still constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratio(s) in respect of the Construction Contracts are still more than 5% but lower than 25%.

DEFINITIONS

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

"1st Construction Contract"	the construction contract entered into between Newtrend Jingzhou and Jiangxi Henghui dated 21 August 2026 in relation to the construction of the industrial-grade glycine workshop and food-grade glycine workshop at the Site

"2nd Construction Contract"	the construction contract entered into between Newtrend Jingzhou and Henan Luting dated 21 August 2026 in relation to the construction of pile foundations, ancillary buildings, structures and supporting infrastructure at the Site
"Board"	the board of the Directors
"Company"	Newtrend Group Holding Co., Ltd., a company established in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 2573)
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Construction Contracts"	the 1st Construction Contract and the 2nd Construction Contract
"Contractors"	Henan Luting and Jiangxi Henghui
"Director(s)"	director(s) of the Company
"Global Offering"	the Hong Kong public offering and the international offering of the Company, the details of which are described in the Prospectus
"Group"	the Company and its subsidiaries
"Henan Luting"	Henan Luting Construction Co., Ltd.* (河南魯廷建設工程有限公司), a company established with limited liability in the PRC and an Independent Third Party

"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons
"Jiangxi Henghui"	Jiangxi Henghui Municipal Construction Co., Ltd.* (江西恆輝市政建設工程有限公司), a company established with limited liability in the PRC and an Independent Third Party
"Newtrend Jingzhou"	Newtrend (Jingzhou) New Material Co., Ltd.* (新琪安(荊州)新材料有限公司), a company established with limited liability in the PRC and a direct wholly owned subsidiary of the Company
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Project"	the construction of a new production project in Jingzhou, Hubei Province, the PRC, for a new industrial-grade and food-grade production base with an annual production capacity of 60,000 tonnes of industrial-grade glycine, 40,000 tonnes of food-grade glycine and 50,000 tonnes of ammonium chloride
"Prospectus"	the prospectus of the Company dated 30 May 2025 in relation to the Global Offering and the Listing
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	holders of the shares of the Company

"Site"	Baolian Road, Green Circular Industrial Park, Jingzhou Economic and Technological Development Zone, Hubei Province, the PRC (荊州經濟技術開發區綠色循環產業園寶蓮路)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hubei Chuyuan"	Hubei Chuyuan Engineering Construction Consulting Co., Ltd.* (湖北楚元工程建設諮詢有限公司), a company established with limited liability in the PRC and an Independent Third Party
"%"	per cent

* The English names of the PRC entities referred to in this announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.

By order of the Board
Newtrend Group Holding Co., Ltd.
Mr. Wang Xiaoqiang
Chairman of the Board and Executive Director

Ji'an, PRC, 21 August 2026

As at the date of this announcement, the Board comprises Mr. Wang Xiaoqiang, Mr. Wang Hao, Ms. Chen Lijun and Ms. Zuo Yue as executive Directors; and Dr. Song Jingjin, Dr. Zhang Xi and Mr. Lo Kwing Yu as independent non-executive Directors.