TIAN CHANG GROUP HOLDINGS LTD.
天長集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2182)

MAJOR TRANSACTION

CONSTRUCTION AGREEMENT IN RELATION TO THE CONSTRUCTION OF A NEW MANUFACTURING PLANT FOR ADVANCED MATERIALS AND SEMI-SOLID MAGNESIUM ALLOY INJECTION MOULDING (MAGNESIUM THIXOMOLDING)

THE CONSTRUCTION AGREEMENT

The Board is pleased to announce that on 12 August 2026 (after trading hours), Tian Hao, an indirect wholly-owned subsidiary of the Company, entered into the Construction Agreement with Guangdong Zhongfu as the main contractor in relation to the construction of a new manufacturing facility for advanced materials and semi-solid magnesium alloy injection moulding (Magnesium Thixomolding) comprising the Factory Premises, the Staff Quarters, the Warehouses and the ancillary facilities on the Land at an aggregate Consideration of RMB149.3 million (approximately HK$173.5 million).

LISTING RULES IMPLICATIONS

In respect of the Construction Agreement, as one or more of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules exceed 25% but are all less than 100%, the transaction contemplated under the Construction Agreement constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval for the Construction Agreement in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising, each as beneficial owners of the relevant Shares, Oceanic Green Group Limited (holding 127,100,000 Shares), New Strength Ventures Limited (holding 127,100,000 Shares), Gold

Alliance Ventures Limited (holding 94,395,000 Shares) and Treasure Line Holdings Limited (holding 24,800,000 Shares), which together are beneficially interested in an aggregate of 373,395,000 Shares, representing approximately 60.23% of the entire issued capital of the Company as at the date of this announcement. Mr. Chan Tsan Lam, the Chairman of the Board and executive Director, wholly and beneficially owns all shares in issue in Oceanic Green Group Limited, New Strength Ventures Limited, Gold Alliance Ventures Limited and Treasure Line Holdings Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Shareholders has any material interest in the transactions under the Construction Agreement and no Shareholder is required to abstain from voting if an extraordinary general meeting were to be convened for the approval of the Construction Agreement. As such, since written approval has been obtained pursuant to Rule 14.44 of the Listing Rules, no extraordinary general meeting will be convened for the purpose of approving the Construction Agreement as permitted under Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Construction Agreement and the transaction contemplated thereunder, is required to be despatched to the Shareholders within 15 business days after publication of this announcement. The Company expects to dispatch the circular to the Shareholders on or before 25 August 2026.

PRINCIPAL TERMS OF THE CONSTRUCTION AGREEMENT

Date: 12 August 2026

Parties:

(a) Tian Hao as the client; and

(b) Guangdong Zhongfu as the main contractor

Subject matter: Guangdong Zhongfu, as the main contractor, shall be responsible for:

(a) the construction and engineering works of the Factory Premises, the Staff Quarters, the Warehouses and ancillary facilities, including piling, foundation and renovation works;

(b) ancillary outdoor construction and engineering works on the Land; and

(c) maintenance of constructions for a period ranging from one year to five years, depending on the type of constructions.

Consideration:	Approximately RMB149.3 million (approximately HK$173.5 million), tax inclusive and comprising the following: (a) approximately RMB4.6 million (approximately HK$5.4 million) for piling works ("**Piling Cost**"); (b) approximately RMB60.3 million (approximately HK$70.1 million) for the construction of the Factory Premises 1 and approximately RMB43.9 million (approximately HK$51.0 million) for the construction of the Factory Premises 2 ("**Factory Cost**"); (c) approximately RMB13.6 million (approximately HK$15.8 million) for the construction of Staff Quarter 1 and approximately RMB14.8 million (approximately HK$17.2 million) for the construction of Staff Quarter 2 ("**Staff Quarter Cost**"); (d) approximately RMB0.5 million (approximately HK$0.6 million) for the construction of Warehouse 1 and approximately RMB0.9 million (approximately HK$1.0 million) for the construction of Warehouse 2 ("**Warehouse Cost**"); (e) approximately RMB0.7 million (approximately HK$0.8 million) for the construction of Guard House 1; (f) approximately RMB0.5 million (approximately HK$0.6 million) for the construction of Guard House 2; and (g) approximately RMB9.5 million (approximately HK$11.0 million) for the outdoor works.
Construction Commencement date:	within seven days from the date of the Construction Agreement
Construction Period:	240 days, commencing from the date of the Construction Agreement to the date of completion inspection by Tian Hao upon filing of construction completion report

Payment Terms

Consideration shall be paid as follows:

(1) RMB4.5 million (approximately HK$5.2 million), representing 97% of the Piling Cost, shall be paid within 10 working days upon the passing of inspection of the piling construction works and the handover of passing inspection reports;

(2) Another RMB13.4 million (approximately HK$15.6 million), being 10% of the aggregate Factory Cost, Staff Quarter Cost and Warehouse Cost, shall be paid within 10 working days upon completion of flooring works of the ground floors of the Factory Premises, the Staff Quarters and the Warehouses;

(3) Another RMB40.2 million (approximately HK$46.6 million), bringing the cumulative amount paid to Guangdong Zhongfu to 40% of the aggregate Factory Cost, Staff Quarter Cost and Warehouse Cost, shall be paid within 10 working days of the completion of the structure of 4 floors and columns of 3 floors of Factory Premises 1, the beams and columns at elevation 12.95 metre of Factory Premises 2, the structure of 6 floors and columns of 5 floors of Staff Quarter 1 and Staff Quarter 2, and masonry works of the Warehouses;

(4) Another RMB26.8 million (approximately HK$31.2 million), bringing the cumulative amount paid to Guangdong Zhongfu to 60% of the aggregate Factory Cost, Staff Quarter Cost and Warehouse Cost, shall be paid within 10 working days of the completion of roof sealing of the Factory Premises, the Staff Quarters and the Warehouses;

(5) Another RMB26.8 million (approximately HK$31.2 million), bringing the cumulative amount paid to Guangdong Zhongfu to 80% of the aggregate Factory Cost, Staff Quarter Cost and Warehouse Cost, shall be paid within 10 working days upon passing of completion inspection of the Factory Premises, the Staff Quarters and the Warehouses;

(6) Another RMB13.4 million (approximately HK$15.6 million), bringing the cumulative amount paid to Guangdong Zhongfu to 90% of the aggregate Factory Cost, Staff Quarter Cost and Warehouse Cost, shall be paid within 10 working days upon completion of renovation work, façade, doors and windows work and removal of scaffolding of the Factory Premises, the Staff Quarters and the Warehouses;

(7) Another RMB19.7 million (approximately HK$22.9 million), bringing the cumulative amount paid to Guangdong Zhongfu to 97% of the Consideration shall be paid within 30 days upon completion inspection of all construction works under the Construction Agreement (including the ancillary works);

(8) A balance of RMB4.5 million (approximately HK$5.2 million), representing the remaining 3% of the Consideration, shall be withheld, without interest, as quality guarantee deposit (retention money) which shall be released in the following manner:

   (a) 1.5% of the Consideration (i.e. RMB2.25 million (approximately HK$2.6 million)) within 15 working days of the 1st anniversary of completion inspection of all construction works; and;

   (b) 1.5% of the Consideration (i.e. RMB2.25 million (approximately HK$2.6 million)) within 15 working days of the 2nd anniversary of completion inspection of all construction works.

The quality guarantee deposit is held to secure the Guangdong Zhongfu's due performance of its warranty and rectification obligations in relation to the construction works under the Construction Agreement. If Guangdong Zhongfu fails to perform or delays its warranty obligations, Tian Hao may withhold part or all of the deposit to engage a third party for rectification, with Guangdong Zhongfu bearing all costs and remaining liable for any excess beyond the deposit amount.

Basis of Consideration

The Consideration was arrived at from a tender process whereby invitation to bid for the construction of the Factory Premises, the Staff Quarters, the Warehouses and the ancillary facilities on the Land was solicited by Tian Hao. A total of two tenders were received, under which Guangdong Zhongfu's bidding price was RMB149.3 million (approximately HK$173.5 million) and the other bidder's bidding price was RMB166.2 million (approximately HK$193.2 million). In particular, the Board considered that Guangdong Zhongfu currently has no recorded ongoing litigation or legal disputes in the PRC, indicating a relatively clean legal standing. In contrast, the other bidder is presently involved in several litigation cases, which may have material adverse effects on their performance, including potential disruption to project timeline and increased financial liabilities. Accordingly, the tender submitted by Guangdong Zhongfu was considered the most appropriate after taking into account the tender price (which was more competitive among the two bids received) and payment terms, as well as Guangdong Zhongfu's background, capacity, qualifications and experiences. Accordingly, the Directors consider that the Consideration is fair and reasonable.

The Consideration will be satisfied by the internal resources of the Group and banking facilities available to the Group.

Performance Deposit

Guangdong Zhongfu shall pay to Tian Hao RMB10 million (approximately HK$11.6 million) prior to the signing of the Construction Agreement to secure Guangdong Zhongfu's due performance of its obligations under the Construction Agreement. This Performance Deposit shall be repaid to Guangdong Zhongfu within 15 working days in full without interest under the following circumstances:

(1) where no breach of the Construction Agreement has been committed by Guangdong Zhongfu up to two months after completion inspection of all construction works under the Construction Agreement; or

(2) where, due to reasons attributable to Tian Hao, the constructions works cannot commence within three months from the date of the Construction Agreement and both parties agree to terminate the Construction Agreement.

As at the date of this announcement, Tian Hao has received full payment of the Performance Deposit.

INFORMATION ON THE GROUP, TIAN HAO AND GUANGDONG ZHONGFU

The Group

The Group is principally engaged in the provision of integrated manufacturing solutions, including mould design and fabrication, plastic component design and manufacturing, precision manufacturing, engineering development and related manufacturing services across a range of product and industry applications.

Tian Hao

Tian Hao, an indirect wholly-owned subsidiary of the Company, is principally engaged in the development and manufacturing of new material products, including recycled PET felt materials, and is currently expanding its new materials capabilities into magnesium thixomolding and related advanced materials manufacturing technologies.

Guangdong Zhongfu

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, Guangdong Zhongfu is principally engaged in the business of buildings construction and its subcontractors hold the relevant construction qualifications as required under the laws of the PRC for the construction works it undertakes under the Construction Agreement, including, but not limited to, Second Grade Main Contractor for Construction Works (建築工程施工總承包二級), Second Grade Professional Contractor for Foundation Construction Works (地基基礎工程專業承包二級), First and Second Grade Professional Contractor for Steel Structure Construction Works (鋼結構工程專業承包一級及二級), Second Grade Professional Contractor for Construction Renovation and Decoration Works (建築裝修裝飾工程專業承包二級) , Second Grade Professional Contractor for Fire Protection Facilities Construction Works (消防設施工程專業承包二級), Second Grade Professional Contractor for Building Curtain Wall Construction Works (建築幕牆工程專業承包二級) and First Grade Lightweight Steel Structure Engineering Design Construction Works (輕型鋼結構工程設計專項乙級). Accordingly, the Directors believe that Guangdong Zhongfu is qualified under the relevant laws of the PRC to undertake the construction works as the main contractor under the Construction Agreement.

To the best of the Directors' knowledge, information and belief, Guangdong Zhongfu is owned as to 70% by Huizhou Xiwen Enterprise Management Co., Ltd.* (惠州市熙聞企業管理股份有限公司) and 30% by Huizhou Zhenhan Management Consulting Co., Ltd.* (惠州市振瀚管理諮詢有限公司). Huizhou Xiwen Enterprise Management Co., Ltd.* (惠州市熙聞企業管理股份有限公司) is owned as to approximately 80% by Yang Xuezhou (楊學周), being the ultimate beneficial owner of the single largest shareholder of Guangdong Zhongfu.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Guangdong Zhongfu and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT

As disclosed in the voluntary announcement of the Group on 12 August 2026, the Group has been making active efforts to extend its existing engineering and manufacturing capabilities, including to invest in precision manufacturing, automation and related engineering technologies, so as to support its existing customers and expand its market into new product applications across various industries. Such efforts are to be carried out in line with the Group's long-term development positioning and business strategy as an "Integrated Advanced Manufacturing Platform", under which the Group is developing a new capability in semi-solid magnesium alloy injection moulding (Magnesium Thixomolding) to further expand its advanced materials and lightweight manufacturing capabilities.

As disclosed in the announcements of the Company dated 23 March 2026, 31 March 2026 and 2 April 2026 respectively, the Group has recently via its subsidiary acquired land use rights of the Land for the purposes of constructing the new manufacturing facility, including without limitation, the Factory Premises and the Staff Quarters, which together are expected to support the Group's semi-solid magnesium alloy injection moulding (Magnesium Thixomolding), advanced materials, precision manufacturing and related engineering technologies, and provide the necessary production, engineering and research and development infrastructure to support the next stage of development of the Group's advanced manufacturing and material processing capabilities, thereby supporting the Group's expansion into a broader range of customer and industry applications and enhancing its long-term competitiveness.

Accordingly, the entering into of the Construction Agreement is in line with the Company's business plan, under which the construction of the new manufacturing facility is expected to commence in the second half of 2026.

The Directors, including the independent non-executive Directors, consider that the Construction Agreement was entered into upon normal commercial terms determined through a competitive tender process and that the terms of the Construction Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

In respect of the Construction Agreement, as one or more of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules exceed 25% but are all less than 100%, the transaction contemplated under the Construction Agreement constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval for the Construction Agreement in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising, each as beneficial owners of the relevant Shares, Oceanic Green Group Limited (holding 127,100,000 Shares), New Strength Ventures Limited (holding 127,100,000 Shares), Gold Alliance Ventures Limited (holding 94,395,000 Shares) and Treasure Line Holdings Limited (holding 24,800,000 Shares), which together are beneficially interested in an aggregate of 373,395,000 Shares, representing approximately 60.23% of the entire issued capital of the Company as at the date of this announcement. Mr. Chan Tsan Lam, the Chairman of the Board and executive Director, wholly and beneficially owns all shares in issue in Oceanic Green Group Limited, New Strength Ventures Limited, Gold Alliance Ventures Limited and Treasure Line Holdings Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Shareholders has any material interest in the transactions under the Construction Agreement and no Shareholder is required to abstain from voting if an extraordinary general meeting were to be convened for the approval of the Construction Agreement. As such, since written approval has been obtained pursuant to Rule 14.44 of the Listing Rules, no extraordinary general meeting will be convened for the purpose of approving the Construction Agreement as permitted under Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Construction Agreement and the transaction contemplated thereunder, is required to be despatched to the Shareholders within 15 business days after publication of this announcement. The Company expects to dispatch the circular to the Shareholders on or before 25 August 2026.

DEFINITIONS

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

"Board"	the board of Directors
"Company"	TIAN CHANG GROUP HOLDINGS LTD. a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 2182)
"Consideration"	the total consideration payable by Tian Hao to Guangdong Zhongfu under the Construction Agreement, being approximately RMB149.3 million (approximately HK$173.5 million)
"Construction Agreement"	the agreement dated 12 August 2026 entered into between Tian Hao and Guangdong Zhongfu in respect of the construction of the Factory Premises, the Staff Quarters, the Warehouses and the ancillary facilities on the Land together with a maintenance warranty agreement on the construction works
"Director(s)"	director(s) of the Company
"Factory Premises"	the factory premises to be constructed on the Land, with a total construction area of 74,679.26 sq. metres and comprising two factory buildings, namely Factory Premises 1 and Factory Premises 2
"Group"	the Company and its subsidiaries
"Guard House(s)"	the guard houses to be constructed on the Land, with a total construction area of 276 sq. metres and comprising two guard houses, namely Guard House 1 and Guard House 2
"Guangdong Zhongfu"	Guangdong Zhongfu Jianbang Engineering Co., Ltd.* (廣東中孚建邦工程有限公司), a company incorporated in the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Land"	the land parcel #JD134-13-02 located at Xinmin Luotang Area, Huizhou City, Guangdong Province, the PRC (中國廣東省惠州市惠城區新民洛塘片區JD134-13-02地塊)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Performance Deposit"	RMB10 million (approximately HK$11.6 million) paid to Tian Hao by Guangdong Zhongfu for the purpose of securing Guangdong Zhongfu's obligations and liabilities under the Construction Agreement
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of Shares
"Shares"	ordinary shares of HK$0.1 each in the share capital of the Company
"Staff Quarters"	the staff quarters to be constructed on the Land, with a total construction area of 12,848.13 sq. metres and comprising two blocks of staff quarters, namely Staff Quarter 1 and Staff Quarter 2
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tian Hao"	Tian Hao New Materials Technology (Hui Zhou) Limited* (天濠新材料科技(惠州)有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
"Warehouse(s)"	the warehouses to be constructed on the Land, with a total construction area of 556.32 sq. metres and comprising two warehouses, namely Warehouse 1 and Warehouse 2

The translations between RMB and HK$ throughout this announcement are based on the exchange rate of RMB1 to HK$1.162 and are provided for information purposes only.

By Order of the Board
TIAN CHANG GROUP HOLDINGS LTD.
CHAN Tsan Lam
Chairman

Hong Kong, 12 August 2026

As at the date of this announcement, the Board comprises Mr. Chan Tsan Lam, Ms. Poon Po Han Lisa and Ms. Chan Yin Yan as executive Directors; and Mr. Ng Chi Wai, Mr. Hung Chun Leung and Mr. Chan Bing Kai as independent non-executive Directors.

* *For identification purpose only.*