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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)**

#### **(1) PROPOSED SHARE CONSOLIDATION;**

#### **AND**

#### **(2) CONNECTED TRANSACTION IN RELATION TO PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR DEBT CAPITALISATION**

##### **PROPOSED SHARE CONSOLIDATION**

The Board proposed that every ten (10) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share and to round down the number of the Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom. As at the date of this announcement, there are 1,827,632,134 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 182,763,213 Consolidated Shares in issue which are fully paid or credited as fully paid.

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 4,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 4,000 Consolidated Shares.

## **CONNECTED TRANSACTION IN RELATION TO PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR DEBT CAPITALISATION**

On 25 August 2025 (after trading hours of the Stock Exchange), the Company (as issuer) and Mr. Zhu (as subscriber) entered into the Capitalisation Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Zhu has conditionally agreed to subscribe for, a total of 10,000,000 Capitalisation Shares at the price of HK\$1.00 per Capitalisation Share for the settlement of part of the Outstanding Sum owed by the Company to Mr. Zhu. The subscription amount in the sum of HK\$10,000,000 payable by Mr. Zhu under the Capitalisation Agreement shall be satisfied by setting off against an equivalent amount of the Outstanding Sum.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the Capitalisation Shares represent (i) approximately 5.47% of the issued share capital of the Company as at the date of this announcement and after the adjustment for the effect of the Share Consolidation; and (ii) approximately 5.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Capitalisation Shares and after the adjustment for the effect of the Share Consolidation.

### **LISTING RULES IMPLICATIONS**

The Capitalisation Shares will be allotted and issued by the Company under the Specific Mandate. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares and the Capitalisation Shares.

As at the date of this announcement, Mr. Zhu is the chairman of the Board and an executive Director and is directly and beneficially interested in 86,772,000 Existing Shares, representing approximately 4.75% of the entire issued share capital of the Company. Therefore, Mr. Zhu is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Debt Capitalisation constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Share Consolidation, the Capitalisation Agreement, and the transactions contemplated thereunder (including the grant of the Specific Mandate). No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. Mr. Zhu and his associates shall abstain from voting in respect of the resolution approving the Capitalisation Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the EGM in respect of the Capitalisation Agreement and the transactions contemplated thereunder.

An Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders regarding, among other things, the terms of the Capitalisation Agreement and the transactions contemplated thereunder. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Share Consolidation; (ii) further details of the Capitalisation Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Capitalisation Agreement and the transactions contemplated thereunder; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Capitalisation Agreement and the transactions contemplated thereunder; (v) a notice to convene the EGM; and (vi) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 17 September 2025.

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of the Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom.

## **Effects of the Share Consolidation**

As at the date of this announcement, there are 1,827,632,134 Existing Shares in issue which are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued from the date of this announcement until the effective date of the Share Consolidation, there will be 182,763,213 Consolidated Shares in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation and the payment to be made to Shareholders in relation to fractional Consolidated Shares to which they would otherwise be entitled as mentioned in the paragraph headed “Fractional entitlement to Consolidated Shares” below, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders would otherwise be entitled.

## **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of Cayman Islands and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Wednesday, 8 October 2025, being one clear Business Day immediately after the date of the EGM, subject to the fulfilment of the above conditions.

As at the date of this announcement, none of the above conditions have been fulfilled.

## **Listing Application**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

#### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

#### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

## **Exchange of certificates for Consolidated Shares**

Subject to the Share Consolidation becoming effective, which is currently expected to be Wednesday, 8 October 2025, Shareholders may during the period from Wednesday, 8 October 2025 to Friday, 14 November 2025 (both days inclusive), submit their existing share certificates for the Existing Shares (in yellow colour) to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, No.16 Harcourt Road, Hong Kong to exchange for new share certificates for the Consolidated Shares (in green colour) at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.50 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the branch share registrar for exchange of new share certificates issued for the Consolidated Shares or each existing share certificate for the Existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

After 4:10 p.m. on Wednesday, 12 November 2025, trading will only be in Consolidated Shares. Existing share certificates in yellow colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

## **REASONS FOR AND BENEFITS OF THE SHARE CONSOLIDATION**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in September 2024 (the "**Guide**") has further stated that market price of the shares at a level less than HK\$0.10 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

In view of the recent trading price of the Shares, the Board considers that the Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue and therefore, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Consolidated Shares and would enable the Company to comply with the trading requirements under the Listing Rules. In addition, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the Consolidated Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities transaction. With a



corresponding upward adjustment in the trading price of the Consolidated Shares, the Board believes that the Share Consolidation would make investing in the Shares more attractive to a broader range of investors, and therefore further broaden the shareholder base of the Company.

The Board considers that the Share Consolidation is essential to achieve the above-mentioned purpose. Taking into account of the potential benefits, the Board is of the view that the Share Consolidation is in the best interest of the Company and the Shareholders as a whole.

On 25 August 2025 (after trading hours of the Stock Exchange), the Company entered into the Capitalisation Agreement with Mr. Zhu, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Zhu has conditionally agreed to subscribe for, a total of 10,000,000 Capitalisation Shares at the Issue Price of HK\$1.00 per Capitalisation Share for the settlement of part of the Outstanding Sum in the amount of HK\$10,000,000. Save for the Debt Capitalisation, the Company does not have any concrete plan or intention to conduct any other fund-raising activities or corporate actions which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund-raising activities when suitable fund-raising and/or investment opportunities arise in order to support, among others, working capital requirements and future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

#### **NO CHANGE IN BOARD LOT SIZE**

The Existing Shares are currently traded on the Stock Exchange in board lot size of 4,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 4,000 Consolidated Shares per board lot.

Based on the closing price of HK\$0.088 per Existing Share (equivalent to the theoretical closing price of HK\$0.88 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 4,000 Existing Shares is HK\$352; and (ii) the value per board lot of 4,000 Consolidated Shares would be HK\$3,520 on the assumption that the Share Consolidation becomes effective.

## EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Date
Despatch date of circular with notice of the EGM . . . . .	On or before Wednesday, 17 September 2025
Latest time for lodging transfers of shares in order to qualify for attendance and voting at the EGM . . . . .	4:30 p.m., Friday, 26 September 2025
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both days inclusive). . . . .	Monday, 29 September 2025 to Friday, 3 October 2025
Latest time for lodging forms of proxy for the EGM . . . . .	10:00 a.m., Wednesday, 1 October 2025
Date and time of the EGM . . . . .	10:00 a.m., Friday, 3 October 2025
Publication of the announcement of the poll results of the EGM . . . . .	Friday, 3 October 2025
Effective date of the Share Consolidation . . . . .	Wednesday, 8 October 2025
First day of free exchange of existing share certificates into new share certificates for the Consolidated Shares . . . . .	Wednesday, 8 October 2025
Commencement of dealings in the Consolidated Shares. . . .	9:00 a.m., on Wednesday, 8 October 2025
Original counter for trading in the Existing Shares in board lots of 4,000 Existing Shares (in the form of existing share certificates) temporarily closes . . . . .	9:00 a.m., on Wednesday, 8 October 2025



Event	Date
Temporary counter for trading in Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens . . . . .	9:00 a.m., on Wednesday, 8 October 2025
Original counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of new share certificates) re-opens . . . . .	9:00 a.m., on Wednesday, 22 October 2025
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences . . . . .	9:00 a.m., on Wednesday, 22 October 2025
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares. . . . .	9:00 a.m., on Wednesday, 22 October 2025
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares. . . . .	4:00 p.m., on Wednesday, 12 November 2025
Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) closes . . . . .	4:10 p.m., on Wednesday, 12 November 2025
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends . . . . .	4:10 p.m., on Wednesday, 12 November 2025
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares . . . . .	4:30 p.m., on Friday, 14 November 2025

## **CONNECTED TRANSACTION IN RELATION TO PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR DEBT CAPITALISATION**

On 25 August 2025 (after trading hours of the Stock Exchange), the Company (as issuer) and Mr. Zhu (as subscriber) entered into the Capitalisation Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Zhu has conditionally agreed to subscribe for, a total of 10,000,000 Capitalisation Shares at the price of HK\$1.00 per Capitalisation Share for the settlement of an equivalent amount of the Outstanding Sum.

Details of the Capitalisation Agreement are summarised as follow:

### **Date**

25 August 2025 (after trading hours of the Stock Exchange)

### **Parties**

- (1) The Company (as issuer); and
- (2) Mr. Zhu (as subscriber)

### **Capitalisation Shares**

The Company has conditionally agreed to allot and issue, and Mr. Zhu has conditionally agreed to subscribe for, a total of 10,000,000 Capitalisation Shares at the Issue Price of HK\$1.00 per Capitalisation Share.

As at the date of this announcement, the Company is in debt to Mr. Zhu the Outstanding Sum in the amount of approximately HK\$34.32 million. The subscription price in the amount of HK\$10,000,000 payable by Mr. Zhu under the Capitalisation Agreement shall be satisfied by setting off an equivalent amount of the Outstanding Sum.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the Capitalisation Shares represent (i) approximately 5.47% of the issued share capital of the Company as at the date of this announcement and after the adjustment for the effect of the Share Consolidation; and (ii) approximately 5.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Capitalisation Shares and after the adjustment for the effect of the Share Consolidation.

The aggregate nominal value of the Capitalisation Shares (with a par value of HK\$0.1 each) is HK\$1,000,000.

## Issue Price

The Issue Price of HK\$1.00 per Capitalisation Share represents:

- (i) a premium of approximately 13.64% over the theoretical closing price per Share of HK\$0.88 (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on 25 August 2025, being the date of the Capitalisation Agreement;
- (ii) a premium of approximately 14.94% over the theoretical average closing price per Share of HK\$0.87 (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Capitalisation Agreement;
- (iii) a premium of approximately 12.36% over the theoretical average closing price per Share of approximately HK\$0.89 (after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Capitalisation Agreement; and
- (iv) a discount of approximately 51.69% to the consolidated net asset value per Consolidated Share of approximately HK\$2.07 (equivalent to approximately HK\$0.207 per Existing Share) as at 31 March 2025, calculated by dividing the Group's audited consolidated net assets of approximately HK\$377,655,000 as at 31 March 2025 by 182,763,213 Consolidated Shares (after taking into account the effect of the Share Consolidation) in issue as at the date of the Capitalisation Agreement.

The Issue Price was arrived at on an arm's length basis between the Company and Mr. Zhu after taking into account the recent trading performance of the Shares, the recent market conditions, the current financial position and the business prospects of the Group. The Directors (other than the independent non-executive Directors, who shall provide their views after considering the advice from the Independent Financial Adviser) consider that the Issue Price and the terms of the Capitalisation Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The amount of the total Issue Price of HK\$10,000,000 shall be satisfied by way of setting-off against an equivalent amount of the Outstanding Sum owed to Mr. Zhu by the Company. In addition, the Group will use its internal resources to settle the professional fees and all related expenses which may be borne by the Company in connection with the Debt Capitalisation.

## **Conditions**

Completion is conditional upon the fulfilment of the following conditions:

- (i) the passing of the necessary resolution(s) by the Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules and other applicable laws and regulations at the EGM to be held and convened to approve the Capitalisation Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate;
- (ii) the Share Consolidation becoming effective;
- (iii) the Listing Committee of the Stock Exchange granting, and not having withdrawn or revoked up to Completion, the listing of and permission to deal in the Capitalisation Shares; and
- (iv) all necessary consents and approvals required to be obtained by the Company in respect of the Capitalisation Agreement and the transactions contemplated thereunder having been obtained.

None of the above conditions can be waived. If the above conditions are not fulfilled on or before 15 October 2025 or such later date as the parties to the Capitalisation Agreement may agree, all rights, obligations and liabilities of the parties under the Capitalisation Agreement shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the terms thereof.

## **Completion**

Completion shall take place on the Completion Date after satisfaction of the conditions precedent set out above (or such other date as may be agreed between the Company and Mr. Zhu).

## **Ranking of the Capitalisation Shares**

The Capitalisation Shares, when allotted and issued, shall rank *pari passu* in all respects with the existing Shares in issue at the date of allotment and issue of the Capitalisation Shares.

## **EFFECT OF THE CAPITALISATION SHARES ON THE SHAREHOLDING STRUCTURE**

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon completion of the Share Consolidation; and (iii) immediately after Completion and the allotment and issue of the Capitalisation Shares as contemplated under the Debt Capitalisation (assuming there are no other changes to the issued share capital of the Company between the date of this announcement and the

Completion Date save for the allotment and issue of the Capitalisation Shares and the Subscriber will not hold any other Shares save for the Capitalisation Shares on the Completion Date):

Shareholders	As at the date of this announcement		Immediately upon completion of the Share Consolidation		Immediately after Completion and the allotment and issue of the Capitalisation Shares as contemplated under the Debt Capitalisation	
	Number of Shares	Approx. % of shareholding	Number of Shares	Approx. % of shareholding	Number of Shares	Approx. % of shareholding
<b>Directors</b>						
Mr. Zhu Yongjun ("Mr. Zhu") (Note 1)	86,772,000	4.75	8,677,200	4.75	18,677,200	9.69
Mr. Pan Yimin ("Mr. Pan") (Note 2)	500,000	0.03	50,000	0.03	50,000	0.03
Dr. Tong Ka Lok ("Dr. Tong") (Note 3)	480,000	0.03	48,000	0.03	48,000	0.02
Mr. Choy Wai Shek, Raymond, MH., JP. ("Mr. Choy") (Note 4)	1,200,000	0.07	120,000	0.07	120,000	0.06
Public Shareholders	<u>1,738,680,134</u>	<u>95.13</u>	<u>173,868,013</u>	<u>95.13</u>	<u>173,868,013</u>	<u>90.20</u>
<b>Total</b>	<b><u>1,827,632,134</u></b>	<b><u>100.00</u></b>	<b><u>182,763,213</u></b>	<b><u>100.00</u></b>	<b><u>192,763,213</u></b>	<b><u>100.00</u></b>

Notes:

- (1) As at the date of this announcement, among the 86,772,000 Shares, 77,000,000 Shares are beneficially held by Jumbo Grand Enterprise Development Limited ("Jumbo Grand") and 4,372,000 Shares are beneficially by Excellent Point Asia Limited ("Excellent Point"). Mr. Zhu owns 100% of the issued voting shares of Jumbo Grand and Excellent Point. As such, Mr. Zhu is deemed or taken to be interested in all the Shares which are beneficially owned by Jumbo Grand and Excellent Point for the purpose of the SFO.
- (2) As at the date of this announcement, Mr. Pan is an executive Director.
- (3) As at the date of this announcement, Dr. Tong is an independent non-executive Director.
- (4) As at the date of this announcement, Mr. Choy is an independent non-executive Director.
- (5) Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## **EQUITY FUND RAISING OF THE COMPANY DURING THE PAST TWELVE MONTHS**

On 11 August 2025, the Company issued an aggregate of 221,500,000 Shares to four subscribers. The Company received net proceeds from the subscription of approximately HK\$22.0 million, which will be utilised and applied as to (i) approximately HK\$13.2 million for the repayment of the Group's overdue lease payables and other outstanding bond payables and lease payables; and (ii) as to approximately HK\$8.8 million for the general working capital of the Group. For details, please refer to the announcements of the Company dated 29 July 2025 and 11 August 2025.

Saved as disclosed above, the Company had not conducted any equity fundraising activities in the past twelve months immediately preceding the date of this announcement.

## **INFORMATION ON THE COMPANY AND THE CREDITOR**

The Company is an investment holding company. The Group is principally engaged in (i) provision of foundation works, civil engineering contractual service and general building works in Hong Kong; and (ii) environmental protection projects including harmless waste treatments covering construction and operation of kitchen waste treatment, diseased livestock and poultry related business, development and management of environmental protection industrial park and new energy materials in the PRC and Hong Kong.

As at the date of this announcement, Mr. Zhu is the chairman of the Board and an executive Director and is interested in 86,772,000 Existing Shares, representing approximately 4.75% of the entire issued share capital of the Company. Therefore, Mr. Zhu is a connected person of the Company under Chapter 14A of the Listing Rules.

## **REASONS FOR THE DEBT CAPITALISATION**

As disclosed in the annual report of the Company for year ended 31 March 2025, the Group incurred net loss of approximately HK\$89.8 million and recorded net operating cash outflow of approximately HK\$36.1 million for the year ended 31 March 2025. As at 31 March 2025, the Group recorded net current liabilities of approximately HK\$44.8 million. In this regard, the Directors have undertaken substantial work for improving the Group's liquidity and financial position.

Capitalisation of part of the Outstanding Sum enables the Group to settle its outstanding indebtedness without utilising existing financial resources of the Company and avoid cash outflows. The Directors are of the view that it is in the interests of the Company and the Shareholders as a whole to preserve as much liquidity as possible in order to strengthen the Group's financial and liquidity position for its business development.

Although the allotment and issue of the Capitalisation Shares will have a dilution effect to the existing Independent Shareholders, having considered (i) the capitalisation of part of the Outstanding Sum can alleviate the repayment and settlement pressure of the Group; and (ii) the Capitalisation Shares, when allotted and issued, will be recognised entirely as equity of the Company which in turn will reduce the gearing ratio, enlarge the capital base and enhance the net asset position of the Group, the Directors are of the view that the dilution effect arising from the allotment and issue of the Capitalisation Shares is justifiable in this regard.

In view of the above, the Directors consider that the terms of the Capitalisation Agreement are fair and reasonable based on the current market conditions and are on normal commercial terms. Accordingly, the Directors consider the Debt Capitalisation is in the interest of the Company and the Shareholders as a whole.

### **SPECIFIC MANDATE**

The Capitalisation Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

### **APPLICATION FOR LISTING**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Zhu is the chairman of the Board and an executive Director and is interested in 86,772,000 Existing Shares, representing approximately 4.75% of the entire issued share capital of the Company. Therefore, Mr. Zhu is a connected person of the Company.

Accordingly, the Debt Capitalisation constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Mr. Zhu and his associates shall abstain from voting in respect of the resolution approving the Capitalisation Agreement and the transactions contemplated thereunder at the EGM.

Mr. Zhu has abstained from voting on the Board resolution approving the Capitalisation Agreement and the transactions contemplated thereunder. Save as disclosed above, (i) no other Director has a material interest in the Capitalisation Agreement and the transactions contemplated thereunder or is required to abstain from voting on the Board resolutions in relation to the aforesaid matters; (ii) to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has any material interest in the Capitalisation Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate)



and therefore no other Shareholder is required to abstain from voting at the EGM in respect of the resolution approving the Capitalisation Agreement and the transactions contemplated thereunder.

## **GENERAL**

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Share Consolidation, the Capitalisation Agreement, and the transactions contemplated thereunder (including the grant of the Specific Mandate). No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. Mr. Zhu and his associates shall abstain from voting in respect of the resolution approving the Capitalisation Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the EGM in respect of the Capitalisation Agreement and the transactions contemplated thereunder.

An Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders regarding, among other things, the terms of the Capitalisation Agreement and the transactions contemplated thereunder. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Share Consolidation; (ii) further details of the Capitalisation Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Capitalisation Agreement and the transactions contemplated thereunder; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Capitalisation Agreement and the transactions contemplated thereunder; (v) a notice to convene the EGM; and (vi) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 17 September 2025.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong

“Capitalisation Agreement”	the debt capitalisation agreement dated 25 August 2025 entered into between the Company as the issuer and Mr. Zhu as the subscriber in relation to the subscription of 10,000,000 Capitalisation Shares
“Capitalisation Shares”	an aggregate of 10,000,000 new Consolidated Shares to be allotted and issued by the Company to Mr. Zhu pursuant to the terms and conditions of the Capitalisation Agreement
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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)
“Completion”	completion of the Debt Capitalisation pursuant to the terms and conditions of the Capitalisation Agreement
“Completion Date”	the date of Completion, being the third Business Day (or such other date as the parties to the Capitalisation Agreement may agree) after satisfaction of the conditions of the Capitalisation Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company after the Share Consolidation becoming effective
“Debt Capitalisation”	the capitalisation of the debt owed by the Group to Mr. Zhu
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, to approve, among other things, the Share Consolidation, the Capitalisation Agreement, and the transactions contemplated thereunder (including the grant of the Specific Mandate)
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	the independent board committee of the Company which shall comprise all the independent non-executive Directors, to be established by the Company to make recommendations to the Independent Shareholders in respect of the Capitalisation Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate)
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Capitalisation Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate)
“Independent Shareholder(s)”	Shareholder(s) who are not required to abstain under the Listing Rules from voting at the EGM for the resolution approving the Capitalisation Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate)
“Issue Price”	HK\$1.00 per Capitalisation Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhu”	Mr. Zhu Yongjun, who is the chairman of the Board and an executive Director and is interested in 86,772,000 Existing Shares, representing approximately 4.75% of the entire issued share capital of the Company, as at the date of this announcement
“Outstanding Sum”	the amount of debts owed by the Company to Mr. Zhu under a Shareholder’s loan, which amounted to approximately HK\$34.32 million as at the date of this announcement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)” or “Existing Share(s)”	ordinary share of HK\$0.1 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Specific Mandate”	the specific mandate proposed to be granted to the Directors by the Independent Shareholders at the EGM to allot and issue the Capitalisation Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 25 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.*