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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL SUMMARY

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**204,022**	334,798
Gross (loss)/profit	**(2,185)**	77,948
(Loss)/profit for the period	**(64,733)**	24,375
(Losses)/earnings per share *(expressed in RMB per share)*		
Basic and diluted	**(0.67)**	0.28

The Group recorded a total revenue of approximately RMB204.0 million for the Period, representing a decrease of approximately 39.1% as compared with approximately RMB334.8 million for the Corresponding Period.

The Group recorded a gross loss for the Period amounted to approximately RMB2.2 million, representing a decrease of approximately 102.8% as compared with a gross profit amounted to approximately RMB77.9 million for the Corresponding Period. The Group recorded a gross loss margin of approximately 1.1%, representing a decrease of approximately 24.4 percentage points as compared with gross profit margin of approximately 23.3% for the Corresponding Period.

Loss of the Group for the Period amounted to approximately RMB64.7 million, representing a decrease of approximately 365.6% as compared with profit of approximately RMB24.4 million for the Corresponding Period.

The Board did not recommend the payment of an interim dividend for the Period.

The Board (the "**Board**") of Directors (the "**Director(s)**") of Newtrend Group Holding Co., Ltd. (the "**Company**", and its subsidiaries, the "**Group**") announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2026 (the "**Period**"), together with comparative figures for the six months ended 30 June 2025 (the "**Corresponding Period**"). The unaudited condensed consolidated interim results for the Period have not been audited and reviewed by the Company's auditors, but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**204,022**	334,798
Cost of sales		**(206,207)**	(256,850)
Gross (loss)/profit		**(2,185)**	77,948
Other income, gains and losses	*6*	**(15,953)**	6,461
Selling and distribution expenses		**(3,517)**	(2,696)
Administrative expenses		**(27,282)**	(19,915)
Research and development costs		**(7,328)**	(12,007)
Listing expenses		**–**	(12,661)
Impairment loss under expected credit loss model, net of reversal		**(2,311)**	(4,163)
Realised loss on financial assets at fair value through profit or loss (the "**FVTPL**")		**(1,555)**	–
Finance costs		**(9,069)**	(4,614)
(Loss)/profit before taxation	*7*	**(69,200)**	28,353
Income tax credit/(expense)	*8*	**4,467**	(3,978)
(Loss)/profit for the period		**(64,733)**	24,375
Other comprehensive (expense)/income for the period			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(12,753)**	3,116
Total comprehensive (expense)/income for the period		**(77,486)**	27,491
(Losses)/earnings per share *(expressed in RMB per share)*	*10*		
Basic and diluted		**(0.67)**	0.28

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment	*11*	**422,405**	386,846
Right-of-use assets	*12*	**69,730**	32,975
Prepayments		**34,898**	958
Deferred tax assets	*21*	**30,150**	25,027
Total non-current assets		**557,183**	445,806
Current assets			
Inventories	*13*	**108,014**	100,259
Trade and bills receivables	*14*	**298,448**	340,951
Prepayments, deposits and other receivables		**42,037**	17,416
Financial assets at FVTPL		**–**	58,487
Bank balances and cash	*15*	**173,759**	168,544
Total current assets		**622,258**	685,657
Current liabilities			
Trade and bills payables	*16*	**112,627**	115,160
Other payables and accruals		**40,600**	39,156
Income tax payables		**4,166**	9,572
Contract liabilities	*17*	**3,127**	6,157
Lease liabilities	*18*	**1,086**	1,070
Bank borrowings	*19*	**328,517**	176,600
Other borrowings	*20*	**12,514**	12,514
Deferred income		**1,023**	1,121
Total current liabilities		**503,660**	361,350
Net current assets		**118,598**	324,307
Total assets less current liabilities		**675,781**	770,113

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities	*18*	**6,117**	6,858
Bank borrowings		**–**	18,000
Other borrowings	*20*	**72,579**	76,147
Deferred income		**12,311**	6,848
Total non-current liabilities		**91,007**	107,853
Net assets		**584,774**	662,260
Capital and reserves			
Share capital	*22*	**96,231**	96,231
Reserves		**488,543**	566,029
Total equity		**584,774**	662,260

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Newtrend Group Holding Co., Ltd. (the "**Company**") (新琪安集團股份有限公司), formerly known as Newtrend Technology Co., Ltd. (新琪安科技股份有限公司), was established in People's Republic of China (the "**PRC**") on 8 September 2006 as a limited liability company. The Company was converted from a limited liability company into a joint stock limited liability company on 4 December 2017. On 24 February 2025, the Company was renamed as Newtrend Group Holding Co., Ltd. (新琪安集團股份有限公司). The Company's H Shares (the "**H Shares**") have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 June 2025 (the "**Listing**").

The Company and its subsidiaries (together, "**the Group**") are principally engaged in the manufacturing and sale of food-grade glycine, industrial-grade glycine and sucralose.

These unaudited interim condensed consolidated financial statements are presented in thousands of Renminbi (the "**RMB**"), unless otherwise stated, and were approved for issue by the Board on 25 August 2026.

These unaudited interim condensed consolidated financial statements have not been audited but have been reviewed by the Audit Committee.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard (the "**HKAS**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for investments in financial products and unlisted equity investment, which have been measured at fair value.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current interim period, the Group has applied the following amendments to a Hong Kong Financial Reporting Standards (the "**HKFRS**") Accounting Standard, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to HKFRS Accounting Standards-Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The application of the amendments to a HKFRS Accounting Standard in the current period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the unaudited interim condensed consolidated financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

5. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers by major products line for the six months ended 30 June 2026 and 2025 is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of sucralose products	**88,338**	152,064
Sales of food-grade glycine products	**94,595**	141,428
Sales of industrial-grade glycine products	**12,292**	26,575
Sales of other products	**8,797**	14,731
	204,022	334,798

The Group is mainly engaged in the manufacturing and sales of sucralose, food-grade glycine and industrial-grade glycine products. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. All revenue was recognised at a point in time. Based on the information available to the Group at the end of the reporting period, the management of the Group expects the transaction price allocated to the unsatisfied performance obligation as at 30 June 2026 and 2025 amounting to approximately RMB3,127,000 and approximately RMB9,994,000, respectively, would be recognised as revenue in the next period.

No segment assets and liabilities are presented as no discrete financial information is available.

Geographical information

A geographical analysis of the Group's revenue from external customers is presented based on the geographical areas where the goods are sold; while information about the carrying amount of non-current assets, excluding deferred tax assets, is presented based on the geographical areas of the assets, as follows:

	Revenue from external customers		**Carrying amounts of non-current assets**	
	Six months ended 30 June		**30 June**	31 December
	2026	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Mainland China	**35,078**	64,321	**333,928**	257,266
Asia (excluding Mainland China)	**56,670**	36,246	**193,105**	163,513
Europe	**72,216**	70,478	**–**	–
United States of America (the "**USA**")	**53**	131,453	**–**	–
North America (excluding the USA)	**25,181**	15,912	**–**	–
South America	**8,643**	4,349	**–**	–
Africa	**3,283**	6,609	**–**	–
Oceania	**2,898**	5,430	**–**	–
	204,022	334,798	**527,033**	420,779

Revenue from major customers

The Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective periods are set out below:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**40,773**	N/A*
Customer B	**32,867**	N/A*

* Less than 10% of the Group's revenue in the respective periods.

6. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income on bank deposits	**686**	841
Release of assets-related government subsidies	**635**	485
Income-related government grants *(Note)*	**3,376**	3,525
Sundry income	**372**	476
Sundry expenses	**(366)**	(6)
Net gain/(loss) on write-off/disposal of property, plant and equipment	**317**	(515)
Gain on lease termination	**–**	1
Foreign exchange (losses)/gains, net	**(20,973)**	1,654
	(15,953)	6,461

Note:

Government grants mainly represented the government subsidies received from the local governments in the PRC to support the research and development, industry development and employee stability and recruitment of the Group.

7. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment *(Note 11)*	**17,416**	18,974
Depreciation of right-of-use assets *(Note 12)*	**1,273**	710
Total depreciation included in	**18,689**	19,684
– Selling and distribution expenses	**(81)**	(34)
– Administrative expenses	**(8,269)**	(2,671)
– Research and development expenses	**(386)**	(1,364)
Capitalised in inventories	**9,953**	15,615
Directors' emolument:		
– Salaries and allowance	**1,364**	1,076
– Retirement benefits scheme	**41**	37
Other staff costs:		
– Salaries and allowance	**21,198**	25,421
– Retirement benefits scheme	**4,791**	7,388
Total salaries included in	**27,394**	33,922
– Selling and distribution expenses	**(1,584)**	(1,364)
– Administrative expenses	**(9,585)**	(9,569)
– Research and development expenses	**(1,865)**	(2,450)
Capitalised in inventories	**14,360**	20,539
Provision for write-down of inventories	**3,549**	1,975
Cost of inventories recognised as expenses *(Note)*	**206,207**	256,850
Research and development costs recognised as expenses	**7,328**	12,008
Listing expenses	**–**	12,661

Note:

Cost of inventories include staff costs, depreciation and provision for write-down of inventories.

8. INCOME TAX (CREDIT)/EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

The Group calculates the income tax (credit)/expense for the periods using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (credit)/expense in the condensed consolidated statement of profit or loss and other comprehensive income are:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax:		
– PRC enterprise income tax	**695**	282
– Overseas income tax	**136**	5,454
	831	5,736
Deferred taxation *(Note 21)*	**(5,298)**	(1,758)
	(4,467)	3,978

9. DIVIDENDS

The Board did not declare any interim dividend for the Period (Corresponding Period: Nil).

10. (LOSSES)/EARNINGS PER SHARE

The basic (losses)/earnings per share attributable to owners of the Company are calculated as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company *(RMB'000)*	**(64,733)**	24,375
Weighted average number of ordinary shares in issue during the period *(thousand shares)*	**96,231**	86,874
Basic (losses)/earnings per share for profit attributable to owners of the Company *(in RMB)*	**(0.67)**	0.28

No diluted (losses)/earnings per share were presented for the six months ended 30 June 2026 and 2025, as the Company did not have any dilutive potential ordinary shares.

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RMB'000	Buildings and structures RMB'000	Machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 January 2025 (audited)	20,107	191,842	366,247	8,869	6,011	71,166	664,242
Additions	–	19	1,652	1,913	1,113	35,983	40,680
Transfer in/(out)	–	1,572	5,788	–	–	(7,360)	–
Write-off/disposal	–	(26)	(8,919)	(139)	(174)	–	(9,258)
Exchange realignment	(609)	(570)	(2,067)	100	(26)	3,207	35
At 31 December 2025 and 1 January 2026 (audited)	**19,498**	**192,837**	**362,701**	**10,743**	**6,924**	**102,996**	**695,699**
Additions	**–**	**–**	**74**	**53**	**746**	**65,654**	**66,527**
Transfer in/(out)	**–**	**–**	**139**	**–**	**–**	**(139)**	**–**
Write-off/disposal	**–**	**–**	**(407)**	**(82)**	**–**	**–**	**(489)**
Exchange realignment	**(1,676)**	**(3,564)**	**(4,820)**	**(120)**	**(212)**	**(7,282)**	**(17,674)**
At 30 June 2026 (unaudited)	**17,822**	**189,273**	**357,687**	**10,594**	**7,458**	**161,229**	**744,063**
DEPRECIATION AND IMPAIRMENT							
At 1 January 2025 (audited)	–	73,665	193,359	6,300	4,529	–	277,853
Charge for the year	–	9,865	25,610	1,544	495	–	37,514
Eliminated on write-off/disposal	–	(17)	(5,711)	(114)	(103)	–	(5,945)
Exchange realignment	–	148	(785)	33	35	–	(569)
At 31 December 2025 and 1 January 2026 (audited)	**–**	**83,661**	**212,473**	**7,763**	**4,956**	**–**	**308,853**
Charge for the period	**–**	**4,649**	**12,146**	**316**	**305**	**–**	**17,416**
Eliminated on write-off/disposal	**–**	**–**	**(591)**	**(78)**	**–**	**–**	**(669)**
Exchange realignment	**–**	**(1,265)**	**(2,499)**	**(50)**	**(128)**	**–**	**(3,942)**
At 30 June 2026 (unaudited)	**–**	**87,045**	**221,529**	**7,951**	**5,133**	**–**	**321,658**
CARRYING AMOUNTS							
At 31 December 2025 (audited)	19,498	109,176	150,228	2,980	1,968	102,996	386,846
At 30 June 2026 (unaudited)	**17,822**	**102,228**	**136,158**	**2,643**	**2,325**	**161,229**	**422,405**

The above items of property, plant and equipment (excluding freehold land), after taking into account the residual values, are depreciated on a straight-line basis over their estimated useful lives at the following rates per annum:

Buildings and structures	Shorter of the term of the lease and 3%-10%
Machinery	9%-33%
Office equipment	19%-33%
Motor vehicles	12%-20%

The Group has pledged freehold land, buildings and structure and machinery with carrying amount of approximately RMB31,055,000.00 and RMB11,998,000 as at 30 June 2026 and 31 December 2025, respectively, to secure bank borrowings granted to the Group.

As disclosed in note 20, Xizang Newtrend Fine Chemical Technology Co., Ltd. (the "**Xizang Newtrend**") agreed to provide its leasehold land and property, plant and machinery as a security to the New Zang Qing Borrowings (as defined below). As at the date of this announcement, relevant pledging procedures were still in the process.

As at 30 June 2026 and 31 December 2025, the Group was still in the process of applying for the ownership certificates for buildings and structures with a total carrying amount of RMB23,860,000 and RMB25,435,000, respectively.

12. RIGHT-OF-USE ASSETS

	Leasehold lands	**Lease properties**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2025 (audited)	12,154	311	12,465
Additions	13,448	9,002	22,450
Write-off	–	(118)	(118)
Depreciation charged during the year	(415)	(1,401)	(1,816)
Exchange realignment	–	(6)	(6)
At 31 December 2025 and 1 January 2026 (audited)	**25,187**	**7,788**	**32,975**
Additions	**38,038**	**–**	**38,038**
Write-off	**–**	**–**	**–**
Depreciation charged during the period	**(649)**	**(624)**	**(1,273)**
Exchange realignment	**–**	**(10)**	**(10)**
At 30 June 2026 (unaudited)	**62,576**	**7,154**	**69,730**

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation on right-of-use assets	**1,273**	710
Interest expenses on lease liabilities (included in finance costs)	**136**	31
Expenses relating to short-term leases or leases to low value assets (included in administrative expenses)	**158**	26
Total cash outflow for leases	**1,018**	504

The Group has obtained the land use right certificates for all leasehold lands in the PRC.

The Group has pledged leasehold land with carrying amount of approximately RMB5,353,000 and RMB5,441,000 to secure a bank borrowing granted to the Group as at 30 June 2026 and 31 December 2025, respectively.

13. INVENTORIES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Raw materials and consumables	**23,509**	18,085
Work in progress	**19,476**	21,556
Finished goods	**56,469**	58,918
Goods in transit	**13,269**	4,518
	112,723	103,077
Less: provision for write-down	**(4,709)**	(2,818)
	108,014	100,259

Provision for write-down of inventories was recognised for the amount by which the carrying amount of the inventories exceeds its net realisable value and was recorded in "cost of sales". Movements in provision for write-down of inventories for the period/year are as below:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
At the beginning of the period/year	**2,818**	5,230
Provided for the period/year	**3,549**	1,565
Write-off	**(1,658)**	(3,977)
At the end of the period/year	**4,709**	2,818

14. TRADE AND BILLS RECEIVABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade receivables – contract with customers	**315,128**	357,810
Less: Loss allowance	**(22,947)**	(21,723)
	292,181	336,087
Bills receivables	**6,267**	4,864
	298,448	340,951

The normal credit term for the customers is generally up to 180 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The following is an ageing analysis of trade receivables (net of allowance) presented based on the date of transfer of goods or issue of invoice at the end of each reporting period:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within 30 days	**35,915**	83,808
31 to 60 days	**21,312**	30,560
61 to 90 days	**16,475**	15,357
91 to 180 days	**9,352**	30,579
181 to 365 days	**80,411**	115,271
More than 1 year	**128,716**	60,512
	292,181	336,087

The movement in the allowance for trade receivables of the Group during the reporting periods are as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Balance at beginning of the period/year	**21,723**	12,103
Allowance for the period/year, net	**2,337**	9,772
Exchange realignment	**(1,113)**	(152)
Balance at end of the period/year	**22,947**	21,723

The fair values of trade and bills receivables of the Group approximated to their carrying amounts.

Bills receivables represent short-term bank acceptance bills receivables that entitle the Group to receive the full face amount from the banks at maturity, which generally within 12 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivables. The Group from time to time endorses bank acceptance bills to suppliers in order to settle trade payables.

The Group endorsed certain bills receivable accepted by banks in Mainland China (the "**Endorsed Notes**") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB19,899,000 and RMB24,309,000 at 30 June 2026 and 31 December 2025, respectively. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Notes have the right of recourse against the Group if the Mainland China banks default (the "**Continuing Involvement**").

In the opinion of the Directors, the Group has transferred substantially all the risks and rewards relating to certain of the Endorsed Notes accepted by large and reputable banks with amounts of RMB13,632,000 and RMB19,458,000 at 30 June 2026 and 31 December 2025, respectively (the "**Derecognised Notes**"). Accordingly, the Group has derecognised the full carrying amounts of these Derecognised Notes and the associated trade payables settled by the Endorsed Notes.

The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant.

For the rest of the Endorsed Notes, the Directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, the Group continued to recognise the full carrying amounts of the Endorsed Notes. As at 30 June 2026 and 31 December 2025, the aggregate carrying amounts of the trade payables settled by such Endorsed Notes to which the suppliers have recourse were RMB6,267,000 and RMB4,851,000, respectively.

During the reporting period, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the reporting period or cumulatively.

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Amounts of Endorsed Notes	**19,899**	24,309
Less: the amount of derecognition upon the endorsement	**(13,632)**	(19,458)
Endorsed bills receivables that have not been derecognised and not yet due	**6,267**	4,851

15. BANK BALANCES AND CASH

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Bank balances and cash	**173,759**	168,544
Less: Pledged bank deposits	**(27,194)**	(19,263)
Cash and cash equivalents	**146,565**	149,281

The Group's pledged bank deposits represented deposits pledged to banks for issuance of bank acceptance bills.

16. TRADE AND BILLS PAYABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade payables	**54,547**	69,175
Bills payables	**58,080**	45,985
	112,627	115,160

The normal credit term to the Group is up to 180 days.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within 30 days	**25,599**	21,233
31 to 60 days	**7,783**	7,950
61 to 90 days	**2,578**	14,236
91 to 180 days	**2,548**	7,469
181 to 365 days	**4,274**	11,448
More than 1 year	**11,765**	6,839
	54,547	69,175

At the end of each reporting period, the Group's bills payables were issued by banks with maturities within 12 months and were secured by the Group's pledged bank deposits *(Note 15)*.

17. CONTRACT LIABILITIES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Sales of goods	**3,127**	6,157

Contract liabilities represent advance from customers when the Group receives payments in advance of the sales of goods. Revenue recognised during the reporting period relates to carried-forward contract liabilities at the beginning of the period/year is RMB6,157,000 and RMB5,685,000 for the period ended 30 June 2026 and the year ended 31 December 2025, respectively.

18. LEASE LIABILITIES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Lease liabilities payable:		
Within one year	**1,086**	1,070
More than one year, but not exceeding two years	**1,123**	1,106
More than two years, but not more than five years	**3,590**	3,791
More than five years	**1,404**	1,961
	7,203	7,928
Less: Amount due for settlement within 12 months shown under current liabilities	**(1,086)**	(1,070)
Amount due for settlement after 12 months shown under non-current liabilities	**6,117**	6,858

The weighted average incremental borrowing rate applied to lease liabilities were ranging from 3.50% per annum and 3.50% per annum at 30 June 2026 and 31 December 2025, respectively.

19. BANK BORROWINGS

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Fixed-rate bank borrowings	**328,517**	194,600
Secured and unguaranteed	**68,017**	32,600
Unsecured and unguaranteed	**260,500**	162,000
	328,517	194,600
Carrying amount repayable:		
Within one year	**328,517**	176,600
More than one year, but not exceeding two years	**–**	18,000
	328,517	194,600
Less: Amount due for settlement within 12 months shown under current liabilities	**(328,517)**	(176,600)
Amount due for settlement after 12 months shown under non-current liabilities	**–**	18,000

As at 30 June 2026 and 31 December 2025, all of the Group's bank borrowings are denominated in RMB. The effective interest rates of the Group's bank borrowings are as follows:

	As at 30 June 2026 **%** **(Unaudited)**	As at 31 December 2025 % (Audited)
Effective interest rate per annum:		
– Fixed-rate borrowings	**2.11-5.87**	2.50-3.50

As at 30 June 2026 and 31 December 2025, borrowings with carrying amounts of RMB181,200,000 and RMB122,600,000 were guaranteed by one of the Company's subsidiaries, respectively.

20. OTHER BORROWINGS

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Other borrowings	**85,093**	88,661
Carrying amount repayable:		
Within one year	**12,514**	12,514
More than one year, but not exceeding two years	**72,579**	12,514
More than two years, but not exceeding five years	**–**	63,633
	85,093	88,661
Less: Amount due for settlement within 12 months shown under current liabilities	**(12,514)**	(12,514)
Amount due for settlement after 12 months shown under non-current liabilities	**72,579**	76,147

As at 30 June 2026 and 31 December 2025, all of the Group's other borrowings are denominated in RMB.

In January 2025, the Company, Xizang Newtrend, Shenzhen Newtrend Industrial Development Co., Ltd. (the "**Newtrend Industrial**") and Xizang Zang Qing Industrial Park Investment Co., Ltd. (the "**Zang Qing Investment**") entered into a supplemental agreement (the "**Xizang Settlement Agreement**"), pursuant to which each party agreed to re-arrange the repayment schedules of the borrowing with principal amount of RMB95,650,000, and Xizang Newtrend agreed to provide its leasehold land and property, plant and machinery as securities (the "**New Zang Qing Borrowings**"). With the effect of Xizang Settlement Agreement, each party also agreed not to claim for a breach relating to their rights and obligations of unrecovered subsidies and overdue penalty, and the respective guarantee provided by Newtrend Industrial was released. According to the re-arranged repayment schedule, Xizang Newtrend will repay part of the principal and interest by certain instalments in aggregate of approximately RMB37,540,000 from 2025 to 2027. The New Zang Qing Borrowings carried at prevailing market interest rate from 2025 to 2027 and the remaining balance should not be settled earlier than 1 January 2028 and subject to further negotiation.

No modification gain or loss was recognised in the consolidated statements of profit or loss and other comprehensive income in January 2025 as the fair value of the New Zang Qing Borrowings is approximate to the carrying amount of the Zang Qing Borrowings. The New Zang Qing Borrowings was subsequently carried at amortised cost using effective interest method.

21. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the condensed consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Deferred tax assets	**33,009**	28,073
Deferred tax liabilities	**(2,859)**	(3,046)
	30,150	25,027

The following are deferred tax assets and liabilities recognised and movements thereon during the reporting period:

	Impairment losse under expected credit losses	Provision for write-down of inventories	Impairment losses on property, plant and, equipment	Unused tax losses	Unrealised profits	Accelerated tax depreciation	Lease liabilities	Right-of-use asset	Deferred income	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025 (audited)	806	1,040	1,935	14,396	500	(2,149)	–	–	1,363	17,891
(Charged) credited to profit or loss	402	(369)	(10)	1,391	243	155	1,267	(1,249)	(72)	1,758
Exchange realignment	–	–	–	337	–	–	–	–	–	337
At 30 June 2025 (unaudited)	1,208	671	1,925	16,124	743	(1,994)	1,267	(1,249)	1,291	19,986
At 1 January 2026 (audited)	**1,733**	**457**	**1,851**	**21,165**	**466**	**(1,896)**	**56**	**-**	**1,195**	**25,027**
(Charged) credited to profit or loss	**(139)**	**262**	**(7)**	**4,893**	**322**	**98**	**(36)**	**-**	**(95)**	**5,298**
Exchange realignment	**-**	**-**	**-**	**(175)**	**-**	**-**	**-**	**-**	**-**	**(175)**
At 30 June 2026(unaudited)	**1,594**	**719**	**1,844**	**25,883**	**788**	**(1,798)**	**20**	**-**	**1,100**	**30,150**

22. SHARE CAPITAL

	Number of shares	Share capital
	'000	*RMB'000*
Ordinary share of RMB1 each		
Registered, issued and fully paid:		
At 31 December 2025, 1 January 2026 and 30 June 2026	96,231	96,231

23. CONTINGENT ASSET AND CONTINGENT LIABILITIES

As disclosed in note 20, the Company, Xizang Newtrend, Newtrend Industrial, and Zang Qing Investment entered into Xizang Settlement Agreement in January 2025, and each party agreed not to claim for a breach relating to their rights and obligations of unrecovered subsidies and overdue penalty. As a result of the foregoing, the Group did not have any contingent liabilities relating to the overdue penalty and contingent assets relating to the Xizang Settlement Agreement as at 30 June 2026. The guarantee provided by Newtrend Industrial to our Group with respect to the Zang Qing Borrowings had also been released since the date of the Xizang Settlement Agreement.

24. COMMITMENTS

The Group has the following capital expenditures contracted but not provided for at the end of each reporting period.

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**52,970**	4,262

25. RELATED PARTY TRANSACTIONS

Details of transactions between the Group and other related parties are disclosed below.

(a) Name and relationship with related parties

Name of related parties	**Relationship with the Group**
Mr. Wang Xiaoqiang ("**Mr. Wang**")	Controlling shareholder and Director

(b) Transactions with related parties

Save as disclosed elsewhere in the unaudited interim condensed consolidated financial statements, during the reporting period, the Group entered into transactions with the following related parties:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Payment of leases to Mr. Wang	**138**	276
Interest expenses on lease liabilities to Mr. Wang	**–**	5

(c) Balances with related parties

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Other payables due to Mr. Wang	**138**	–

(d) Compensation of key management personnel

The remuneration of key management personnel of the Group during the reporting period was as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries and allowance	**2,402**	1,782
Retirement benefits	**94**	101
	2,496	1,883

Key management represents the Directors and other senior management personnel of the Group. The remuneration of key management is determined with reference to the performance of the Group and the individuals.

26. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Financial assets		
At FVTPL	**–**	58,487
At amortised cost:		
– trade and bills receivables	**298,448**	340,951
– deposits and other receivables *(Note i)*	**2,184**	2,354
– bank balances and cash	**173,759**	168,544
	474,391	511,849
	474,391	570,336
Financial liabilities		
At amortised cost:		
– trade and bill payables	**112,627**	115,160
– other payables *(Note ii)*	**35,361**	34,222
– lease liabilities	**7,203**	7,928
– bank borrowings	**328,517**	194,600
– other borrowings	**85,093**	88,661
	568,801	440,571

Notes:

(i) Excluded prepayment for acquisition of property, plant and equipment, prepayment for raw materials, prepayment of expenses, deferred issue cost, accrued expenses and deductible value-added tax.

(ii) Excluded other tax payables, salaries and wages payables and accrued issue cost.

27. EVENTS AFTER THE REPORTING PERIOD

On 14 July 2026, Newtrend (Jingzhou) New Material Co., Ltd.* (新琪安(荊州)新材料有限公司) (a wholly-owned subsidiary of the Company) (the "**Purchaser**" or "**Newtrend Jingzhou**"), as a purchaser, entered into the equipment purchase agreement with Jiangxi Province Ping Xiang City Dier Chemical Industrial Co., Ltd.* (江西省萍鄉市迪爾化工填料有限公司) (the "**Vendor**"), pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the equipment for the use in connection with the Company's construction of the Jingzhou glycine production base at the consideration of RMB20,500,000. (the "**Equipment Purchase Agreement**") As at the date of this announcement, an advance payment of RMB6,150,000 was paid in accordance with the terms of the Equipment Purchase Agreement. The Equipment Purchase Agreement constituted a discloseable transaction of the Company under the Listing Rules. For details of the Equipment Purchase Agreement, please refer to the Company's announcement dated 14 July 2026.

On 21 August 2026, Newtrend Jingzhou (a wholly-owned subsidiary of the Company) as a principal and Jiangxi Henghui Municipal Construction Co., Ltd.* (江西恆輝市政建設工程有限公司) and Henan Luting Construction Co., Ltd.* (河南魯廷建設工程有限公司) entered into a construction contract at the consideration of RMB51.3 million and RMB65.8 million, respectively, for the construction of the Company's Jingzhou industrial-grade glycine workshop and foodgrade glycine workshop (the "**Jingzhou Construction Contracts**"). The Jingzhou Construction Contracts constituted a discloseable transaction of the Company under the Listing Rules. For details of the Jingzhou Construction Contracts, please refer to the Company's announcement dated 21 August 2026.

On 24 August 2026, the Company as a principal and Ji'an City Taicheng Construction Co., Ltd.* (吉安市泰誠建設工程有限公司), entered into a construction contract at the consideration of approximately RMB109.93 million for the construction of the Company's Ji'an production plant (the "**Ji'an Construction Contract**"). The Ji'an Construction Contract constituted a discloseable transaction of the Company under the Listing Rules. For details of the Ji'an Construction Contract, please refer to the Company's announcement dated 24 August 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

I Results Analysis

During the Period, the Group's principal business was the production and sale of food-grade and industrial-grade glycine, and sucralose. During the Period, the Group's total revenue amounted to approximately RMB204.0 million, representing a decrease of approximately 39.1% compared to the Corresponding Period. The Group recorded a gross loss of approximately RMB2.2 million, compared a gross profit and representing a decrease of approximately 102.8% to the Corresponding Period.

The decrease in the Group's revenue and deterioration in gross profit were mainly attributable to decreases in revenue from its major products: (i) the total operating revenue from the food-grade and industrial-grade glycine business amounted to approximately RMB106.9 million, representing a decrease of approximately 36.4% compared to the Corresponding Period; and (ii) the total operating revenue from the sucralose business amounted to approximately RMB88.3 million, representing a decrease of approximately 41.9% compared to the Corresponding Period.

The significant decrease in results was mainly due to (i) the persistent uncertainties in global trade policies coupled with a weak macroeconomic environment, which resulted in a slowdown in market demand; (ii) the continued fierce market competition and intensified industry price competition during the Period, which resulted in a drop in the average selling price of sales orders, thereby adversely affecting the Group's revenue and leading to a decrease in operating income compared to the Corresponding Period; (iii) the continuous rise in raw material costs and other production costs during the Period, putting pressure on the Group's gross profit margin; and (iv) the fluctuation and appreciation of the RMB exchange rate resulting in a higher net exchange loss of the Group compared to the Corresponding Period.

II Review of Principal Business

To improve the results of the Group, the Board proactively adjusted its production and operation strategies in response to the changes in internal and external environments of the Group and the market. The major business activities of the Group during the Period are summarised as follows:

(I) Major Operations

1. Glycine Business

During the Period, the market prices of food-grade and industrial-grade glycine in Chinese mainland maintained a generally stable trend with a moderate upward momentum, driving the glycine business of the Group to achieve simultaneous growth in both sales volume and selling price. In terms of overseas sales, as the USA government initiated a trade verification in relation to glycine exported to the USA from Indonesia Plant, the glycine export business to the USA of the Group's overseas bases has been correspondingly affected.

2. Sucralose Business

During the Period, as the market of sucralose in Chinese mainland witnessed intensified internal competition, plunging the industry into fierce price rivalry, the product market price once dipped to the historical low level of the industry, putting the overall operation of the sector under mounting pressure. Facing the complex and severe market environment, the Company, relying on its sound quality management system, stable large-scale production capacity and globalized customer service capabilities, adhered to the business development strategy focusing on key end-user major clients, and actively tapped into high-quality end-customer resources, securing a breakthrough in major client acquisition.

During the Period, the Company successfully acquired a major international client, and its products have smoothly been qualified as the core supply for the client's key production facilities worldwide, with stable supply in place. The implementation of this project brought considerable business increment to the Company, with the optimization of its customer structure and the mitigation of operational fluctuations from trade channels; Meanwhile, it represented that the Company's product quality, compliance system and supply chain assurance capabilities have gained new recognition from a global leading food and beverage enterprise, which effectively enhanced the Company's revenue resilience and the stability of its business base, laying a solid foundation for the subsequent continuous expansion into other top-tier international end clients.

3. *Other Business*

During the Period, the Group has continuously enhanced its research and development (the "**R&D**") and product application solution capabilities by expanding its R&D team and R&D centre, and plans to build an application R&D centre for isomalt at its Rayong, Thailand Plant. In addition, the Group continues to prioritise its focus on overseas markets.

The curcumin expansion project at the Indonesia Plant has completed the capacity expansion and renovation work, and is currently in the joint commissioning and testing phases. Upon completion of this expansion, the production capacity scale of the Company's curcumin products will rank among the top in the industry, and is expected to gradually reach the designed production capacity in the fourth quarter of 2026, further consolidating and enhancing the Company's market competitiveness in the field of natural functional ingredients.

The isomalt project at the Thailand Plant has transitioned from trial production to stable mass production, with a designed annual production capacity of 15,000 metric tons, thus providing solid support for the Company's overseas business expansion and results growth. Leveraging Board of Investment of Thailand (the "**BOI**") tax and tariff incentives, process optimization and economies of scale, the cost competitiveness of the products has been gradually demonstrated. In March 2026, the Thailand Plant successfully completed the FSSC22000 quality system upgrade, and the isomalt project officially obtained the market access certification from the Thai Food and Drug Administration (the "**FDA**"), achieving a dual breakthrough in the quality management system and product compliance certification. Meanwhile, the project has also obtained the Investment Promotion Certificate from the BOI, thereby enjoying tax and fee reduction policies, continuously optimising the Group's cost structure, reducing operating expenses, and further consolidating the Group's global compliance operation framework.

The Jingzhou glycine project has been included in the 2026 Hubei Provincial Key Project List. During the Period, the Company completed the acquisition of project land and commissioned the preparation of the feasibility study report. Pursuant to the resolution of the Board, part of the reallocated net proceeds from the global offering will be used for the construction of this project, and the procurement of some key equipment has also been initiated simultaneously. The project is planned to have an annual output of 60,000 tonnes of industrial-grade glycine and 40,000 tonnes of food-grade glycine, with a total investment of approximately RMB299.8 million. The funding sources combine the reallocated net proceeds from the global offering, internal resources and bank borrowings. The preliminary preparation work was carried out in an orderly manner in the first half of 2026, laying a foundation for the subsequent engineering construction.

The Group has reallocated the unutilised net proceeds from the global offering, suspended the investment for the production seaweed dietary fibre and serine, allocated the relevant net proceeds to the construction of the Jingzhou glycine production base and sucralose technical transformation, and optimised the internal allocation of R&D proceeds to enhance the efficiency of the use of the net proceeds.

(II) Implementation of Internal Management

1. Human Resource Management

During the Period, the Group continued to promote its personnel restructuring. The Group is committed to investing significant resources to strengthen its R&D capabilities and expand its R&D team. As at 30 June 2026, the Group had its own R&D team consisting of 49 employees, and hired experts to enhance product capacity, optimise existing products as well as develop new products.

2. Financial Management

During the Period, the Group continued to strengthen its efforts in financial management, refreshed its product quotation system, optimized product quotation details, and ensured the efficiency of contract signing.

3. Asset Management

During the Period, the Group continued to standardize and strengthen its asset management.

4. Supply Chain Management

During the Period, the Group continued to optimise its supply chain management system. The Group's global resource integration supported a robust supply assurance framework, while deeper synergy between procurement and production links, and refined inventory controls helped hedge against raw material price volatility. The Group's supply chain resilience and risk resistance capacity were further strengthened, ensuring stable and orderly production and business operations.

5. *Quality Management*

During the Period, the Group continued to upgrade its quality management system. The Group's production plants are equipped with modern production facilities and equipment. The Group's products are strictly manufactured in accordance with standards and have obtained international certifications such as FSSC22000, ISO9001, BRC, Kosher, and Halal. In particular, the Thailand Plant has successfully passed the quality system audit and certification by a major international client.

6. *Safety Management*

During the Period, the Group enforced work safety accountability for all staff. It appointed sufficient safety management personnel, conducted safety-environmental protection training and emergency drills, and achieved full closed-loop rectification for all identified hazards. Employee occupational health surveillance was implemented, and the disposal of wastewater, waste gas and solid waste outputs was standardised. No work-safety or environmental pollution incidents occurred during the Period, with safety and environmental protection performance remaining stable and under control.

7. *Risk Control*

During the Period, the Group continued to strengthen risk prevention and control and conducted regular risk reviews, so as to consolidate its capabilities for fulfilling overseas DDP deliveries. Faced with global logistics risks stemming from geopolitical conflicts in the Middle East, the Company pro-actively optimised its logistics and shipment arrangements. Certain orders were switched from CIF to FOB terms to mitigate cross-border logistics uncertainties and ensure stable overseas business operations.

III Financial Analysis

As at 30 June 2026, the Group's total assets amounted to RMB1,179,441,000, representing an increase of 4.2% from RMB1,131,463,000 as at 31 December 2025. Among them, its total non-current assets amounted to RMB557,183,000, accounting for 47.2% of the total assets and representing an increase of 25.0% from RMB445,806,000 as at 31 December 2025.

As at 30 June 2026, the Group's total current assets amounted to RMB622,258,000, accounting for 52.8% of total assets and representing a decrease of 9.2% from RMB685,657,000 as at 31 December 2025. The net cash flows used in operating activities of the Group for the Period amounted to RMB46,321,000, representing an increase of 252.4% from RMB13,143,000 for the Corresponding Period.

As at 30 June 2026, the Group's bank balances and cash (including deposits with encumbrance) amounted to RMB173,759,000, representing an increase of 3.1% from RMB168,544,000 as at 31 December 2025.

As at 30 June 2026, the Group's total liabilities amounted to RMB594,667,000. Total liabilities to total assets ratio was 50.4%, representing an increase of 8.9 percentage points as compared with 41.5% as at 31 December 2025. Among them, bank loans and other loans due within one year amounted to RMB341,031,000.

During the Period, the Group's gross loss margin was 1.1%, representing a decrease of 24.4 percentage points from the gross profit margin of 23.3% for the Corresponding Period.

(I) Liquidity Analysis

As at 30 June 2026, the Group's current ratio and quick ratio were approximately 1.2 and approximately 1.0, respectively.

(II) Financial Resources Analysis

As at 30 June 2026, the Group's current bank borrowings amounted to RMB328,517,000. Due to its bank deposits and cash totaling RMB173,759,000, the Group had moderate exposure to short-term solvency risk.

(III) Capital Structure of the Group

The Group's capital resources are derived from bank loans and proceeds from the issuance of shares by the Company. To ensure reasonable utilisation of its capital, the Group has established a stringent and sound financial management system. During the Period, the Group had no inappropriate conduct such as default in repayment of due debts and failure of performance of due obligations.

In the future, the Group will continue to strengthen its capital allocation and management and make the most of the funds available under the condition of ensuring the normal operation of production and business activities.

(IV) Contingent Liabilities

As at 30 June 2026, the Group had no contingent liabilities.

(V) Gearing Ratio

The gearing ratio is calculated by dividing the total of bank borrowings, other borrowings and lease liabilities as at the end of the period by total equity and multiplying by 100%. For the Period, the Group's gearing ratio was 0.72 (Corresponding Period: 0.72).

IV Business Outlook

The Company's H Shares were successfully listed on the Stock Exchange in June 2025. Under the leadership of the Board, the Group will reasonably utilise the net proceeds raised from the Listing, focus on the development of its core business, adhere to cost reduction and efficiency enhancement, continuously optimise internal control, and strive to achieve all the annual operating indicators relying on the construction of domestic and overseas projects.

(I) Business Situation and Measures Taken

The food additive industry, in which the Group operates, plays a critical supporting role in the development of the food industry. Food additives are widely applied to extend the shelf life of food, improve food quality, enhance nutritional attributes, strengthen food safety and optimise processing and storage efficiency, continuously driving the development of the food sector. The sub-sectors where the Group's core products, including glycine and sweeteners, belong are expected to maintain steady growth in the coming years along with the continuous expansion of downstream market demand. Meanwhile, as global end consumers' attention to clean food labels and nutritional health indicators keeps rising, the Group closely follows industry trends to advance its industrial layout and accelerates the construction and commissioning of the Jingzhou glycine production base and the Ji'an Plant Life Health Industrial Park project, while consolidating its production capacity foundation and optimising its industrial layout, so as to continuously enrich its product matrix.

In order to further develop our business and maintain our growth, the Group will continue to take the following measures:

1. *Sustained priority on overseas markets*

The Group has a diversified customer base worldwide and has maintained business relationships with several reputable multinational enterprises for approximately 10 to 20 years. In the future, the Group will leverage the achievements in production capacity and compliance construction obtained in the first half of 2026, while the Thailand Plant will focus on production capacity release, infrastructure improvement, qualification completion and project reserve in the second half of 2026, to fully unlock the competitive advantages of the overseas base. The Thailand Plant will fully complete the technical transformation of the production lines to achieve full capacity and compliance of the isomalt project, and significantly increase the capacity utilisation rate by the end of 2026, so as to fully release the advantages of large-scale production and policy dividends. The Group will orderly push forward the finalisation of the new office building, the supporting construction of the R&D centre and network monitoring system, and complete the overall relocation and occupancy; promote the completion and commissioning of the new warehouse, and standardise the management system of goods in and out and logistics. The Group will focus on advancing the FDA application and review work for isomaltose, the upstream intermediate, to achieve a full-chain compliance closed loop from intermediate to end finished product, and expand the independent commercialisation capabilities for the products. Secondly, the curcumin project at the Indonesia Plant has completed the capacity expansion and technical transformation, and is currently in the joint commissioning and testing phases. Upon the completion of this expansion and renovation, the curcumin production capacity will rank among the top in the industry, and is expected to gradually reach the designed production capacity in the fourth quarter of 2026. The Company will fully rely on the geographical advantages of Southeast Asia and high-quality raw material endowments to enhance the global market share and industry influence of curcumin products. This represents the Group's global operation strength, consolidate the foundation of overseas business, empower the expansion of the overseas segment and boost the high-quality growth of overall operating performance. Going forward, the Group will continue to deepen its overseas market layout, actively obtain supplier certifications from global leading food, beverage, health supplement and pharmaceutical enterprises and strive to become their core raw material supplier.

2. *Continuously advance the construction of key domestic bases*

(i) The Jingzhou glycine production base will push forward all preparatory and construction work for the project, implement the financing arrangements including reallocated net proceeds from the global offering, internal resources and bank borrowings, and continue to carry out equipment procurement. The project is scheduled to complete construction preparation by December 2027, commence production in January 2028, and achieve full production in January 2031. Leveraging the geographical and logistics advantages of Central China, the Group will build an automated and green production platform, realise economies of scale to optimise the cost structure, expand glycine production capacity, enhance the service capability for major clients, and further consolidate the Group's core competitiveness in the glycine business. The project progress will be dynamically adjusted subject to approval, construction and market conditions.

(ii) Ji'an Production Plant Construction Project, which involves a designed annual production capacity of 40,000 tonnes of dietary fibre and prebiotics, and 20,000 tonnes of functional sugar alcohols and, byproducts, starch sugar products, has completed pre-approval procedures including land acquisition, project filing, planning permit application, environmental impact assessment and work safety assessment. The tender processes for the construction contractor and the supervision service provider have also been finalised. The project is scheduled to commence construction in September 2026, and expected to be completed no later than 31 December 2027, followed by a 12-month period for equipment installation and commissioning. Full commissioning and operation is targeted by the end of December 2028, by which time the plant will be capable of large-scale intelligent production covering three high-end functional ingredients, namely resistant dextrin, isomaltooligosaccharide and crystalline maltitol.

Resistant dextrin, isomalto-oligosaccharide and crystalline maltitol are key functional food ingredients which are highly aligned with global consumer trends toward sugar reduction, calorie control and gut health. These ingredients may be widely applied in health-oriented product categories, including sugar-free beverages, meal replacement products, bakery products, dairy products, foods for special medical purposes and premium pet food products.

Currently, the global high-end functional ingredients market has long been dominated by a small number of international leading enterprises, as a result, there is a notable structural supply gap for high-end grade products in the domestic market with a relatively high import dependency. Leveraging its self-developed core technologies, global sales network and leading industry position accumulated from years of in-depth engagement in the food additives and health ingredients sector, the Group strategically positions itself in this key track through the large-scale, intelligent and eco-friendly capacity layout of this project. Upon completion, the project will effectively break the technological and capacity barriers imposed by international market leaders in the high-end dietary fibre and functional sugar alcohol sector and drive the import substitution of key auxiliary materials, safeguarding the autonomy and controllability of China's large health industrial chain from the supply side. Meanwhile, this project empowers the intensive and deep processing of grains with advanced processes such as biological enzyme and precise chromatographic separation, enabling high-value conversion of agricultural product resources. It will fill the gap in the Group's high-end starch deep-processing product portfolio and complete the functional ingredients matrix, thereby consolidating the Group's core position in the global health food ingredients industrial landscape and serving as a strategic fulcrum for Chinese functional ingredients to move towards the high end of the global value chain.

3. *Expansion of our international sales network*

The Group's sales headquarters is established in Shenzhen, China, which coordinates and supervises all sales businesses of various sales offices around the world. In accordance with the established planning and layout, the Group will set up additional overseas sales offices, recruit local sales talents with industry experience, and leverage their understanding of local markets and personal connections to deeply cultivate overseas customer channels, continuously expand and improve the international sales network, further broaden the Group's overseas market coverage, and enhance its global market share.

4. *Enhancement of R&D capabilities*

To further enhance R&D capabilities and focus on new product development, the Group will continue to expand its domestic R&D centre in accordance with the plan, build a biotechnology pilot platform, purchase R&D equipment and expand the R&D personnel team. Meanwhile, the Group will strengthen basic R&D cooperation with third-party institutions such as universities in the field of biological enzyme preparations. Closely following the market development trend and continuously carrying out product development, iteration and optimisation around the ever-changing needs of customers is the key to maintaining the Group's core competitive position, and also provides strong support for the further growth and expansion of the Group's business.

(II) Management Improvement

1. Human Resource Management

As its future growth depends on the level of its global operations, such as the capabilities to maintain close relationships with its major global customers and maintain business at its Indonesia Plant and Thailand Plant, the Group will further enhance its human resources management level and retain and attract competent personnel through a reasonable remuneration mechanism.

2. R&D Department Management

Based on the existing R&D department, the Group will integrate internal and external resources to continuously enhance its R&D strength. Through internal talent cultivation, external recruitment of R&D personnel and collaboration with external scientific research institutes, the Group will continuously develop new products and new technologies that meet market demands, and actively respond to consumers' changes in taste, preference and perception of food additives. Meanwhile, the Group will enrich the product application R&D team to provide solid technical support for the market promotion of new products.

3. Intellectual Property Management

The Group has committed to the industry for over 20 years and has established a good reputation in the industry. With the gradual commissioning of overseas production bases in Thailand, Indonesia and other locations, the Group takes into account both domestic and overseas layouts, and carries out trademark and patent arrangements in all business operation regions to effectively protect the Group's intellectual property rights and brand reputation. In the future, the Group will continue to strictly implement the internal control system for asset management, while further improving the application, registration and maintenance of intellectual property rights at home and abroad, for properly infringement risks prevention, technological achievements protection and the consolidation of the Group's core competitiveness.

4. *Raw Materials and Inventory Management*

   The Group is a manufacturer engaged in the food additive manufacturing industry, where stable, high-quality, and sufficient raw material supply is critical to its production and operations. Leveraging its subsidiaries, the Group selects premium suppliers and enters into long-term framework agreements with core suppliers, establishing a stable supply system through centralized procurement, volume-based price negotiations, and dynamic adjustment of purchasing schedules. Simultaneously, the Group strengthens deep collaboration between its procurement and production, formulating precise procurement and inventory strategies based on raw material characteristics and production plans. The Group implements end-to-end inventory control, strictly enforcing batch management and first-in, first-out principles, while continuously optimising inventory structure and improving inventory turnover rates. These measures effectively mitigate risks associated with raw material price fluctuations and achieve reasonable control of procurement costs.

5. *Product Quality Management*

   The Group will continue to strictly implement the product quality management system to ensure the effective operation of the quality control system. Meanwhile, the Group will strengthen the training related to the quality management system to enhance the professional competence of quality management personnel.

FIXED DEPOSITS OVERDUE

As at 30 June 2026, the Group did not have any other deposit and trust deposit with non-banking financial institutions nor fixed deposits that cannot be recovered on maturity.

INCOME TAX

Due to its accreditation as a high and new technology enterprise in the PRC and completion of registration with the local tax bureau, the Group has been subject to a reduced Enterprise Income Tax (the "**EIT**") rate of 15% for the financial year of 2026. During the Period, the Group's income tax credit amounted to RMB4.5 million, representing a decrease of 212.3% as compared with expense of RMB4.0 million for the Corresponding Period, which was mainly due to a decrease in the net profit of the Group during the Period.

With respect to the Group's operation in Thailand, its subsidiary incorporated in Thailand, namely Newtrend Food Ingredient (Thailand) Co., Ltd. (the "**Newtrend Thailand**"), is subject to corporate income tax at a rate of 20%. Under the investment preferential BOI policy, Newtrend Thailand enjoyed preferential tax treatment for the Period and it is not subject to related taxes.

PLEDGE OF ASSETS

As at 30 June 2026, the Group maintained bank loans with assets as security. Please refer to Notes 11, 12, and 15 to the financial statements for information on bank balances, fixed assets, and land use rights subject to pledge.

As at 30 June 2026, the Group had pledged freehold land, buildings, structures and machines with carrying amount of approximately RMB31,055,000 as security for bank borrowings granted to the Group. As at 30 June 2026, the Group had pledged leasehold land with carrying amount of approximately RMB5,353,000 as security for bank borrowings granted to the Group. As at 30 June 2026, the Group had pledged bank deposits of RMB27,194,000 as security for the issuance of bank acceptance bills.

As of June 2026, Xizang Newtrend has agreed to provide its leasehold land, properties, plant and machinery as security for the New Zang Qing Borrowings. As of the date of this announcement, the relevant pledging procedures were still in the process. Please refer to Note 20 to the financial statements.

LOSS FOR THE PERIOD

As a result of the above changes, the Group recorded a loss for the Period of approximately RMB64 million, representing a decrease of 365.6% from a profit of approximately RMB24.4 million for Corresponding Period.

RISK MANAGEMENT

The Group's basic risk management policies are to identify and analyze various risks faced by the Group, establish appropriate risk tolerance thresholds, conduct risk management, and monitor various risks in a timely and reliable manner, so as to keep them within defined limits.

I. International Trade Policy and Trade Barriers

Based on the destination of delivery, a substantial amount of our products is sold to customers in overseas markets, primarily in Europe, North America and Asia. As such, our operational results and profitability are more correlated with the demand and macroeconomic conditions in Europe, North America and Asia.

In the USA market, the local government has continuously implemented trade tightening policies, including measures such as substantially increasing tariffs on goods exported to the USA In the first half of 2026, the glycine business of the Group sold to the USA market was subject to operational disruptions brought about by the verification requirements of USA Customs. As of mid-August 2026, the USA authorities have not yet issued an official verification conclusion. Based on the information currently available to the Company and its comprehensive assessment of the relevant matters, the Company takes a positive view to the results of the verification. Based on a comprehensive assessment of the Company, the relevant USA trade and customs verification matters are expected not to have a material impact on the overall operation of the Group. The Group will continue to track the latest developments of the USA tariff policies and customs verification, maintain close communication with customers in the USA, and jointly discuss feasible solutions to address policy changes.

Facing the external environment of intensifying global trade policy uncertainty, the Group continues to strengthen the production capacity layout of its overseas production bases and consolidate long-term and stable cooperative relationships with overseas customers. The Group can provide delivered duty paid (the "**DDP**") delivery services for overseas customers, make overall arrangements for cargo transportation and relevant expenses, take charge of handling export customs clearance procedures, and prepare a full set of customs clearance documents that meet the regulatory requirements of the destination country. The capability of one-stop DDP delivery is an important competitive advantage that distinguishes the Group from industry peers.

II. Health, Safety and Environmental Risks

The health, safety and environmental risks faced by the Group mainly include major casualty safety accidents, new cases of occupational diseases, environmental pollution incidents and insufficient allocation of full-time safety management personnel. To address these risks, the Group has established management systems related to occupational health and safety. Work safety responsibility systems are enforced to clarify safety responsibilities across departments and workshops, alongside the roll-out of standardised safety management. Safety and environmental-protection training is provided for staff, production facilities undergo regular inspection and maintenance, and all employees are required to comply strictly with safety-control measures and operating procedures. In the first half of 2026, the Group fully enforced the work safety responsibilities of all employees and equipped sufficient full-time safety management personnel to achieve full coverage of all production areas; enhanced employees' risk awareness through special training and emergency drills, carried out regular facility maintenance and hidden danger investigation to achieve closed-loop rectification of all identified hidden dangers, implemented occupational health surveillance for employees, and standardized the disposal of wastewater, waste gas and solid waste outputs. No safety or environmental pollution accidents were recorded during the Period. The Group will continue to improve the risk prevention and control system, strengthen source governance, make up for the shortcomings in on-site management, effectively ensure the work safety of employees, and consolidate a solid health and environmental foundation for the steady operation of its business.

III. Currency Exchange Risk

The Group operates globally and is exposed to the foreign exchange risk. In its daily operations, the majority of the Group's revenues are denominated in USD, EUR, RMB, or THB. The Group's current liabilities are mainly denominated in RMB, and the Group mainly operates in the PRC. Therefore, it is exposed to foreign exchange risks due to various currency exchanges. These risks arise from future commercial transactions and recognized assets and liabilities. With regard to the foreign exchange risks arising from future settlements of customer funds related to its global payment services, the Group believes that, as customer funds and other payables are primarily denominated in their respective functional currencies, its operations in China or overseas will not face any significant foreign exchange risks.

IV. Human Resource Risk

The Group's business strategy formulation, customer relationship maintenance, product R&D advancement and daily operation control are highly dependent on the professional experience and industry insights accumulated by its core management personnel and senior management team. In the event of departure of core management members, the Group may face difficulties in quickly identifying successors with matching qualifications, industry experience and professional competence, which could potentially adversely affect the Group's business operations, financial position and operating performance. To attract and retain core talents, the Group has established a competitive remuneration and benefits system. Meanwhile, aligned with the overall strategic deployment and actual business development needs, the Group formulates annual recruitment plans to scale up talent introduction, and fills personnel gaps through diversified channels including campus recruitment and social recruitment.

GROUP'S EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had 634 employees (as at 30 June 2025: 751). For the Period, RMB27,394,000 was used for the remuneration of employees. The Group determines the remuneration of employees based on their performance and experience and current industry practices. The Group participates in the social welfare schemes organised by local, municipal and provincial governments which provide housing provident funds and pension, medical, maternity, work-related injury and unemployment insurance for our employees in the PRC. Meanwhile, the Group provides corresponding social welfare schemes for employees in other countries (regions) in accordance with local government policies. The Group also provides employees with technical training opportunities.

MAJOR INVESTMENTS, MAJOR ACQUISITIONS, AND DISPOSALS

During the Period, the Group did not have any significant investments, material acquisitions and/or disposals of subsidiaries, associates and joint ventures. As of the date of this announcement, the Group did not have any future plans for material investments or capital assets.

During the Period, the Group has no future major investments or capital and asset plans except the "Future Plans and Use of Proceeds" disclosed in the prospectus dated 30 May 2025 (the "**Prospectus**") and the sections headed "Material Event after the Reporting Period" and "Use of Proceed from the Listing" as disclosed in this announcement.

DISPOSAL OF THE SUBSCRIPTION NOTES

On 28 May 2026, the Company as a vendor and Sailing No. 3 Investment Limited Partnership Fund (the "**Purchaser**") entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the subscription notes at the consideration of HK$63 million (the "**Disposal**").

The Disposal constituted a discloseable transaction of the Company under the Listing Rules. For details of the Disposal, please refer to the Company's announcement dated 28 May 2026.

Save and except disclosed above, the Group had no material acquisition or disposal during the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company or any of its subsidiaries has not purchased, sold, or redeemed any securities of the Company (including the sale of treasury shares, as defined in the Listing Rules). As at 30 June 2026, the Company did not hold any treasury shares.

H SHARE FULL CIRCULATION

References are made to the announcements of the Company dated 29 January 2026, 5 March 2026, 17 April 2026 in relation to the implementation of the H share full circulation. On 15 July 2025, the Company submitted a filing application to the China Securities Regulatory Commission in relation to the proposed implementation of the H share full circulation for the conversion of 41,082,340 domestic unlisted shares (the "**Domestic Shares**") into H Shares (the "**Converted H Shares**") on a one-for-one basis (the "**H Share Full Circulation**"), which can be listed and traded on the Main Board of the Stock Exchange upon completion of the conversion (the "**Conversion and Listing**"). On 17 April 2026, the H Share Full Circulation and Conversion and Listing was completed. The listing of the Converted H Shares on the Stock Exchange commenced on 20 April 2026.

The share capital structure of the Company before and after the completion of the H Share Full Circulation (and up to the end of the Period) is set out below:

	Immediately before completion of the Conversion and Listing		Immediately upon completion of the Conversion and Listing and as at 30 June 2026	
Class of shares	**Number of shares**	**Approximate percentage of the total issued share capital of the Company**	**Number of shares**	**Approximate percentage of the total issued share capital of the Company**
H Shares	55,148,894	57.3%	96,231,234	100.0%
Domestic Shares	41,082,340	42.7%	–	–
Total	**96,231,234**	**100.0%**	**96,231,234**	**100.0%**

Note:

Certain figures in the table above have been rounded to the nearest integer or one decimal place.

CONVERTIBLE SECURITIES, SHARE OPTIONS, WARRANTS OR RELEVANT RIGHTS

During the Period, the Company did not issue any convertible securities, share options, warrants or relevant rights.

ARRANGEMENTS FOR PURCHASE OF SHARES OR DEBENTURES

At no time during the Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouse or children under the age of 18 had any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

INTERIM DIVIDEND

The Board proposes not to declare an interim dividend for the Period (Corresponding Period: Nil).

AUDIT COMMITTEE

At present, the members of the Audit Committee are Dr. Song Jingjin (Chairman), Dr. Zhang Xi and Mr. Lo Kwing Yu, with Dr. Song Jingjin possessing the appropriate accounting or related financial management expertise in compliance with the requirements under Rules 3.10(2) and 3.21 of the Listing Rules, and all of them are independent non-executive Directors.

The Audit Committee is primarily responsible for the internal control and financial reporting matters of the Company and making recommendation to the Board on the appointment and/or removal of external auditors. The Audit Committee has reviewed the Group's unaudited interim consolidated financial statements and interim results for the Period. The Audit Committee considers that the unaudited interim consolidated financial statements and interim results for the Period have complied with the requirements of applicable accounting standards and laws and adequate disclosures have been made.

MATERIAL EVENT AFTER THE REPORTING PERIOD

Equipment purchase agreement

On 14 July 2026, Newtrend (Jingzhou) New Material Co., Ltd.* (新琪安(荊州)新材料有限公司) (a wholly-owned subsidiary of the Company) (the "**Purchaser**" or "**Newtrend Jingzhou**"), as a purchaser, entered into the equipment purchase agreement with Jiangxi Province Ping Xiang City Dier Chemical Industrial Co., Ltd.* (江西省萍鄉市迪爾化工填料有限公司) (the "**Vendor**"), pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the equipment for the use in connection with the Company's construction of the Jingzhou glycine production base at the consideration of RMB20,500,000. (the "**Equipment Purchase Agreement**") As at the date of this announcement, an advance payment of RMB6,150,000 was paid in accordance with the terms of the Equipment Purchase Agreement.

The Equipment Purchase Agreement constituted a discloseable transaction of the Company under the Listing Rules. For details of the Equipment Purchase Agreement, please refer to the Company's announcement dated 14 July 2026.

The construction of Jingzhou glycine production base

On 21 August 2026, Newtrend Jingzhou (a wholly-owned subsidiary of the Company) as a principal and Jiangxi Henghui Municipal Construction Co., Ltd.* (江西恆輝市政建設工程有限公司) and Henan Luting Construction Co., Ltd.* (河南魯廷建設工程有限公司) entered into a construction contract at the consideration of RMB51.3 million and RMB65.8 million, respectively, for the construction of the Company's Jingzhou industrial-grade glycine workshop and foodgrade glycine workshop (the "**Jingzhou Construction Contracts**").

The Jingzhou Construction Contracts constituted a discloseable transaction of the Company under the Listing Rules. For details of the Jingzhou Construction Contracts, please refer to the Company's announcement dated 21 August 2026.

The construction of Ji'an production plant

On 24 August 2026, the Company as a principal and Ji'an City Taicheng Construction Co., Ltd.* (吉安市泰誠建設工程有限公司), entered into a construction contract at the consideration of approximately RMB109.93 million for the construction of the Company's Ji'an production plant (the "**Ji'an Construction Contract**").

The Ji'an Construction Contract constituted a discloseable transaction of the Company under the Listing Rules. For details of the Ji'an Construction Contract, please refer to the Company's announcement dated 24 August 2026.

Save and except disclosed above, the Board is not aware of any other material events required disclosure that have taken place subsequent to 30 June 2026 and up to the date of this announcement.

USE OF PROCEEDS FROM THE LISTING

The H Shares were listed on the Stock Exchange on 10 June 2025 (the "**Listing Date**") and 10,585,400 H Shares were issued at an offer price of HK$18.90 per share. After deducting underwriting commissions, fees and other expenses in relation to the global offering of the Company (the "**Global Offering**"), the net proceeds (the "**Net Proceeds**") from the Listing amounted to approximately HK$164.15 million, the originally intended use and allocation of which had been disclosed in the section headed "Future Plans and Use of Proceeds" of the Prospectus. On 14 May 2026, the Company announced the reallocation of the use of Net Proceeds, which was subsequently approved by the Company's shareholders on 5 June 2026.

For further details in relation to the reallocation of the use of Net Proceeds, please refer to the Company's announcement dated 14 May 2026, the Company's circular dated 15 May 2026 and the poll results announcement of the Company dated 5 June 2026.

As at 30 June 2026, the utilised Net Proceeds amounted to approximately HK$47.8 million, while the unutilised Net Proceeds amounted to approximately HK$78.2 million. The unutilised Net Proceeds were placed with authorised financial institutions or licensed banks in Hong Kong and the PRC as interest-bearing deposits.

The details of the utilisation of Net Proceeds as disclosed in the Prospectus and the reallocation of the use of Net Proceeds are set out below:

Item		**Original allocation percentage of the use of Net Proceeds as disclosed in the Prospectus**	**Originally allocated Net Proceeds** *(HK$'000)*	**Reallocation of the Net Proceeds** *(HK$'000)*	**Utilised Net Proceeds for the Period** *(HK$'000)*	**Unutilised Net Proceeds as at 30 June 2026** *(HK$'000)*	**Expected timeline for full utilization of the balance**
1.	**Production of isomalt in our Thailand Plant**	21.3%	34,964	34,964	29,959	5,005	End of 2026
2.	**Production of seaweed dietary fibre and serine**	55.3%	90,775	5,561	5,561	0	Not applicable
3.	**Enhancement of our R&D capabilities**	13.4%	21,996	21,996	1,518	20,478	End of 2027
4.	**Working capital**	10.0%	16,415	16,415	16,415	0	End of 2026
5.	**Construction of the Jingzhou glycine production base**	–	–	68,984	25,086	43,898	End of 2027
6.	**Sucralose technology transformation project**	–	–	16,230	7,448	8,782	End of 2027
		100%	**164,150**	**164,150**	**85,987**	**78,163**	

CORPORATE GOVERNANCE CODE

The Company recognises the value and importance of good corporate governance, which helps improve corporate performance and accountability. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Listing Rules (in effect as of 30 June 2026). The Company has adopted the Corporate Governance Code as its own code at corporate governance, and in the opinion of the Board, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code (in effect as at 30 June 2026), save for the deviation from Code Provision C.2.1 of Part 2 to the Corporate Governance Code.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. Mr. Wang currently serves as both the chairman of the Board and the general manager of the Company. While this will constitute a deviation from Code Provision C.2.1 of the Corporate Governance Code, the Board believes that the same person serving as both chairman and general manager is beneficial to the management of the Group and the Company's shareholders as a whole. Mr. Wang has extensive experience in the food additive manufacturing industry and has been employed by the Company since its establishment. Therefore, he is the most suitable Director to lead the overall management, business operations, strategic development, and R&D of the Group. The Board, supervisors of the Company (the "**Supervisor(s)**"), and senior management are composed of experienced and visionary persons, whose operations ensure a balance of power and authority. The Board currently consists of four executive Directors (including Mr. Wang), and three independent non-executive Directors, ensuring sufficient independence in its composition. The Board will continue to review and consider the separation of the roles of chairman and chief executive of the Company in light of the overall situation of the Group.

COMPLIANCE WITH THE MODEL CODE

During the Period, the Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct regarding securities transactions by the Directors, Supervisors and relevant employees of the Company.

Following specific inquiries made to each Director and Supervisor, all Directors and Supervisors have confirmed that they have fully complied with the Model Code during the Period. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published at the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at www.newtrend-group.com. The Company's 2026 Interim Report will be made available to the Company's shareholders at an appropriate time and will be available for review on the aforementioned websites at an appropriate time.

* 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, 25 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.