THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Tian Chang Group Holdings Ltd.**, you should hand this circular at once to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

TIAN CHANG GROUP HOLDINGS LTD.

天 長 集 團 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2182)

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

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 4 to 12 of this circular.

The transaction being the subject matter of this circular has been approved by written Shareholders’ approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

25 August 2026

CONTENTS

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

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Company"	TIAN CHANG GROUP HOLDINGS LTD. (天長集團控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange (stock code: 2182)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the total consideration payable by Tian Hao to Guangdong Zhongfu under the Construction Agreement, being approximately RMB149.3 million (approximately HK$173.5 million)
"Construction Agreement"	the construction agreement dated 12 August 2026 entered into between Tian Hao and Guangdong Zhongfu in respect of the construction of the Factory Premises, the Staff Quarters, the Warehouses and the ancillary facilities on the Land together with a maintenance warranty agreement on the construction works
"Directors"	the directors of the Company
"Factory Premises"	the factory premises to be constructed on the Land, with a total construction area of approximately 74,679.26 sq. metres and comprising two factory buildings, namely Factory Premises 1 and Factory Premises 2
"Group"	the Company and its subsidiaries
"Guangdong Zhongfu"	Guangdong Zhongfu Jianbang Engineering Co., Ltd.* (廣東中孚建邦工程有限公司), a company incorporated in the PRC and, as the main contractor, the counterparty to the Construction Agreement
"Guard House(s)"	the guard houses to be constructed on the Land, with a total construction area of approximately 276 sq. metres and comprising two guard houses, namely Guard House 1 and Guard House 2
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Third Party(ies)"	person(s) or company(ies) who/which, together with their respective ultimate beneficial owner(s), is/are third party(ies) independent of the Company and its connected persons
"Land"	the land parcel #JD134-13-02 located at Xinmin Luotang Area, Huizhou City, Guangdong Province, the PRC (中國廣東省惠州市新民洛塘片區JD134-13-02地塊)
"Latest Practicable Date"	25 August 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Performance Deposit"	RMB10 million (approximately HK$11.6 million) paid to Tian Hao by Guangdong Zhongfu for the purpose of securing Guangdong Zhongfu's obligations and liabilities under the Construction Agreement
"PET"	polyester fibre
"PRC"	the People's Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	holder(s) of Shares
"Shares"	ordinary shares of HK$0.1 each in the share capital of the Company
"Staff Quarter(s)"	the staff quarters to be constructed on the Land, with a total construction area of approximately 12,848.13 sq. metres and comprising two blocks of staff quarters, namely Staff Quarter 1 and Staff Quarter 2
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Tian Hao"	Tian Hao New Materials Technology (Hui Zhou) Limited* (天濠新材料科技(惠州)有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
"Warehouse(s)"	the warehouses to be constructed on the Land, with a total construction area of approximately 556.32 sq. metres and comprising two warehouses, namely Warehouse 1 and Warehouse 2
"%"	per cent

The translations between RMB and HK$ throughout this circular are based on the exchange rate of RMB1 to HK$1.162 and are provided for information purposes only. Certain amounts and percentages in this circular have been subject to rounding adjustments; accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

** For identification purpose only*

TIAN CHANG GROUP HOLDINGS LTD.
天長集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2182)

Executive Directors:
Mr. Chan Tsan Lam
(Chairman and Chief executive officer)
Ms. Poon Po Han Lisa
Ms. Chan Yin Yan

Independent non-executive Directors:
Mr. Ng Chi Wai
Mr. Hung Chun Leung
Mr. Chan Bing Kai

Registered office in the Cayman Islands:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters and principal place of business in Hong Kong:
Workshop Unit 6
13th Floor, Block B
Hoi Luen Industrial Centre
55 Hoi Yuen Road
Kwun Tong
Hong Kong

25 August 2026

To the Shareholders,

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the announcement of the Company dated 12 August 2026 in relation to the entering into of the Construction Agreement dated 12 August 2026 between Tian Hao, an indirect wholly-owned subsidiary of the Company, and Guangdong Zhongfu in respect of the construction of the Factory Premises, the Staff Quarters, the Warehouses and the ancillary facilities on the Land for an aggregate Consideration of approximately RMB149.3 million (approximately HK$173.5 million).

The purpose of this circular is to provide you with, among other things, further information on the Construction Agreement and the transaction contemplated thereunder, together with such other information as is required to be disclosed under the Listing Rules.

THE CONSTRUCTION AGREEMENT

Set out below is a summary of the principal terms of the Construction Agreement:

Date: 12 August 2026

Parties:

(a) Tian Hao as the client; and

(b) Guangdong Zhongfu as the main contractor

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

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

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

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

Consideration: Approximately RMB149.3 million (approximately HK$173.5 million), tax inclusive and comprising the following:

(a) approximately RMB4.6 million (approximately HK$5.4 million) for piling works (the "**Piling Cost**");

(b) approximately RMB60.3 million (approximately HK$70.1 million) for the construction of Factory Premises 1 and approximately RMB43.9 million (approximately HK$51.0 million) for the construction of Factory Premises 2 (the "**Factory Cost**");

(c) approximately RMB13.6 million (approximately HK$15.8 million) for the construction of Staff Quarter 1 and approximately RMB14.8 million (approximately HK$17.2 million) for the construction of Staff Quarter 2 (the "**Staff Quarter Cost**");

(d) approximately RMB0.5 million (approximately HK$0.6 million) for the construction of Warehouse 1 and approximately RMB0.9 million (approximately HK$1.0 million) for the construction of Warehouse 2 (the "**Warehouse Cost**");

(e) approximately RMB0.7 million (approximately HK$0.8 million) for the construction of Guard House 1;

(f) approximately RMB0.5 million (approximately HK$0.6 million) for the construction of Guard House 2; and

(g) approximately RMB9.5 million (approximately HK$11.0 million) for the outdoor works.

The Consideration is on a lump-sum fixed-price basis and is not subject to adjustment for market price fluctuations or changes in law, save for limited adjustments for the as-built quantity of the piling works, none of which is expected to be material.

Construction commencement date: within seven days from the date of the Construction Agreement

Construction Period: 240 days pursuant to the Construction Agreement, commencing from 1 September 2026 to 30 April 2027 in accordance with the construction works commencement permit granted by the Huizhou Huicheng District Housing and Urban-Rural Development Bureau* (惠州市惠城區住房和城鄉建設局)

Payment Terms

The Consideration shall be paid as follows:

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

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

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

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

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

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

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

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

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

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

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

Basis of Consideration

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

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

Performance Deposit

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

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

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

As at the Latest Practicable Date, Tian Hao has received full payment of the Performance Deposit.

INFORMATION ON THE GROUP, TIAN HAO AND GUANGDONG ZHONGFU

The Group

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

Tian Hao

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

Guangdong Zhongfu

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Guangdong Zhongfu is principally engaged in the business of building construction, and its subcontractors hold the relevant construction qualifications required under the laws of the PRC for the construction works undertaken under the Construction Agreement, including, but not limited to, the Second Grade Main Contractor for Construction Works (建築工程施工總承包二級), the Second Grade Professional Contractor for Foundation Construction Works (地基基礎工程專業承包二級), the First and Second Grade Professional Contractor for Steel Structure Construction Works (鋼結構工程專業承包一級/二級), the Second Grade Professional Contractor for Construction Renovation and Decoration Works (建築裝修裝飾工程專業承包二級), the Second Grade Professional Contractor for Fire Protection Facilities Construction Works (消防設施工程專業承包二級), the Second Grade Professional Contractor for Building Curtain Wall Construction Works (建築幕牆工程專業承包二級) and the First Grade Lightweight Steel Structure Engineering Design and Construction qualification (輕型鋼結構工程設計與施工一級). Accordingly, the Directors believe that Guangdong Zhongfu is qualified under the relevant laws of the PRC to undertake the construction works as the main contractor under the Construction Agreement.

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

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Guangdong Zhongfu and its ultimate beneficial owners are Independent Third Parties (i.e. third parties independent of the Company and its connected persons).

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT

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

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

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

The planned construction areas of the new Factory Premises, the Staff Quarters and the Warehouses are 74,679.26 sq. metres, 12,848.13 sq. metres and 556.32 sq. metres respectively. The Factory Premises will house the Group's advanced materials and semi-solid magnesium alloy injection moulding (Magnesium Thixomolding) production lines, together with precision manufacturing and automated production equipment, with the remaining areas allocated to research and development, quality control and product and engineering application functions. The relevant production equipment is intended to be deployed flexibly to serve both the Group's existing customers and new product applications across a range of industries, including new energy vehicle components, artificial intelligence-related equipment and smart hardware, and other high-end precision manufactured products, thereby broadening the Group's customer and industry coverage rather than deepening its reliance on any single product.

The new manufacturing facility is expected to enhance the Group's manufacturing capabilities by providing specialised production facilities and infrastructure for the development and production of products involving semi-solid magnesium alloy injection moulding (Magnesium Thixomolding), advanced materials, precision manufacturing and related engineering technologies. In particular, the facility is intended to support the production of lightweight and high-precision magnesium alloy components and other advanced material products, with potential applications in new energy vehicles and related components, artificial intelligence-related equipment and smart hardware, and other high-end precision manufactured products. The facility is also expected to incorporate dedicated machinery and production equipment to support the semi-solid magnesium alloy injection moulding process, together with related engineering, automation and research and development capabilities, thereby further integrating material processing, precision manufacturing and engineering development within the Group's Integrated Advanced Manufacturing Platform. The enhanced facilities and capabilities are expected to support product development and production across a broader range of applications and enable the Group to expand the application of its advanced manufacturing and material processing technologies across different industries.

In particular, magnesium alloy is a specialised advanced material which requires stringent safety, fire prevention, storage, handling and process-control measures, and its processing is generally not suitable for conventional factory premises without dedicated infrastructure and safety systems. The construction of the new Factory Premises therefore represents an important step in the Group's development of its advanced materials capabilities, as the Factory Premises are being purpose-built to support the safe, compliant and efficient handling and processing of magnesium alloy, including semi-solid magnesium alloy injection moulding (Magnesium Thixomolding). By establishing a dedicated facility designed to meet the operational and safety requirements associated with such advanced material processing, the Group will enhance its capability to undertake higher value-added manufacturing activities, strengthen its technical and production infrastructure, and demonstrate its commitment to maintaining high standards of safety, engineering excellence and operational compliance.

As the new manufacturing facility is located at a production site where no staff accommodation is currently available, the construction of the Staff Quarters will provide on-site accommodation for the Group's production workers, which is expected to support stable operations at the new facility and to enhance the Group's ability to attract and retain suitable personnel.

The Warehouses will be used for the storage of raw materials (including magnesium alloy and other advanced materials), work-in-progress and finished products, and for related logistics and ancillary purposes in support of the operations of the new manufacturing facility.

The construction of the Factory Premises and the Staff Quarters is expected to be completed by 30 April 2027, about 240 days from 1 September 2026, being the commencement date of construction permitted the relevant construction works commencement permit.

FINANCIAL EFFECTS OF THE CONSTRUCTION AGREEMENT ON THE GROUP

The Consideration is approximately RMB149.3 million (approximately HK$173.5 million). The Factory Premises, the Staff Quarters, the Warehouses and the ancillary facilities to be constructed on the Land will be used for housing the Group's production lines and related facilities and for the provision of accommodation for its staff. The Consideration will be satisfied by the internal resources of the Group and banking facilities available to the Group.

The Company considers that there will not be any material effect on the earnings of the Group immediately after the execution of the Construction Agreement. As the Consideration is expected to be funded by the Group's internal resources and banking facilities, upon full payment of the Consideration, the cash and cash equivalents of the Group will decrease and/or its interest-bearing borrowings will increase, and its property, plant and equipment (or construction in progress) will be increased by approximately RMB149.3 million (approximately HK$173.5 million). Save for the effect of the additional depreciation to be charged upon the relevant assets being brought into use, the Directors do not expect the entering into and performance of the Construction Agreement to have any immediate material adverse effect on the earnings, and the total assets and total liabilities of the Group.

LISTING RULES IMPLICATIONS

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

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

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

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that, while the entering into of the Construction Agreement is not in the ordinary and usual course of business of the Group, the Construction Agreement was entered into on normal commercial terms determined through a competitive tender process, and that the terms of the Construction Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. If a general meeting were to be convened for the approval of the Construction Agreement, the Board would recommend the Shareholders to vote in favour of the resolution to approve the Construction Agreement at such general meeting.

ADDITIONAL INFORMATION

Your attention is drawn to the financial information and general information set out in the appendices to this circular.

By Order of the Board
TIAN CHANG GROUP HOLDINGS LTD.
Chan Tsan Lam
Chairman, chief executive officer of the Company and executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 December 2023, 2024 and 2025 are disclosed in the annual reports of the Company for the years ended 31 December 2023, 2024 and 2025 respectively, which have been published and are available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company:

- the annual report of the Company for the year ended 31 December 2023, published on 26 April 2024 (available at https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042601553.pdf), please refer to pages 87 to 187 in particular;

- the annual report of the Company for the year ended 31 December 2024, published on 25 April 2025 (available at https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042501857.pdf), please refer to pages 86 to 187 in particular; and

- the annual report of the Company for the year ended 31 December 2025, published on 27 April 2026 (available at https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0427/2026042700678.pdf), please refer to pages 102 to 203 in particular.

2. INDEBTEDNESS STATEMENT

As at 30 June 2026, being the latest practicable date for the preparation of the indebtedness statement, the indebtedness of the Group primarily included loans and facilities from banks, lease liabilities and payables for construction.

The following table sets forth the indebtedness as at 30 June 2026:

	HK$'000
	(unaudited)
Current liabilities	
Interest-bearing borrowings	57,937
Lease liabilities	1,847
Payables for construction	2,661
	62,445
Non-current liabilities	
Lease liabilities	3,721
	66,166

All of the interest-bearing borrowings are secured. The assets securing interest-bearing borrowings include certain buildings and certain right-of-use assets in respect of the prepaid land lease payments and corporate guarantees. As at 30 June 2026, the carrying amounts of the leased assets were HK$172.2 million. All lease liabilities were unguaranteed and unsecured. As at 30 June 2026, the Group had payables for construction in respect of the construction of the production plants located in Chinese Mainland in prior years which the amounts due are unguaranteed, unsecured, interest-free and repayable within one year.

The following table sets forth the maturity profile of the indebtedness as at 30 June 2026:

	HK$'000
	(unaudited)
Within one year	62,445
One year to five years	3,721
	66,166

As at 30 June 2026, being the latest practicable date for the preparation of the indebtedness statement, the Group had total bank facilities of HK$288.9 million, of which HK$231.0 million were unutilised and can be drawn down. As at 30 June 2026, being the latest practicable date for the preparation of the indebtedness statement, all of the bank facilities were either secured or guaranteed.

Finance lease commitments

As at 30 June 2026, being the latest practicable date for the preparation of the indebtedness statement, the Group had finance lease commitments contracted but not provided for in respect of leasing of machineries of approximately HK$36.7 million.

Contingent liabilities

As at 30 June 2026, being the latest practicable date for the preparation of the indebtedness statement, the Group did not have any significant contingent liabilities.

Save as aforesaid or otherwise disclosed herein, as of the close of business on 30 June 2026, the Group did not have any debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, bank overdrafts, other borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities, whether guaranteed, unguaranteed, secured or unsecured.

3. MATERIAL ADVERSE CHANGE

Save for the expected loss for the six months ended 30 June 2026 as disclosed in the profit warning announcement dated 22 July 2026, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances, other internal resources and available existing unutilised credit facilities, the Group has sufficient working capital for its present requirements and to satisfy its requirements for at least the next 12 months from the date of publication of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group expects the business environment to remain challenging for the remainder of 2026, amid ongoing macroeconomic uncertainties and evolving international trade policies, which are expected to continue influencing market demand. In particular, the Group will continue to monitor the factors that affected its performance during the first half of 2026, including weaker end-market demand for solar energy system products and the diversification of certain customers' supply chains, including the relocation of certain sourcing activities from the PRC to Southeast Asia. The Group will continue to closely monitor market conditions and customer demand and adjust its production and business strategies accordingly.

Looking ahead, the Group remains committed to its long-term positioning as an **"Integrated Advanced Manufacturing Platform"** to strengthen business resilience and build a diversified customer and product portfolio. The Group will continue leveraging and upgrading its end-to-end capabilities across product design and engineering development, precision tooling design and manufacturing, precision injection moulding, surface finishing and CMF (colour, material, and finish) processes, automated assembly, and process engineering. Building on precision tooling capabilities that meet the Grade H requirements under GB/T 47067-2026 tolerances, the Group is expanding into a broader range of applications. Notably, precision tooling and plastic component projects for **Smart Manufacturing Equipment** and **Smart Agricultural Equipment** have entered the product development and mass-production preparation stages, with mass production expected to commence progressively in the second half of 2026.

As a core technological extension, the Group is developing a Semi-Solid Magnesium Alloy Injection Moulding (Magnesium Thixomolding) Platform to expand its advanced materials and lightweight precision metal forming capabilities. Key target markets include new energy vehicles and related components, artificial intelligence-related equipment and smart hardware, and other high-end precision manufactured products. The Group has initiated preliminary discussions and customer engagement in the NEV and AI sectors and will progress platform development prudently based on technological readiness, customer requirements, and prevailing market dynamics.

To support this strategic extension, the Group is constructing a new manufacturing facility in Huizhou, Guangdong, China. Construction is scheduled to commence in the third quarter of 2026, targeting progressive operational commencement in the first half of 2027 to provide essential production, engineering, and R&D infrastructure.

The construction of the new manufacturing facility will be funded by the Group's internal resources and banking facilities. Upon full payment of the Consideration, the cash and cash equivalents of the Group will decrease and/or its interest-bearing borrowings will increase, and its property, plant and equipment (or construction in progress) will increase by approximately RMB149.3 million (approximately HK$173.5 million). Once completed and brought into use, the Group will recognise depreciation expenses in accordance with applicable accounting standards. The Group will maintain disciplined capital expenditure and financing management to safeguard its financial position.

In parallel, the Group will maintain prudent cost controls, refine production planning, improve operational efficiency, and optimize manufacturing resource utilization. The Board remains confident that broadening the application of the Group's advanced engineering, materials, and technology platforms across diversified industries will reinforce long-term competitiveness, establish a sustainable foundation for growth, and create enduring value for Shareholders.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in the Company

Name of Director	Capacity	Number of ordinary Shares held/interested (L)(Note 1)	Number of underlying ordinary Shares(Note 2) held/ interested (L)	Total interests	Approximate percentage of shareholding
Executive Director					
Mr. Chan Tsan Lam(Note 3)	Interest in controlled corporation	373,395,000	—	412,059,000	66.5%
	Beneficial interest	38,044,000	620,000		
Chan Yin Yan	Beneficial interest	—	6,200,000	6,200,000	1%
Poon Po Han Lisa	Beneficial interest	—	6,200,000	6,200,000	1%
Independent non-executive Director					
Hung Chun Leung	Beneficial interest	—	500,000	500,000	0.08%
Chan Bing Kai	Beneficial interest	—	500,000	500,000	0.08%

Notes:

1. The letter "L" denotes the person's long position in such Shares or underlying Shares.

2. These underlying Shares represent the Shares to be issued and allotted by the Company upon exercise of the options granted under the share option scheme adopted by the Company on 28 May 2019.

3. These Shares are held by Oceanic Green Group Limited, New Strength Ventures Limited, Gold Alliance Ventures Limited and Treasure Line Holdings Limited, all of which are wholly and beneficially owned by Mr. Chan Tsan Lam. By virtue of the SFO, Mr. Chan Tsan Lam is deemed to be interested in the Shares held by them.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, save for Mr. Chan Tsan Lam, being a director of each of Oceanic Green Group Limited, New Strength Ventures Limited, Gold Alliance Ventures Limited and Treasure Line Holdings Limited, no Director is a director or employee of a company which has an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Interests and short positions of substantial Shareholders in the Shares and underlying Shares of the Company

As at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Capacity	Number of ordinary Shares held/interested (L) (Note 1)	Approximate percentage of shareholding
Oceanic Green Group Limited (Note 2)	Beneficial interest	127,100,000	20.5%
New Strength Ventures Limited (Note 2)	Beneficial interest	127,100,000	20.5%
Gold Alliance Ventures Limited (Note 2)	Beneficial interest	94,395,000	15.2%
Treasure Line Holdings Limited (Note 2)	Beneficial interest	24,800,000	4.0%
Ms. Fung Suk Yee May (Note 3)	Interest of spouse	412,059,000	66.5%

Notes:

1. The letter "L" denotes the person's long position in such Shares.

2. Each of Oceanic Green Group Limited, New Strength Ventures Limited, Gold Alliance Ventures Limited and Treasure Line Holdings Limited is wholly and beneficially owned by Mr. Chan Tsan Lam, who is therefore deemed to be interested in all the Shares held by each of them.

3. Ms. Fung Suk Yee May is the spouse of Mr. Chan Tsan Lam. Therefore, she is deemed to be interested in the Shares or underlying Shares of the Company in which Mr. Chan Tsan Lam is interested for the purpose of the SFO.

3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, the controlling Shareholders or their respective close associates (as defined under the Listing Rules) was considered to have any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than those business to which the Directors, the controlling Shareholders or his or her close associates were appointed to represent the interests of the Company and/or the Group.

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, save as disclosed in the annual report 2025 of the Company for the year ended 31 December 2025:

(a) none of the Directors were materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group; and

(b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

(a) The Land Use Rights Grant Contract dated 31 March 2026 entered into between Huizhou Huicheng District Natural Resources Bureau (惠州市惠城區自然資源局) (as transferor) and Tian Hao (as transferee), pursuant to which the transferor granted to Tian Hao the land use rights of the Land, being a parcel of land with a total site area of approximately 53,731 sq. metres located at #JD134-13-02, Xinmin Luotang Area, Huizhou City, Guangdong Province, the PRC, for a term of 50 years and for Class II industrial use, at a consideration of RMB49.5 million (approximately HK$56.2 million) (as detailed in the announcements of the Company dated 23 March 2026, 31 March 2026 and 2 April 2026);

(b) The Purchase Order dated 29 May 2026 placed by Huizhou Tian Chang Industrial Company Limited* (惠州市天長實業有限公司), an indirect wholly-owned subsidiary of the Company ("**Huizhou Tian Chang**"), with Haitian Machinery Sales (Guangdong) Co., Ltd.* (海天機械 銷售(廣東)有限公司) for the acquisition of 15 plastic injection molding machines ("**Machinery**") at a total consideration of RMB28.7 million (approximately HK$33.1 million) (as detailed in the announcement of the Company dated 29 May 2026);

(c) The Finance Lease Agreement dated 29 May 2026 entered into between Huizhou Tian Chang (as lessee) and Ningbo Zhongjin Financial Leasing Co., Ltd.* (寧波中金融資租賃有限公司) (as lessor) ("**Ningbo Zhongjin**"), pursuant to which Ningbo Zhongjin shall purchase the Machinery from Huizhou Tian Chang for a total consideration of RMB25.8 million (approximately HK$29.8 million), and the Machinery shall then be leased back to Huizhou Tian Chang for a lease term of 41 months, including a rent-free period of 5 months, for a total amount of RMB27.2 million (approximately HK$31.4 million) payable as lease payment by Huizhou Tian Chang for the lease term (as described in the announcement of the Company dated 29 May 2026); and

(d) the Construction Agreement.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance, and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

8. MATERIAL ACQUISITION

Save for the acquisition of the land use rights of the Land as disclosed in the announcements of the Company dated 23 March 2026, 31 March 2026 and 2 April 2026, since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, no member of the Group had acquired or agreed to acquire, or was proposing to acquire, any business or an interest in the share capital of any company whose profits or assets make or will make a material contribution to the figures in the auditors' report or the next published audited consolidated financial statements of the Group.

9. GENERAL

(a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(b) The Cayman Islands principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) The Company's headquarters and principal place of business in Hong Kong is at Workshop Unit 6, 13th Floor, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road, Kwun Tong, Hong Kong.

(e) The company secretary of the Company is Ms. Poon Po Han Lisa, who is a fellow member of the Association of Chartered Certified Accountants, an associate of The Hong Kong Chartered Governance Institute and an Associate of The Chartered Governance Institute.

(f) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on display online on the website of the Company and the website of the Stock Exchange (www.hkexnews.hk) for a period of 14 days from the date of this circular:

(1) the published annual reports of the Company for the years ended 31 December 2023, 2024 and 2025 respectively; and

(2) the Construction Agreement.