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NEW CONCEPTS HOLDINGS LIMITED

創業集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2221)

SUPPLEMENTAL ANNOUNCEMENT TO ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 MARCH 2025

Reference is made to the annual report for the year ended 31 March 2025 of New Concepts Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 30 June 2025 (the “**2025 Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2025 Annual Report.

The Board would like to supplement the following additional information in relation to the loan receivables of the Group.

PROVISIONS OF LOANS

The table below sets out the summary of the loan portfolio of the Group as at 31 March 2025:

Borrower	Date of loan agreement	Terms	Latest maturity date	Principal amount (RMB)	Interest rate	Security
Shanxi Yihuan Biotechnology Co., Ltd. [#] (山西宜環生物科技有限公 司) (“Shanxi Yihuan”)	16 January 2023	6 months	15 July 2024 (Note 1)	10,000,000	10% per annum	Yes ^(Note 2)

Borrower	Date of loan agreement	Terms	Latest maturity date	Principal amount (RMB)	Interest rate	Security
Shanxi Jiusheng Technology Energy Co., Ltd. [#] (山西玖盛科技能源有限公司) ("Shanxi Jiusheng")	28 December 2021	6 months	28 June 2025 (Note 3)	3,000,000	—	—
	11 April 2022	6 months	10 October 2025 (Note 4)	4,000,000	—	—
	21 July 2022	6 months	19 July 2025 (Note 5)	1,500,000	—	—
Shenzhen Dingxin Holding Group Co., Ltd. [#] (深圳市鼎新控股集團有限公司) ("Shenzhen Dingxin")	26 December 2022	2 years	25 December 2024	19,000,000	10% per annum	—

Notes:

- (1) On 16 July 2023, the lender, Yisheng (Tianjin) Environmental Technology Co., Ltd. ("Tianjin Yisheng"), a wholly-owned subsidiary of the Company, and Shanxi Yihuan entered into a supplemental loan agreement to extend the maturity date of the loan to Shanxi Yihuan in the principal amount of RMB10,000,000 (the "Yihuan Loan") to 15 July 2024.
- (2) The loan was secured by (a) a joint and several personal guarantee (the "Personal Guarantee") in favour of Tianjin Yisheng provided by Li Yong Min ("Li") and Liang Li Kuan ("Liang"), who owned 50% and 50% of the entire equity interest in Shanxi Yihuan; and (b) share charges (the "Yihuan Share Charges") against the respective shareholding in Shanxi Yihuan owned by each of Li and Liang in favour of Tianjin Yisheng.
- (3) On 29 June 2022, the lender, Tianjin Yisheng and Shanxi Jiusheng entered into a supplemental loan agreement to extend the maturity date of the loan to Shanxi Jiusheng in the principal amount of RMB3,000,000 (the "1st Jiusheng Loan") to 28 June 2023. On 29 June 2023, Tianjin Yisheng and Shanxi Jiusheng entered into a second supplemental loan agreement to further extend the maturity date of the 1st Jiusheng Loan to 28 June 2025.
- (4) On 30 September 2022, the lender, Tianjin Yisheng and Shanxi Jiusheng entered into a supplemental loan agreement to extend the maturity date of the loan to Shanxi Jiusheng in the principal amount of RMB4,000,000 (the "2nd Jiusheng Loan") to 10 October 2023. On 10 October 2023, Tianjin Yisheng and Shanxi Jiusheng entered into a second supplemental loan agreement to further extend the maturity date of the 2nd Jiusheng Loan to 10 October 2025.
- (5) On 20 January 2023, the lender, Tianjin Yisheng and Shanxi Jiusheng entered into a supplemental loan agreement to extend the maturity date of the loan to Shanxi Jiusheng in the principal amount of RMB1,500,000 (the "3rd Jiusheng Loan", together with the 1st Jiusheng Loan and the 2nd Jiusheng Loan, the "Jiusheng Loans") to 19 July 2023. On 19 July 2023, Tianjin Yisheng and Shanxi Jiusheng entered into a second supplemental loan agreement to further extend the maturity date of the 3rd Jiusheng Loan to 19 July 2025.

BASIS OF IMPAIRMENT ON LOAN RECEIVABLES

As set out in the 2025 Annual Report, the Company had engaged an independent valuer to perform a valuation of potentially defaulted or defaulted receivables. The valuer conducted the impairment assessment of the loan receivables in accordance with the requirements relating to ECL pursuant to HKFRS 9. A general approach was adopted, consistent with the “three-stage” model prescribed under HKFRS 9 for evaluating impairment based on changes in credit quality since initial recognition.

Stage 1 covers financial instruments that have not experienced a significant increase in credit risk since initial recognition or are considered to have low credit risk as at the reporting date.

Stage 2 includes financial instruments for which there has been a significant increase in credit risk since initial recognition, albeit without objective evidence of impairment.

Stage 3 relates to financial assets that exhibit objective evidence of impairment as at the reporting date.

For loan receivables, the Company adopted the general approach for the assessment by the following steps:

Step 1: Determine the appropriate staging of receivables (stage 1, 2 or 3) so as to determine the duration of ECL to be calculated (12-month for stage 1 and lifetime for stage 2 and 3). The loan receivables from (i) the loan to Shenzhen Dingxin in the principal amount of RMB19,000,000 (the “**Dingxin Loan**”) are unsecured and interest bearing at a rate of 10% per annum; (ii) Yihuan Loan are secured by the Personal Guarantee and the Yihuan Share Charges and interest bearing at a rate of 10% per annum; and (iii) Jiusheng Loans are unsecured and interest-free.

For the loan receivables from Shenzhen Dingxin and Shanxi Yihuan, the borrowers have defaulted in repayment and shown clear signs of non-repayment. As such, the Yihuan Loan and Dingxin Loan were classified under Stage 3. Meanwhile, the loan receivables from Shanxi Jiusheng were classified under Stage 1 as the Company considered Shanxi Jiusheng as a potential supplier of waste oil and the loans had not become due as at 31 March 2025.

Step 2: For the loan receivables from Shenzhen Dingxin, 100% Probability of Default (the “**PD**”) and Loss Given Default (the “**LGD**”) were adopted. For the loan receivables from Shanxi Yihuan classified under Stage 3, considering court judgments have been obtained, a PD of 100% and LGD based on the industry benchmark would be applied. In respect of the loan receivables from Shanxi Jiusheng, the PD and LGD were determined with reference to sector-specific data published by HuaChuang Securities Co., Ltd, representing risk parameters applicable to the chemical engineering industry.

Step 3: Consider forward looking macro-economic factors by regression model.

Step 4: Calculate the discount factor by applying effective interest rate to discount the future loss into present value.

Step 5: Calculate the expected credit losses.

The key input parameters adopted for the impairment assessment for the year ended 31 March 2025 are summarised as follows:

	Dingxin Loan	Yihuan Loan	Jiusheng Loans
Loan principal amount	RMB19,000,000	RMB10,000,000	RMB8,500,000
Outstanding loan balance	HK\$18,245,000	HK\$10,836,000	HK\$9,211,000
Provision of expected credit loss in 2025	HK\$17,820,000	HK\$9,720,000	HK\$200,000
Interest Rate	10%	10%	—
Maturity Date	25 December 2024	15 July 2024	1st Jiusheng Loan: 28 June 2025 2nd Jiusheng Loan: 10 Oct 2025 3rd Jiusheng Loan: 19 July 2025
Staging	3	3	1
	Default payment	Default payment	No significant risk identified
Probability of Default	100%	100%	1.81%
Forward-looking Adjustment	0%	0%	0.51%
Forward-looking adjusted PD	100%	100%	2.32%
Loss Given Default	100%	93.62%	93.62%
ECL Rate	100%	93.62%	2.17%
	(Note 1)	(Note 2)	(Note 3)

Notes:

- (1) As Shenzhen Dingxin failed to settle the Dingxin Loan on or before the contractual maturity date of 25 December 2024, the loan receivable from Shenzhen Dingxin is considered in default and has been classified under Stage 3. Tianjin Yisheng has followed up with Shenzhen Dingxin on the repayment status from time to time. Tianjin Yisheng had also issued three formal demand letters to Shenzhen Dingxin. Tianjin Yisheng had engaged Beijing Yingke (Tianjin) Law Firm and is in the course of seeking legal advice regarding the appropriate course of action that may be taken with a view to recovering the Dingxin Loan. Further, there are no pledged assets securing the loan. Given the lack of

collateral, absence of communication with Shenzhen Dingxin, and prolonged delinquency, the Group has assessed that there is no reasonable basis to anticipate recovery. Accordingly, both the PD and LGD are determined to be 100%.

- (2) The loan receivable from Shanxi Yihuan matured on 15 July 2024. As the borrower failed to fulfill its repayment obligation by the due date, the loan is considered in default and has been classified under Stage 3. The Group has commenced legal proceedings against the borrower, and a court order has been granted requiring repayment of the outstanding balance. However, based on available information as at 31 March 2025, there is no evidence to suggest that the borrower possesses sufficient financial capacity to comply with the court order and discharge the debt in full. Accordingly, full recovery is not anticipated. The Group has assessed that partial recovery may be achievable, and the corresponding LGD has been determined with reference to industry-specific market research published by HuaChuang Securities Co., Ltd.
- (3) The loan receivable from Shanxi Jiusheng had not reached its contractual maturity date as at 31 March 2025 and is therefore not considered to be in default as at 31 March 2025. In accordance with HKFRS 9, the loan is classified under Stage 1 of the ECL impairment model. The PD and LGD for this loan have been determined with reference to sector-specific risk parameters published by HuaChuang Securities Co., Ltd., reflecting prevailing conditions in the chemical engineering industry. Additionally, a forward-looking adjustment has been incorporated through a regression-based model that takes into account default rates and macroeconomic indicators, including Gross Domestic Product and the Consumer Price Index, consistent with the requirements under HKFRS 9.

REASONS FOR GRANTING THE LOANS AND THE LATEST STATUS

Yihuan Loan

On 28 December 2022, the Group entered into a memorandum of understanding (the “MOU”) in respect of the proposed acquisition of 60% equity interests in Shanxi Yihuan (the “**Proposed Yihuan Investment**”). For details of the Proposed Yihuan Investment, please refer to the announcement of the Company dated 28 December 2022. During the negotiation process at the material time, Shanxi Yihuan had funding needs to support its ongoing operation and requested Tianjin Yisheng to grant a short-term loan. Given the Company’s intention to acquire the equity interest of Shanxi Yihuan and that the Yihuan Loan will be secured by the Yihuan Share Charges and the Personal Guarantee, Tianjin Yisheng entered into the loan agreement with Shanxi Yihuan with a view to relieving the financial pressure of Shanxi Yihuan in relation to the outstanding payments for construction works and equipment procurement. Taking into consideration the satisfactory preliminary due diligence findings and the possibility to facilitate the Proposed Yihuan Investment by way of capitalisation of the Yihuan Loan, the Board had resolved to (i) extend the Yihuan Loan to Shanxi Yihuan to support the ongoing operation of Shanxi Yihuan, subject to the provision of Personal Guarantee and the Yihuan Share Charges; and (ii) engage external parties to conduct a comprehensive due diligence review on Shanxi Yihuan. On 16 July 2023, upon amicable negotiation with Shanxi Yihuan, Tianjin Yisheng agreed to enter into the supplemental loan agreement to allow additional time for Shanxi Yihuan to address the issues identified in the due diligence exercise completed in June 2023. As the key issues to be addressed under the due

diligence were related to the governmental approvals in respect of the permit of construction site planning, which was estimated to require additional time to deal with, a twelve (12)-month loan extension was granted by Tianjin Yisheng at the material time.

In April 2024, Tianjin Yisheng was aware that the outstanding issues remained unresolved. As such, Tianjin Yisheng has terminated the MOU and demanded repayment of the Yihuan Loan. Legal actions had subsequently been taken against Shanxi Yihuan in October 2024 and the relevant legal proceedings had concluded in April 2025 with a favorable judgment obtained for the Group. Subsequently, members of the management team have engaged in multiple follow-up discussions with the counterparty on the possible enforcement of the Yihuan Share Charges. In or around June 2025, a third-party purchaser (the “**Prospective Purchaser**”) intends to acquire the entire equity interests in Shanxi Yihuan. The Prospective Purchaser has been duly informed of the existing Yihuan Share Charges and has knowledge of the judgment rendered in favour of the Group. In light of these developments, the Group is actively monitoring the situation and evaluating its legal options available to ensure that its interests are adequately protected. The Company views this potential equity transfer as an opportunity to reinforce its creditor position and will continue to take all necessary steps to safeguard and recover the Yihuan Loan. Based on the latest negotiation among the Group, Shanxi Yihuan and the Prospective Purchaser, the Prospective Purchaser intends to repay the Yihuan Loan for and on behalf of Shanxi Yihuan, and the Group will release the Yihuan Share Charges thereafter.

Jiusheng Loans

Shanxi Jiusheng, a company established in the PRC in 2018, and is the largest waste oil (gutter oil) collection, preliminary processing and waste oil trading company in Taiyuan Municipality, Shanxi Province, the PRC. Shanxi Jiusheng was a cooperating party with Taiyuan Tianrun Bioenergy Co., Ltd.[#] (太原天潤生物能源有限公司) (“**Tianrun**”), a then indirect wholly-owned subsidiary of the Company, in waste oil collection. The Group had previously cooperated with Shanxi Jiusheng through Tianrun in the acquisition of waste oil collected by Shanxi Jiusheng.

As the Company has invested in food waste treatment projects across various regions in the PRC, each project location has consistently demonstrated a demand for the collection of waste oil. In addition, Shanxi Jiusheng also indicated its intention to expand its business outside the Shanxi province to certain geographic locations where the Company’s existing kitchen waste treatment projects operated. In light of the above, the Company considered that its cooperation with Shanxi Jiusheng, which would involve the acquisition and processing of the waste oil collected by Shanxi Jiusheng, would substantially enhance the revenue and profitability of the relevant project companies (the “**Potential Cooperation**”).

Furthermore, the Group has a longstanding business relationship with the actual controller of Shanxi Jiusheng since the commencement of operations of Tianrun in 2018, and both parties possessed a thorough understanding of each other's operations. During the negotiation process of the Potential Cooperation, Shanxi Jiusheng requested Tianjin Yisheng to advance a short-term loan to Shanxi Jiusheng for the purpose of expansion of its business operation and to support the capital needs of Shanxi Jiusheng. With a view to establishing a foundation for future cooperation in the Group's kitchen waste treatment projects under the Potential Cooperation, and that the Company considered that the Jiusheng Loans could be offset by the future costs incurred in the acquisition of the waste oil collected by Shanxi Jiusheng in connection with the Group's future collaboration with Shanxi Jiusheng, Tianjin Yisheng resolved to extend the loans in not more than RMB10 million in aggregate to Shanxi Jiusheng. In anticipation of securing more favourable commercial terms for the future collaboration, the Company agreed to extend an interest-free loan to Shanxi Jiusheng.

In April 2024, a subsidiary of the Company acquired 100% of the equity interest in Shanxi Tianhe Biotechnology Co., Ltd.[#] (山西天和生物科技有限公司), thereby entering into the animal carcass disposal segment, supported by a concession agreement granted by the local government. This newly acquired project (the “**Tianhe Project**”) in Huozhou Municipality, Shanxi Province is equipped to process and trade waste oil. Upon completion, it is anticipated that the Company will collaborate with Shanxi Jiusheng, leveraging its operational team and social resources in the collection of waste oil and transport it to the facility of the Tianhe Project for further processing, which will in turn enhance the project returns.

The Jiusheng Loans were agreed upon based on amicable commercial terms and mutual understanding with regards to the established relationships with Shanxi Jiusheng and its actual controller and the future cooperation opportunities in the Group's kitchen waste treatment projects. The rationale for extending unsecured, interest-free loans to Shanxi Jiusheng was underpinned by the Company's long-standing and stable strategic partnership with Shanxi Jiusheng and its actual controller and reflects the Company's broader development objectives. Prior to the grant of the Jiusheng Loans, the Group was fully aware of and had monitored the intended uses of the Jiusheng Loans. The Jiusheng Loans had been applied towards human resources expenses, preliminary costs associated with securing the franchise rights for the Tianhe Project, as well as the expenses for procurement of storage facilities and transportation vehicles, which was in line with the business interests of the Group under the Tianhe Project. In addition, the Company had a clear understanding of the personal asset profile and family background of the actual controller of Shanxi Jiusheng at the time of extending the Jiusheng Loans to Shanxi Jiusheng. This was based on prior interactions and assessments conducted during the course of the Group's engagement with Shanxi Jiusheng and its actual controller. The Group and Shanxi Jiusheng agreed in principle that the Jiusheng Loans may be repaid either in cash or offset by future acquisition of waste oil, with the former being the primary repayment method. The Company believes that such financial support is consistent with its strategic direction and serves the overall commercial interests of the

Group as a whole. In particular, the infrastructure improvements facilitated by the Jiusheng Loans were expected to accelerate the Company's acquisition of a new franchise project located outside of Taiyuan, which includes waste oil treatment capabilities, and facilitate the Tianhe Project which was expected to generate stable revenue for the Group over its 26-year operation period.

As at the date of this announcement, the Group is still optimistic that the Tianhe Project would materialise. Nevertheless, to safeguard the Group's financial interests, the parties are in the course of negotiating a repayment arrangement for the Jiusheng Loans. Subject to further negotiation on the terms of the repayment arrangement between Tianjin Yisheng and Shangxi Jiusheng, it is proposed that in the event that the land acquisition process proceeds to completion by the end of December 2025, the remaining balance of the Jiusheng Loans will be repaid by way of offset against future acquisition of waste oil under the Tianhe Project; but in the event that the land acquisition process fails to complete by the end of December 2025, Shanxi Jiusheng shall repay the Jiusheng Loans in full no later than 31 December 2025. Once the terms of such repayment arrangement is finalised, the parties may enter into a supplemental or settlement agreement in respect of the repayment schedule of the Jiusheng Loans. The Company will comply with the disclosure requirements (if applicable) under the Listing Rules as and when appropriate.

Dingxin Loan

On 12 July 2022, Tianjin Yisheng and Shenzhen Dingxin entered into a cooperative investment management agreement (the “**Investment Agreement**”) with a view to securing the franchise rights in relation to the development of the a kitchen waste treatment project with a daily processing capacity of 600 tonnes in Huizhou Municipality (the “**Huizhou Kitchen Waste Treatment Project**”). Subsequent to adjustments to the municipal planning by the Huizhou Municipal Government, the commencement of the Huizhou Kitchen Waste Treatment Project was postponed. In order to mitigate the investment risks and optimise the short-term yield of the Company's funds, the Company reached an agreement with Shenzhen Dingxin to convert the Company's capital contribution under the Investment Agreement into a loan extended to Shenzhen Dingxin. For details of the Dingxin Loan, please refer to the announcement of the Company in relation to provision of financial assistance dated 18 November 2025.

USE OF PROCEEDS FROM THE ISSUANCE OF CONVERTIBLE BONDS AND NEW SHARES UNDER GENERAL MANDATE

The Board would also like to supplement the following additional information in relation to the use of proceeds from the issuance of convertible bonds and new shares under general mandate as set out in page 35 of the Annual Report.

As at 1 April 2024, the unutilised net proceeds from the issue of convertible bonds and new Shares amounted to approximately HK\$22.7 million. During the year ended 31 March 2025, the Group has applied the unutilised net proceeds as follows:

Intended use of proceeds	Utilised net proceeds as at 31 March 2025 HK\$ (million)	Unutilised net proceeds as at 31 March 2025 HK\$ (million)
Development of the graphene-based related anode materials	0.92	—
Construction of production facility		
— Xuancheng Plant	0.63	—
— Hefei Plant	0.71	—
— Yixing Plant	20.44	—
	<u>22.70</u>	<u>—</u>

The above information does not affect the information disclosed in the 2025 Annual Report and save as disclosed in this announcement, all other information in the 2025 Annual Report remains unchanged.

By order of the Board
New Concepts Holdings Limited
Zhu Yongjun
Chairman and Executive Director

Hong Kong, 18 November 2025

As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun and Mr. Pan Yimin; and the independent non-executive Directors are Ms. Du Yun, Mr. Lo Chun Chiu, Adrian, Dr. Tong Ka Lok and Mr. Choy Wai Shek, Raymond, MH, JP.

For identification purpose only