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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE AGM CIRCULAR

Reference is made to the circular of Newtrend Group Holding Co., Ltd. (the "**Company**") dated 15 May 2026 (the "**AGM Circular**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the AGM Circular.

The Company would like to provide the following supplemental information regarding the AGM Circular.

REALLOCATION AND CHANGE IN USE OF PROCEEDS

As disclosed in the AGM Circular, approximately HK$90.8 million of the Net Proceeds was originally allocated to the production of seaweed dietary fibre and serine, of which approximately HK$5.6 million had been utilised in the construction works for the new production line of seaweed dietary fibre and approximately HK$85.2 million remained unutilised. The Company proposes to reallocate such unutilised proceeds as to approximately HK$69.0 million to the construction of the Glycine Jingzhou production base and approximately HK$16.2 million to the sucralose technology transformation project.

Production of Seaweed Dietary Fibre

The proposed reallocation of the Net Proceeds originally allocated to the production of seaweed dietary fibre and serine was made after continuous review of the progress of the original projects, market conditions and customer feedback after Listing.

The Company has continued to promote and develop the seaweed dietary fibre product, including participation in industry exhibitions in 2025 and completion of the construction of the 100-tonne pilot production line in August 2025. However, notwithstanding the Company's efforts, market feedback received through such exhibitions and actual customer orders have been below expectations since the listing of the Company.

As disclosed in the AGM Circular, the seaweed dietary fibre product remains subject to further application testing, stability verification, safety and toxicological testing and market validation before official market launch, which is expected to require an additional two to three years. Although such work had been taken into account when planning the use of the Net Proceeds from the Global Offering, in light of the current market feedback, the Company considers it prudent to slow down the commercialisation of the seaweed dietary fibre product. Accordingly, the existing pilot production line is expected to be sufficient to support the Company's research and development, customer validation, application testing and small-batch production needs up to 2028.

Production of Serine

From March 2025 to December 2025, the Company continued to conduct project evaluation and market research. Based on its analysis, the Company noted that current serine production capacity appears to exceed market demand. If the Company were to continue investing IPO proceeds in the serine project according to the original plan, this may further increase market oversupply and intensify industry competition. The Company has therefore decided to temporarily suspend the serine project.

As at the date of this announcement, no construction of any serine production line has commenced, and the Company has not committed to any timetable for construction or production. The Company will continue to monitor market demand, industry supply conditions and expected project returns, and will reassess whether to restart the project when market conditions become more favourable.

Construction of the Glycine Jingzhou production base

The Company proposes to reallocate approximately HK$69.0 million of the unutilised Net Proceeds to the construction of the Jingzhou glycine production base after considering its business strategy, customer demand, production efficiency, cost competitiveness, environmental requirements and expected utilisation efficiency of the Net Proceeds.

The Jingzhou 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 its ability to serve larger-scale customer demand.

The Company also expects the Jingzhou production base to improve its cost structure through economies of scale, automated production, localised raw material and energy supply, 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.

The 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.

Sucralose technology transformation project

The Company proposes to reallocate approximately HK$16.2 million to the sucralose technology transformation project. Such amount is expected to be used mainly for production equipment procurement, ancillary engineering works, installation and commissioning, and design and testing-related expenses, and is expected to be fully utilised by the end of 2027.

The objective of the project is to upgrade the Company's existing sucralose production processes and equipment, thereby improving product yield, reducing unit production cost and lowering energy consumption. Upon completion and stable operation of the project, the Company expects the sucralose product yield to increase by more than 20% and the unit production cost to decrease by approximately 20%.

THE BOARD'S ASSESSMENT

The Company considers that the proposed reallocation will better align the use of the Net Proceeds with its current business development priorities, overall development strategy and actual operational needs. The seaweed dietary fibre and serine projects do not currently require substantial capital investment in the short term, while the Jingzhou glycine production base and the sucralose technology transformation project are more closely related to the Company's existing core products and current operational priorities, including capacity planning, cost control, production efficiency and market competitiveness.

The proposed reallocation will also allow the Company to deploy the unutilised Net Proceeds to projects with clearer implementation plans and stronger commercial certainty, thereby improving the efficiency of fund utilisation.

Further, the Board considers that the proposed change in use of proceeds does not represent a departure from the Company's principal business or overall development strategy. Instead, it is a reasonable adjustment of short-term funding priorities based on actual project progress, market conditions and operational needs. The Company will continue to assess medium- to long-term growth opportunities, including seaweed dietary fibre and serine, while prioritising projects that can strengthen its current core business and enhance its competitiveness.

Accordingly, the Board considers that the proposed change in use of proceeds is consistent with the Company's business plan and strategy, and is in the interests of the Company and the Shareholders as a whole.

The above supplemental information does not affect other information contained in the AGM Circular and save as disclosed above, all other information therein remains unchanged. This announcement is supplemental to and should be read in conjunction with the AGM Circular and the notice of AGM, and in that connection, the AGM Circular and the notice of AGM in the form as they are now will continue to be valid.

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

Ji'an, PRC, 3 June 2026

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