



**STRICTLY PRIVATE AND CONFIDENTIAL**

Date: 30 May 2025

The Board of Directors  
Newtrend Group Holding Co., Ltd.  
新琪安集團股份有限公司  
Jinggangshan Economic and Technological  
Development Zone  
Ji'an, Jiangxi, PRC

Dear Sirs/Madam,

**Listing of the shares (the "Listing") of Newtrend Group Holding Co., Ltd. 新琪安集團股份有限公司 (the "Company") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") - Report of Internal Control Expert**

In accordance with our engagement letter dated 31 May 2024, SHINEWING Risk Services Limited is appointed to provide compliance procedures review (the "**Review**") for the Company and its subsidiaries (collectively referred to as the "**Group**"), which forms part of the due diligence enquiries relating to the Listing.

The objective of the Review is to assess and identify significant weaknesses on the compliance procedures regarding certain health and work safety issues, and to make appropriate recommendation thereof. Our scope includes (i) policies and procedures; (ii) inspections of production facilities and equipment; and (iii) employee trainings.

We have conducted the Review in October 2024. The internal control measures established by the Group are summarised as follow:

- conducting health and safety training and requiring relevant employees to pass the safety examination before commencing work;
- periodically inspecting and repairing the Group's production facilities to minimise the risks of injury caused by defective production facilities;
- formulating a production safety responsibility system to clarify the safety responsibilities of each department and workshop, establishing a safety standardisation management system to regulate safety management, and holding at production safety committee meeting at least every half a year to prevent and reduce the occurrence of safety accidents;
- providing employees with the necessary safety facilities and equipment, such as fire-fighting equipment and personal protective equipment in case of emergencies;
- developing a safety management system for special works such as aerial work, lifting, etc., to regulate safe work practices and reduce the possibility of safety accidents in special works; and
- establishing a reward and punishment management system for production safety, which is based on the assessment of production safety performance to give rewards or punishment for departments and workshops, so as to enhance the enthusiasm of all employees for production safety.



Moreover, according to the samples we obtained, the Group has implemented the aforementioned internal control measures. In particular, the Group (i) convenes production safety committee meeting at least every half a year to review and solve critical issues in production safety; (ii) identifies existing or potential risks from key factors including fire and explosion, leakage of toxic substances and machines and engineering; (iii) establishes operating and safety procedures before new machines or facilities are put into operation; (iv) implements a reward system based on safety production performance which rewards employees who accomplish safety production targets, improve production conditions and prevent occurrence of safety accidents; and (v) provides work safety trainings to the employees.

Based on the findings and the work performed by us, we are of the view that the internal control measures adopted by the Group are adequately and effectively designed to reasonably prevent recurrence of safety accidents.

Yours faithfully,

SHINEWING RISK

**SHINEWING Risk Services Limited**  
17/F, Leighton Centre  
77 Leighton Road  
Causeway Bay, Hong Kong