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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)**

## **DISCLOSEABLE TRANSACTION FURTHER DEVELOPMENT TO THE ACQUISITION OF 30% EQUITY INTEREST IN ZAOZHUANG HIGH ENERGY NEW MATERIALS CO., LTD.\***

### **SUPPLEMENTAL AGREEMENT**

On 23 May 2025, Huamingsheng, JV Shareholder A, JV Shareholder B and the JV Company entered into the Supplemental Agreement, pursuant to which the parties agreed to, among others, amend the contribution method of the Non-Cash Contribution.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under the Listing Rules in respect of the transaction under the Supplemental Agreement is more than 5% and all applicable percentage ratios are less than 25%, the transaction under the Supplemental Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **BACKGROUND**

Reference is made to the Company's announcement dated 29 August 2024 in relation to the Acquisition Agreement entered among Huamingsheng, a non wholly-owned subsidiary of the Company (as purchaser), Bakusi (as vendor) and the JV Company regarding Huamingsheng's acquisition of 30% equity interest in the JV Company from Bakusi.

As disclosed in the said announcement, the JV Company has a registered capital of RMB30 million, and the attributable capital contribution for 30% equity interest therein was RMB9 million, of which Bakusi had contributed RMB1 million as at the date of the Acquisition Agreement. Pursuant to the Acquisition Agreement, Huamingsheng agreed to paid RMB1 million to Bakusi, and assumed Bakusi's remaining shareholder's capital contribution obligation of RMB8 million by injection of RMB2 million in cash (the **"Cash Contribution"**) and provision of technology management service of RMB6 million (the **"Non-cash Contribution"**) to the JV Company.

As at the date of this announcement, the payment of the Cash Contribution and the business registration of the transfer of 30% equity interest in the JV Company from Bakusi to Huamingsheng have completed, and Huamingsheng has not made the Non-Cash Contribution to the JV Company.

## **SUPPLEMENTAL AGREEMENT**

On 23 May 2025, Huamingsheng, JV Shareholder A, JV Shareholder B and the JV Company entered into the Supplemental Agreement, pursuant to which the parties agreed to, among others, amend the contribution method of the Non-Cash Contribution. Principal terms of the Supplemental Agreement are as follows:

Date: 23 May 2025

Parties: (i) Huamingsheng (a non wholly-owned subsidiary of the Company);  
(ii) JV Shareholder A;  
(iii) JV Shareholder B; and  
(iv) the JV Company

Subject Matter: Regarding Huamingsheng's obligation to make the Non-cash Contribution valued at RMB6 million to the JV Company (representing 20% equity interest owned by Huamingsheng in the JV Company), it is agreed that Huamingsheng will fulfil such obligation by transferring the Patents to the JV Company within 30 business days from the date of the Supplemental Agreement. Additionally, Huamingsheng's original obligation to provide technology management to the JV Company under the Acquisition Agreement shall be retained.

The parties shall arrange a valuer to assess the value of the Patents. If the assessed value of the Patents exceeds RMB6 million, Huamingsheng will not claim for the differences from the JV Company and its other shareholders. Conversely, if the assessed value of the Patents is less than RMB6 million, Huamingsheng shall transfer its other patent(s) jointly selected by it and the JV Company to make up the shortfall (the “**Patent Supplementation Mechanism**”).

Special Agreement on Liquidation: The parties agreed that in the event the JV Company undergoes liquidation, the Patents corresponding to Huamingsheng’s 20% equity interest shall belong to Huamingsheng and will not be included in the distribution of liquidation assets. The remaining liquidation assets of the JV Company will be distributed among its shareholders in proportion to their actual monetary contributions.

### **Board’s view on the Patent Supplementation Mechanism**

To ensure swift returns from the JV Company, Huamingsheng aimed to quickly leverage the Patents to enhance the business of the JV Company and accelerate its product launch, market competitiveness, and attract specific investors. As such, the Board agreed on the Patent Supplementation Mechanism under the Supplemental Agreement.

Furthermore, the Board has assessed the risk of the Patents being valued at more than RMB6 million and deemed this risk to be within an acceptable range. The Board had conducted a preliminary evaluation and market research on the value of the Patents considered the Valuation Report and weighed the implications of the Patent Supplementation Mechanism. Based on the results of the Valuation Report, the Patents are valued at RMB6,125,300 as of 15 April 2025, which is slightly higher than Huamingsheng’s obligation to contribute RMB6 million to the JV Company. As valuations may involve minor discrepancies, the Board is of the opinion that this small difference is reasonable and acceptable. If the Patent Supplementation Mechanism was not agreed upon, the JV Company might miss significant market opportunities which will adversely affect the Group’s interest. The Board considered that the Patent Supplementation Mechanism could potentially benefit the JV Company in the long run, enabling rapid product launches through the Patents, expanding market share, enhancing core competitiveness, and establishing technological barriers. Agreeing to the Patent Supplementation Mechanism would help maintain a good cooperative relationship for Huamingsheng and ensure the long-term stable development of the JV Company.

Taking into consideration interests and risks involved, and, after weighing the pros and cons, the Board believes agreeing on the Patent Supplementation Mechanism is overall fair and reasonable, and in the benefit of the Company and its shareholders as a whole in long run.

## **VALUATION OF THE PATENTS**

According to the Valuation Report dated 26 April 2025 issued by the Valuer, an independent valuer commissioned by the Company, the value of the Patents as at 15 April 2025 was approximately RMB6,125,300.

### **Valuation methodology**

Pursuant to the Valuation Report, there are three methods for valuing intellectual property, namely the replacement cost method, the market comparison method, and the income present value method.

It is generally believed that the value of intellectual property, especially high-tech achievements, is difficult to reflect accurately using the replacement cost method. This is because the value of such assets is usually mainly embodied in the creative intellectual labor of highly skilled personnel, and it is difficult to measure the results of such labor in terms of labor costs. For the above reasons, the Valuer did not adopt the replacement cost method in the valuation.

The market comparison method can be used in asset valuation for both tangible and intangible assets, provided that there are identical or similar transaction cases and that the transactions are conducted fairly. Considering the specific characteristics of the Patents and the current state of market transactions, according to the Valuer's market research and information, there are currently no comparable cases of similar intellectual property transfers within the country. As there are no comparable historical transaction cases or transaction price data available for this valuation, the market method is also not applicable.

Due to the limitations of the above valuation methods, the income present value method was used to assess the value of the Patents in this case. Since the future expected earnings and associated risks of the Patents can be measured in monetary terms, the profit split method under the income present value approach is used for valuation. Specifically, this involves a comprehensive analysis of the relevant industry and the macroeconomic environment both domestically and internationally, to reasonably forecast the future earnings expected after the Patents are brought to market by the JV Company. Based on the characteristics of the relevant industry and the JV Company's development plan, a forecast period is determined, and the discount rate is set after analyzing risk factors. Finally, the Valuer comprehensively considers the contribution of the intangible asset to the total earnings and uses the profit split ratio to estimate the income attributable to the intangible asset. That is, based on the earnings generated from investing in the Patents, a certain proportion (profit split ratio) is applied to allocate the profits attributable to the Patents. These earnings are then discounted to calculate the value of the intangible asset.

## **Key Parameters of the Valuation**

The valuation of the Patents has taken into account, the following key parameters:

### **1. *Determination of the Expected Income Period***

Taking into account factors such as industry competition and the rapid pace of new product updates and replacements, the expected income period for the Patents is estimated to be 10 years from the valuation date.

### **2. *Determination of the Discount Rate***

For this valuation, the discount rate is determined based on the principles of not being lower than the risk-free rate of return, matching the discount rate with the projected income, and considering actual conditions.

The Valuer determines the discount rate by combining the risk-free rate of return and the risk premium. After analyzing the industry, the risk-free rate of return generally refers to the medium-to-long-term bank deposit rate or the medium-to-long-term government bond yield, while the risk premium refers to the investment return rate exceeding the risk-free rate. Based on the above analysis, the discount rate is determined to be 15.60%.

### **3. *Determination of the Profit Split Ratio***

Theoretical basis for asset participation in profit sharing: In reality, factors such as management, technology, human resources, material resources, and financial resources all contribute to a company's earnings. Therefore, intangible assets — specifically high-tech research achievements — as particular production factors, have a theoretical basis for participating in the distribution of corporate earnings.

## **Key assumptions**

The major assumptions of the Valuation are summarised as follows:

1. It is assumed that the Patents will continue to be used for their current purposes after 15 April 2025, generating economic benefits through the production, sale, and operation of technology products.
2. It is assumed that the future operators of the Patents will be responsible and that their management team will be competent in fulfilling their duties.
3. Unless otherwise stated, it is assumed that the JV Company will fully comply with all relevant laws and regulations regarding the Patents in the future.
4. The products produced using the Patents are assumed to achieve the expected quality assurance and expected sales volume.

5. All comparative data related to the Patents and relevant economic and technical indicators are provided by Huamingsheng. The Valuer's responsibility is to review this information and issue a professional opinion in accordance with valuation practices.
6. The valuation result is based on the Patents that have already been successfully trialed by Huamingsheng. No judgment is made regarding the value of technologies still under development.
7. When forecasting earnings, the impact of using the Patents on costs has already been considered. Therefore, the Valuer only estimates the additional profits generated by Huamingsheng from using the Patents when forecasting related income.
8. It is assumed that there will be no significant changes in the socio-economic environment of the relevant regions and countries, and that the current national laws, regulations, systems, social, political, and economic policies will remain largely unchanged.
9. There will be no significant changes in credit interest rates, exchange rates, tax bases and rates, or policy-related charges and fees.
10. The Patents will maintain continuous operation, and its business scope and approach will remain consistent with the current direction.
11. Social demand for finished products will continue to grow at a steady rate.
12. It is assumed that there will be no major issues with the recovery of sales receivables (i.e., bad debts) within the discount period.
13. There will be no other irresistible or unforeseeable factors that could cause significant adverse effects on the company.

If any of these assumptions change due to significant changes in the future economic environment or other reasons, the Valuer will not be held responsible for any different valuation results derived from changes in these assumptions.

### **Confirmations**

In accordance with Rule 14.60A(2) of the Listing Rules, the Company has engaged the Reporting Accountants, to report on the calculations of the discounted future cash flows used in the Valuation. the Reporting Accountants has reported to the Directors that so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. The reporting accountants' work does not constitute any valuation of the Patents or an expression of an audit or review opinion on the valuation of the Patents. A letter from the Reporting Accountants is set out in Appendix I to this announcement.

In accordance with Rule 14.60A(3) of the Listing Rules, the Board has reviewed the Valuation and confirms that the Valuation in the Valuation Report has been made by the Board after due and careful enquiry. A letter from the Board confirming that the Directors are satisfied that the Valuation has been made after due and careful enquiry is set out in Appendix II to this announcement.

### **Experts and Consents**

The followings are the qualifications of the experts who have given their opinions in this announcement:

<b>Name</b>	<b>Qualification</b>
Shenzhen Shihua Asset Assessment Land Real Estate Valuation Co., Ltd.* (深圳世華資產評估土地房地產估價有限公司)	Independent valuer
SFAI (HK) CPA Limited	Certified Public Accountants

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Valuer and the Reporting Accountants is an independent third party of the Company and its connected persons.

As at the date of this announcement, neither the Valuer nor the Reporting Accountants has any shareholding in any member of the Group directly or indirectly, or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the date of this announcement, neither the Valuer nor the Reporting Accountants has any direct or indirect interest in any assets which have been, since 31 March 2024 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Each of the Valuer and the Reporting Accountants has given and has not withdrawn its respective written consent to the publication of this announcement with inclusion of its opinion and advice and all references to its name in the form and context in which it appears in this announcement.

### **INFORMATION OF THE JV COMPANY**

The JV Company is a limited company established in the PRC in January 2024, and is principally engaged in the production of new energy materials including graphite-based related anode materials, carbon and alloy materials in Zaozhuang, Shandong province, the PRC. The JV Company has not commenced production during the year ended 31 December 2024.



Below is the financial information of the JV Company prepared in accordance with the accounting principles generally accepted in the PRC:

	<b>For the year ended 31 December 2024 RMB</b>	<b>For the three months ended 31 March 2025 RMB</b>
Net loss before tax	—	839,692.13
Net loss after tax	—	839,692.13

The net asset value of the JV Company was approximately RMB22.1 million as at 31 March 2025.

## **INFORMATION OF THE PARTIES**

The Group is principally engaged in (i) provision of foundation works, civil engineering contractual service and general building works; and (ii) environmental protection projects including kitchen waste treatment related business, development and management of environmental protection industrial park and new energy materials in the PRC.

Huamingsheng is a limited liability company established in the PRC and owned as to 51% by the Company. It is principally engaged in the production of graphite-based related anode materials.

JV Shareholder A is a limited liability company established in the PRC and is principally engaged in manufacturing and sales of chemical materials. Its ultimate beneficial owner is Cao Zhen (曹震), a citizen of the PRC and a merchant.

JV Shareholder B is a limited liability company established in the PRC and is principally engaged in businesses including project and assets management services, and is an enterprise ultimately and beneficially controlled by the People's Government of Zaozhuang's Municipal.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of JV Shareholder A, JV Shareholder B and their respective ultimate beneficial owner is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT**

Upon signing of the Acquisition Agreement, Huamingsheng had proceeded to fulfill its obligation of making its Non-cash Contribution, namely provision of technology management service, and complete the relevant business registration. However, during



the process of the business registration, the relevant PRC government authority indicated that provision of technology management service is not one of the recognized contribution methods or assets to a PRC company. Typically the capital contributions to a PRC company consist of monetary investments or non-monetary assets such as physical goods, intellectual property, land use rights, equity, and debt that can be valued in monetary terms and legally transferred. As a result, Huamingsheng and the JV Shareholders determined to amend the contribution method of the Non-cash Contribution through the Supplemental Agreement. To comply with the requirements for appropriate contribution to PRC companies, Huamingsheng decided to contribute the Patents to the JV Company after arm's length negotiations with the JV Shareholders.

Since the technology management service is primarily about assisting the JV Company in utilizing the Patents, and does not hold significant value in accounting or financial terms, the Board believes that retaining Huamingsheng's obligation to provide technology management services to the JV Company in the Supplemental Agreement is fair and reasonable, and will not have material adverse impact to the Group.

In light of the above, the Directors are of the view that the terms of the Supplemental Agreement and the transaction contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under the Listing Rules in respect of the transaction under the Supplemental Agreement is more than 5% and all applicable percentage ratios are less than 25%, the transaction under the Supplemental Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Acquisition Agreement”	the acquisition agreement dated 29 August 2024 entered among Huamingsheng (as purchaser), Bakusi (as vendor) and the JV Company in relation to Huamingsheng's acquisition of 30% equity interest in the JV Company from Bakusi
“Bakusi”	Shanghai Bakusi Superconducting New Materials Co., Ltd.* 上海巴庫斯超導新材料有限公司, a company incorporated in the PRC with limited liability and the 49% shareholder of Huamingsheng
“Board”	the board of Directors

“Company”	New Concepts Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2221)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huamingsheng”	Shenzhen Huamingsheng Technology Limited* 深圳市華明勝科技有限公司, a 51%-owned subsidiary of the Company which is incorporated in the PRC
“Independent Third Party(ies)”	any person or company and its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected person(s) (as defined in the Listing Rules) of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the Listing Rules
“JV Company”	Zaozhuang High Energy New Materials Co., Ltd.* 棗莊高能新材料有限公司, a company incorporated in the PRC with limited liability which is owned as to 30%, 60% and 10% by Huamingsheng, JV Shareholder A and JV Shareholder B, respectively
“JV Shareholder A”	Shandong Kangzhen Bio-technology Co., Ltd* 山東康震生物技術有限公司, a company incorporated in the PRC
“JV Shareholder B”	Zaozhuang Shenglin Investment and Development Co., Ltd* 棗莊晟林投資開發有限公司, a company incorporated in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Patents”	4 patents including but are not limited to patents, know-how, production rights, etc. of modified graphite-based anode materials and related anode materials, which are owned by Huamingsheng as at the date of this announcement
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“Reporting Accountants”	SFAI (HK) CPA Limited
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the Acquisition Agreement dated 23 May 2025 entered among Huamingsheng, JV Shareholder A, JV Shareholder B and the JV Company
“Valuation Report”	the valuation report on the Patents dated 26 April 2025 issued by the Valuer
“Valuer”	Shenzhen Shihua Asset Assessment Land Real Estate Valuation Co., Ltd.* (深圳世華資產評估土地房地產估價有限公司)
“%”	per cent

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

Hong Kong, 23 May 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 purposes only

## **APPENDIX I — LETTER FROM SFAI (HK) CPA LIMITED**

### **INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE PATENTS**

#### **TO THE BOARD OF DIRECTORS OF NEW CONCEPTS HOLDINGS LIMITED**

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Shenzhen Shihua Asset Assessment Land Real Estate Valuation Co., Ltd.\* (深圳世華資產評估土地房地產估價有限公司) dated 26 April 2025 in respect of 4 patents including but are not limited to patents, know-how, production rights, etc. of modified graphite-based anode materials and related anode materials (the “**Patents**”), which are owned by Shenzhen Huamingsheng Technology Limited\* (深圳市華明勝科技有限公司) as at 15 April 2025 (the “**Valuation**”) is based. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and have been included in the announcement dated 23 May 2025 issued by New Concepts Holdings Limited (the “**Company**”) in connection with the discloseable transaction in relation to further development to the acquisition of 30% equity interest in Zaozhuang Shenglin Investment and Development Co., Ltd\* (棗莊晟林投資開發有限公司) (the “**Announcement**”).

#### **Directors’ Responsibility for the Discounted Future Estimated Cash Flows**

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

#### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountants' Responsibilities**

It is our responsibility, pursuant to paragraph 14.60A(2) of the Listing Rules, to express an opinion on the calculations of the discounted future estimated cash flows, and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform our work to form the opinion.

This assurance engagement involved performing procedures to obtain sufficient appropriate evidence as to whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the bases and assumptions set out in the Announcement. Within the scope of our work, we, amongst others, reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and assumptions.

The discounted future estimated cash flows do not involve the adoption of accounting policies. The discounted future estimated cash flows have been prepared using a set of bases and assumptions that include hypothetical assumptions about future events and management's actions that cannot be confirmed and verified in the same way as past results and that are not necessarily expected to occur. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the discounted future estimated cash flows since other anticipated events frequently do not occur as expected and the variation may be material. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Patents.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Opinion**

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the bases and assumptions adopted by the directors of the Company as set out in the Announcement.

**SFAI (HK) CPA Limited**

***Certified Public Accountants***

Fok Tat Choi

Practicing Certificate Number: P06895

Hong Kong, 23 May 2025

\* *For identification purposes only.*

## APPENDIX II — LETTER FROM THE BOARD

23 May 2025  
Listing Division  
The Stock Exchange of Hong Kong Limited  
12th Floor, Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

Dear Sirs,

### **DISCLOSEABLE TRANSACTION — FURTHER DEVELOPMENT TO THE ACQUISITION OF 30% EQUITY INTEREST IN ZAOZHUANG HIGH ENERGY NEW MATERIALS CO., LTD.\***

We refer to the announcement of New Concepts Holdings Limited (the “**Company**”) dated 23 May 2025 of which this letter forms part (the “**Announcement**”). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

We refer to the Valuation Report dated 26 April 2025 issued by the Valuer regarding the valuation (the “**Valuation**”) of the Patents as at 15 April 2025, which constitutes a profit forecast under Rule 14.61 of the Listing Rules. We have discussed with the Valuer about different aspects including the bases and assumptions based upon which the Valuation has been prepared, and reviewed the Valuation for which the Valuer is responsible. We have also considered the letter dated 23 May 2025 from SFAI (HK) CPA Limited regarding whether the Valuation, so far as the accounting policies and calculations are concerned, has properly complied with the bases and assumptions as set out in the Valuation Report. We have noted that the Valuation is presented on a basis consistent in all material aspects with the accounting policies currently adopted by the Company. We hereby confirm that the Valuation has been made after due and careful enquiry of the Board.

Yours faithfully,  
For and on behalf of the Board  
**New Concepts Holdings Limited**  
**Zhu Yongjun**  
*Chairman and Executive Director*