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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**

### **DISCLOSEABLE TRANSACTION AGREEMENT IN RELATION TO THE DEVELOPMENT OF A URBAN BIOMASS BIOREFINING AND CARBON SEQUESTRATION PROJECT IN THE PRC**

Reference is made to the announcement (the “**Announcement**”) of New Concepts Holdings Limited dated 24 June 2025 in relation to, among other things, the agreement in relation to the development of a urban biomass biorefining and carbon sequestration project in the PRC. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information on the details of the Project.

### **FURTHER DETAILS ON THE OBLIGATIONS OF THE HAIMEN ECONOMIC AND TECHNOLOGICAL DEVELOPMENT ZONE**

As disclosed in the Announcement, the Haimen Economic and Technological Development Zone shall provide infrastructure facilities. In particular, the Haimen Economic and Technological Development Zone will be responsible for land requisition, site leveling, and provision of municipal service connections. Specifically, utilities such as electricity, potable water, wastewater discharge, and thermal energy will be extended to the vicinity of the project site to ensure readiness for construction.

In addition, the Haimen Economic and Technological Development Zone shall assist the Project Company to implement the Project, including but not limited to obtaining the exclusive operating right and acquiring the Project Land and obtaining other relevant consents, approvals, permits and/or government subsidies by terminating the waste operation rights of the existing concessionaire and initiating a new public tender for the relevant concession. The technical requirements of the new tender will be formulated in consideration of the Company's technological capabilities. The land is intended to be made available exclusively to enterprises that have entered into the relevant investment agreement with the government, of which only the Company is included as at the date hereof.

Furthermore, the Haimen Economic and Technological Development Zone will appoint a dedicated liaison officer to assist the Company throughout the construction phase. This includes facilitating necessary administrative procedures and assisting with applications for applicable government subsidies or funding support, if any.

### **BASIS OF THE INVESTMENT AMOUNT**

The investment amount of USD3.60 million is estimated based on, among others, (i) the expenses and costs incurred in other similar projects of the Group of similar size in the neighbouring areas; (ii) fee quotations previously obtained from the contractors, suppliers and/or service providers; and (iii) the acquisition price of the Project Land of RMB200,000 per mu as recommended by the local government.

### **REASONS FOR THE GUARANTEE**

As disclosed in the Announcement, the Company shall guarantee the production level of the Project (the “**Guarantee**”) and compensate Haimen Economic and Technological Development Zone for the shortfall of annual tax revenue per mu. As part of Agreement, the Haimen Economic and Technological Development Zone is responsible for undertaking various preparatory works, including land requisition and relocation compensation, acquisition of land use quota, and construction of supporting infrastructure such as roads and pipelines. These obligations would result in a total provisioning cost of approximately RMB600,000 per mu. Nonetheless, the Company will acquire the Project Land at a price of RMB200,000 per mu. Such a favorable rate reflects the local government's support for the Project and its expectation that, during the operational phase, the Project will generate reasonable economic returns and contribute to local fiscal revenues in accordance with PRC tax policies. As such, the Board considered that the Guarantee is fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders.

Save for the Guarantee, the Group will retain all revenues generated from the operation of the Project and there will not be any profit-sharing mechanism between the Company and the Haimen Economic and Technological Development Zone.

## **INFORMATION ON THE HAIMEN ECONOMIC AND TECHNOLOGICAL DEVELOPMENT ZONE**

Haimen Economic and Technological Development Zone is designated as a state-level economic and technological development zone. It is administratively managed by the People's Government of Haimen District, and exercises governmental authority within its jurisdiction. It is primarily responsible for the planning, construction, investment promotion, and overall management of the development area. The governing body of the Haimen Economic and Technological Development Zone is the management committee (the "**Management Committee**") of Haimen Economic and Technological Development Zone, which is a governmental department of the People's Government of Haimen County, Nantong, Jiangsu Province, the PRC. The Management Committee is considered to be an independent third party of the Company.

## **ROLE AND RESPONSIBILITIES OF THE COMPANY AND THE HAIMEN ECONOMIC AND TECHNOLOGICAL DEVELOPMENT ZONE IN OPERATING THE PROJECT**

The Company will be responsible for investing in, constructing, and operating the food waste (kitchen waste) disposal facility (the "**Facility**") to be developed and operated under the Project.

The Haimen Economic and Technological Development Zone grants the Company the exclusive rights for the collection, transportation, and disposal of kitchen waste generated within the designated area. The Haimen Economic and Technological Development Zone will also provide administrative support throughout the implementation and operational phases of the project.

The assistance from the Haimen Economic and Technological Development Zone primarily consists of supervisory and facilitative measures aimed at maximising the Group's access to regional waste and the recoverable waste oils therein, including but not limited to, support in laying oil-water separators, enforcement actions against illicit activities related to gutter oil theft and facilitation in the Company's sale of carbon sources produced in wastewater, which are used in the denitrification process at the wastewater treatment plant.

## **SOURCE OF FUNDS FOR THE PROJECT**

The investment amount will be financed by internal resources and external source of funds available to the Company from time to time, if any.

## **FINANCIAL IMPACT OF THE PROJECT**

As at the date of this announcement, the financial impact of entering into of the Agreement could not be ascertained as the Company is in the course of negotiating with the Management Committee in relation to the operation model of the Project.

If the Project will proceed on a Build-Operate-Transfer basis, the Group will only be granted the rights to use and operate the Facility during the concession period, while the Haimen Economic and Technological Development Zone will retain the beneficial entitlement to any residual interest in the Facility at the end of the concession period. As such, the cost of property, plant and equipment of the Facility and the related land will be recorded in operating concession in the Company's consolidated statement of financial position.

On the other hand, if a Build-Own-Operate model is adopted, the value of the Facility is expected to be classified as property, plant and equipment, while land use rights or concession rights are classified as intangible assets.

Based on, among others, the cost of construction, the procurement fees and the service fees to be incurred in the development of the Project, the value of the Facility is estimated to be approximately USD3.3 million.

The Company will make further announcement(s) to inform the Shareholders and potential investors of the Company on the development of the Project as and when appropriate in accordance with the Listing Rules.

Saved as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 4 August 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.*