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 IN RELATION TO ACQUISITION OF 70% EQUITY INTEREST IN THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of New Concepts Holdings Limited dated 3 September 2026 (the "**Announcement**") in relation to, among other matters, the Acquisition. Unless otherwise defined herein, capitalised terms used in this announcement shall bear the same meanings as those ascribed to them in the Announcement.

THE SUPPLEMENTAL AGREEMENT

The Board wishes to announce that on 18 September 2026 (after trading hours of the Stock Exchange), the Company, the Vendors and the Target Company entered into a supplemental equity transfer agreement (the "**Supplemental Agreement**") to amend certain terms of the Equity Transfer Agreement.

The principal amendments are summarised below:

Consideration

Under the Equity Transfer Agreement, the 14,894,883 Consideration Shares were originally intended to be allotted and issued in three tranches subject to the achievement of the Performance Guarantees.

Pursuant to the Supplemental Agreement, the parties agreed that all 14,894,883 Consideration Shares shall be allotted and issued within 15 Business Days upon (a) the Equity Transfer Agreement having become effective; (b) the completion of the transfer of 70% equity interest in the Target Company to the Purchaser; and (c) the completion of the necessary procedures for the allotment and issue of the Consideration Shares, whichever is later. However, 70% of the Consideration Shares, being 10,426,418 Consideration Shares, shall be subject to lock-up restrictions and a performance-based unlocking arrangement during the Performance Guarantee Period.

The parties consider that such arrangement simplifies the settlement process while preserving the performance incentive structure originally agreed between the parties.

Lock-up Period and Unlocking Arrangement

Pursuant to the Supplemental Agreement, 70% of the Consideration Shares, being 10,426,418 Consideration Shares, to be allotted and issued to the Vendors (the "**Lock-up Shares**") shall be subject to lock-up restrictions during the period commencing on the date of completion of the Acquisition (the "**Completion**") and ending on the respective dates of issue of the audited consolidated financial statements of the Target Company for the two years ending 30 September 2027 and 30 September 2028 (as the case may be) (the "**Lock-up Period**").

Upon the allotment and issue of the Lock-up Shares, the Company will procure its Hong Kong share registrar (the "**Share Registrar**") to impose administrative restrictions reflecting the lock-up arrangements contemplated under the Equity Transfer Agreement (as supplemented by the Supplemental Agreement). The Share Registrar will make an entry on its internal records which shall have entered therein relevant particulars of the lock-up restrictions in respect of the Lock-up Shares to the effect that, during the Lock-up Period, the Vendors shall not sell, transfer, pledge, charge, create or permit to subsist any encumbrance over, or grant any option or other rights over or dispose of any interest in the Lock-up Shares or any interest therein from time to time being held by them. During the Lock-up Period, any dividends, bonus shares, capitalisation shares, rights entitlements or other benefits attributable to the Lock-up Shares will remain subject to the same restrictions during the Lock-up Period. For the avoidance of doubt, the Vendors shall not be entitled to exercise their voting rights in respect of the Lock-up Shares during the Lock-up Period.

The Consideration Shares shall be released to the Vendors in the following stages:

(i) First Tranche Consideration Shares

Upon the issue and allotment of the Consideration Shares, the First Tranche Consideration Shares shall become freely transferable and unrestricted.

(ii) Second Tranche Consideration Shares

Following the issuance of the audited financial statements of the Target Company for the year ending 30 September 2027, up to 40% of the total Consideration Shares, i.e. up to 5,957,953 Consideration Shares shall be released to the Vendors based on the actual achievement level of the 2027 Target Net Profit.

Calculation and adjustment of the Second Tranche Consideration Shares

(i) If the 2027 Net Profit is between 70% and 100% of the 2027 Target Net Profit, i.e. RMB3.0 million, the number of the Second Tranche Consideration Shares to be released to the Vendors will be calculated and adjusted as follows:

$$= \frac{\text{2027 Net Profit}}{\text{2027 Target Net Profit}} \times \begin{array}{c}\text{Total number of Second Tranche}\\ \text{Consideration Shares}\end{array}$$

For the avoidance of doubt, any portion of the Second Tranche Consideration Shares that is not released shall remain subject to the lock-up restrictions and shall be carried forward to, and form part of, the Third Tranche Consideration Shares.

(ii) If the 2027 Net Profit is less than 70% of the 2027 Target Net Profit, the Company is entitled to, at its discretion, either (a) adjust the number of the Second Tranche Consideration Shares in accordance with the formula in paragraph (i) above, such that the number of Second Tranche Consideration Shares to be released shall be adjusted in proportion to the actual level of the 2027 Net Profit achieved; or (b) terminate the Equity Transfer Agreement. For the avoidance of doubt, any portion of the Second Tranche Consideration Shares that is not released shall remain subject to the lock-up restrictions and shall be carried forward to, and form part of, the Third Tranche Consideration Shares.

(iii) If the 2027 Net Profit exceeds the 2027 Target Net Profit, there shall not be any upward adjustment on the number of the Second Tranche Consideration Shares to be released. The surplus of the 2027 Net Profit over the 2027 Target Net Profit (the "**2027 Net Profit Surplus**") may be carried forward for the purpose of calculating and determining any adjustment to the Third Tranche Consideration Shares to be released as set out below.

(iii) Third Tranche Consideration Shares

Following the issuance of the audited financial statements of the Target Company for the year ending 30 September 2028, the remaining Lock-up Shares shall be released based on the aggregate performance achievement levels of the two Performance Guarantee Years.

Calculation and adjustment of the Third Tranche Consideration Shares

(i) If the sum (the "**Total Actual Net Profit**") of (a) the 2027 Net Profit (including the 2027 Net Profit Surplus (if any)); and (b) the 2028 Net Profit is between 70% and 100% of the sum (the "**Total Target Net Profit**") of the 2027 Target Net Profit and the 2028 Target Net Profit, i.e. RMB6.0 million, the number of the Third Tranche Consideration Shares to be released will be calculated and adjusted as follows:

$$= \frac{\text{Total Actual Net Profit}}{\text{Total Target Net Profit}} \times \begin{array}{c}\text{Total number of}\\ \text{Consideration}\\ \text{Shares}\end{array} - \begin{array}{c}\text{First Tranche}\\ \text{Consideration}\\ \text{Shares released}\end{array} - \begin{array}{c}\text{Second Tranche}\\ \text{Consideration}\\ \text{Shares released}\end{array}$$

(ii) If the Total Actual Net Profit is less than 70% of the Total Target Net Profit, the Company is entitled to, at its discretion, either (a) adjust the number of the Third Tranche Consideration Shares in accordance with the formula in paragraph (i) above, such that the number of the Third Tranche Consideration Shares to be released shall be adjusted in proportion to the level of the Total Actual Net Profit achieved; or (b) terminate the Equity Transfer Agreement.

(iii) If the Total Actual Net Profit exceeds the Total Target Net Profit, there shall not be any upward adjustment on the number of the Third Tranche Consideration Shares to be released.

Treatment of unreleased Lock-up Shares

To the extent that any Lock-up Shares not being released following the determination of the final performance achievement level, such unreleased Lock-up Shares shall cease to be attributable to the Vendors.

The Vendors are obliged to procure, within fifteen (15) Business Days after the determination of the final performance assessment results, the disposal of such unreleased Lock-up Shares by way of placing, on-market disposal, off-market disposal or other lawful means in accordance with applicable laws, regulations, and the Listing Rules. The Vendors shall remit the net proceeds arising from such disposal (after deduction of applicable taxes and reasonable transaction costs) to the Company.

Termination

Pursuant to the terms of the Supplemental Agreement, the parties have also amended the implementation mechanism of the Put and Repurchase Arrangement.

Where the Company exercises its termination right, the Vendors shall then return the Consideration received under the Acquisition through the following arrangements:

(i) in respect of released Consideration Shares still held by the Vendors, the Company will procure the disposal of such Shares through placing, on-market disposal, off-market disposal or other lawful means by the Vendors, and the Vendors shall pay the net proceeds thereof (after deduction of applicable taxes and reasonable transaction costs) to the Purchaser;

(ii) if any released Consideration Shares have been sold, transferred, pledged, charged or otherwise disposed of such that the relevant economic value cannot be recovered through the disposal mechanism described in paragraph (i) above, the Vendors shall compensate the Purchaser in cash. Such compensation shall be calculated by reference to the number of such Consideration Shares multiplied by the Issue Price; and

(iii) in respect of any Lock-up Shares that remain subject to the lock-up restrictions at the date of termination, the Vendors are obliged to procure such Shares to be disposed of in accordance with applicable laws, regulations and Listing Rules requirements, and the net proceeds thereof shall be paid to the Company.

Subject to compliance with the above termination arrangements, the Company shall transfer the Equity Interest in the Target Company back to the Vendors within 15 Business Days after service of the termination notice.

Reasons for entering into the Supplemental Agreement

The Board considers that the arrangements contemplated under the Supplemental Agreement further align the interests of the Vendors with the future performance of the Target Group. The revised structure strengthens the Company's protection under the Performance Guarantee arrangements by linking a substantial portion of the Consideration Shares to the actual performance of the Target Group and providing additional recovery mechanisms in the event of underperformance.

The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Agreement are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

The Board also wishes to provide the Shareholders and potential investors of the Company with further information in relation to the Acquisition.

THE VALUATION

Key inputs of the Valuation

The subject of the Valuation is the entire shareholders' equity interest in the Target Company. The valuation scope comprised all assets and liabilities reported by the Target Company as at 31 July 2026, including current assets, non-current assets, current liabilities and non-current liabilities.

In conducting the Valuation, the Independent Valuer principally relied upon the management accounts of the Target Company as at 31 July 2026, together with the supporting accounting records, asset schedules, liability schedules and other financial and operational information provided by the management of the Target Company.

The principal inputs adopted by the Independent Valuer included the carrying values of the Target Company's assets and liabilities as reflected in the management accounts as at 31 July 2026, details of the composition of the Target Company's assets and liabilities, and relevant supporting documentation evidencing the existence and ownership of such assets and liabilities.

Based on its review of the information provided, the Independent Valuer considered that the carrying values of the Target Company's assets and liabilities substantially reflected their respective fair values as at the Valuation Date and, accordingly, no valuation adjustment was made in arriving at the appraised net asset value of the Target Company. A summary of the appraised values, book values and the differences is set out below:

Item	**Book Value** *(RMB)*	**Appraised Value** *(RMB)*	**Valuation Adjustment** *(RMB)*
Current Assets	27,736,056.14	27,736,056.14	—
Long-term Deferred Expenses	11,430,200.00	11,430,200.00	—
Fixed Assets	7,248,151.75	7,248,151.75	—
Total Assets	**46,564,407.89**	**46,564,407.89**	**—**
Current Liabilities	15,743,406.20	15,743,406.20	—
Non-current Liabilities	5,940,116.68	5,940,116.68	—
Total Liabilities	**21,683,522.88**	**21,683,522.88**	**—**
Net Assets	**24,880,885.01**	**24,880,885.01**	**—**

In assessing the reasonableness of the Valuation, the Board noted that (i) the income approach was not adopted given the Target Company's relatively short operating history and the evolving nature of its business operations, such that its future earnings and cash flows would be more accurately assessed with a longer period of operational track record; (ii) the market approach was not adopted as there was limited publicly available information regarding comparable transactions and comparable companies with business models, operating scale and revenue composition comparable to those of the Target

Company; (iii) the key inputs used by the Independent Valuer were principally derived from the accounting records and supporting documentation of the Target Company; and (iv) no valuation premium was attributed to the Target Company's assets, liabilities or net asset value.

Having considered the valuation methodology adopted, the nature of the Target Company's assets and liabilities, the information relied upon by the Independent Valuer and the fact that no valuation premium was applied, the Board considers the key inputs and assumptions adopted by the Independent Valuer to be fair and reasonable and the Valuation to have been conducted on normal commercial terms.

Qualification and Independence of the Independent Valuer

The Independent Valuer is a qualified asset valuation firm in the PRC and its asset appraisers are members of the China Appraisal Society and hold the requisite qualifications to prepare the Valuation. As at the date of this announcement, the Independent Valuer is a third party independent of the Company and its connected persons, and the Independent Valuer has confirmed its independence from the Company and its connected persons.

The Directors have assessed the qualifications, experience and track record of the Independent Valuer and are of the view that the Independent Valuer is qualified, experienced and competent in performing the Valuation.

BASIS OF THE PERFORMANCE GUARANTEE

The Performance Guarantees were determined after arm's length negotiations between the Purchaser and the Vendors with reference to, among other things, (i) the Target Group's existing operating scale and business development plan; (ii) the expected increase in processing and trading volume of waste oil and related products; (iii) prevailing and expected market conditions of the waste oil industry; and (iv) the anticipated growth in demand for waste oil driven by the biodiesel and sustainable aviation fuel industries.

Although the Target Company recorded profit after tax of approximately RMB566,000 for the year ended 31 December 2025, the Board noted that the Target Company only commenced substantive operations in recent years and remains at an early stage of business expansion. The Board understands from the Vendors and management of the Target Group that the existing processing facilities and procurement network have not yet reached their full operating capacity and there remains scope for further growth in the Target Group's collection, processing and trading activities.

In assessing the achievability of the Performance Guarantees, the Board also took into account the historical growth trend of waste oil prices in the PRC. According to market data and industry reports reviewed by the Company, waste oil prices have generally demonstrated an upward trend in recent years, increasing from approximately RMB5,000 per tonne in 2023 to approximately RMB7,700 to RMB8,000 per tonne in 2026, driven principally by increasing domestic and overseas demand for biodiesel and SAF feedstocks. The Board considered that a number of SAF production projects are under development in the PRC and overseas, which is expected to support continued demand for waste oil as a key raw material.

Based on information provided by the Vendors, the Target Company is expected to continue expanding its sourcing network and trading volume. Having regard to the expected operating scale of the Target Group and the prevailing profit margins generally achievable by businesses engaged in the processing and trading of waste oil and related products, the Board considers that annual net profit of RMB3.0 million is commercially achievable.

Nevertheless, the Board recognises that the future financial performance of the Target Group will depend upon various factors, including market demand, waste oil prices, procurement capability, operating efficiency and general economic conditions. Accordingly, there can be no assurance that the Target Group will ultimately achieve the Performance Guarantees. The Board considers that the Performance Guarantees, together with the Consideration adjustment mechanism and the lock-up arrangement, provide appropriate protection to the Company and the Shareholders in the event that the Target Group's actual performance falls short of the agreed targets.

INFORMATION OF THE PRC SUBSIDIARY

As at the date of this announcement, the PRC Subsidiary is owned as to 51% by the Target Company and 49% by Yao Yu (姚宇), who is a merchant and an Independent Third Party.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The PRC Subsidiary was established to conduct the collection, processing and trading of waste oils business in the PRC. The Board considered that, in order to carry out such business operations locally and obtain the requisite permits, licences and regulatory approvals from the relevant PRC authorities, it is commercially reasonable for the Target Company to establish a locally incorporated operating entity in the PRC. The establishment of the PRC Subsidiary forms part of the Target Group's market expansion strategy to develop its presence in the Chuzhou market together with its local business partners. In particular, certain waste oil collection and processing activities may be subject to local licensing requirements or practical restrictions on the cross-regional transportation of materials. In addition, transportation costs and processing costs may affect the commercial viability of transporting waste oils across different regions. Accordingly, the Target Company established the PRC Subsidiary in Chuzhou City, Anhui Province, the PRC as an operating vehicle for the development of such business within Chuzhou region.

Prior to the establishment of the PRC Subsidiary, the Target Company's principal business was conducted directly through the Target Company. Upon completion of the Acquisition, the Company will hold 70% of the equity interests in the Target Company and, accordingly, the Company's effective economic interest in the Target Company's business would be 70%. Following the establishment of the PRC Subsidiary, as the PRC Subsidiary is owned as to 51% by the Target Company, the Company's effective economic interest in the PRC Subsidiary will be approximately 35.7%.

The financial results of the PRC Subsidiary is, and is expected to remain consolidated into the financial statements of the Target Company on the basis that the Target Company holds 51% of the equity interests and voting rights in the PRC Subsidiary and has the right to appoint a majority of its board members and direct its relevant operating and financial activities. The remaining 49% equity interest held by Yao Yu (姚宇) only carries customary minority shareholder protection rights and does not confer any rights enabling Yao Yu (姚宇) to control or jointly control the PRC Subsidiary. Accordingly, the PRC Subsidiary is accounted for as a subsidiary of the Target Company, with the 49% equity interest being recognised as non-controlling interests in accordance with the applicable accounting standards.

In determining the Consideration, as set out in the Announcement, as the PRC Subsidiary was newly established on 14 July 2026 and has no operation since establishment, no financial information of the PRC Subsidiary for the last two financial years is available. Given the newly established nature of the PRC Subsidiary, its net asset value as at the Valuation Date was not material to the overall Valuation. Accordingly, no separate value was attributed to the PRC Subsidiary in the Valuation.

The Company and the Vendors became acquainted through an industry business fair and exhibition held in 2025. Prior to such introduction, there had been no business dealings, commercial relationship or other connection between the Company and the Vendors. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors is an Independent Third Party.

The Group has been actively exploring opportunities to diversify its business portfolio and identify new growth drivers. The Board considers that the waste oil collection, processing and trading industry has favourable long-term prospects, supported by increasing demand from the biodiesel and sustainable aviation fuel industries and growing environmental protection and resource recycling initiatives in the PRC.

The Acquisition will provide the Group with an opportunity to participate in the waste oil recycling and processing industry through an established operating platform. The Board expects that the Acquisition will enable the Group to (i) broaden its business portfolio and revenue streams; (ii) participate in the growing market for waste oil recycling and sustainable energy feedstock supply; (iii) leverage the Target Group's existing sourcing network and industry relationships; and (iv) create opportunities for future expansion into related environmental protection businesses.

The Board considers that the Acquisition is expected to generate operational and commercial synergies with the Group's existing food waste and kitchen waste treatment operations in Anhui Province, the PRC.

Given the Target Company's principal place of business in Lu'an City, Anhui Province which is in close proximity to the Group's existing catering waste treatment projects in Hefei, Xuancheng and Guoyang, the Company expects these projects possess a strong foundation for operational collaboration with the short transportation distance among the facilities.

In particular, the Board expects the Acquisition to create synergies in the following areas:

(i) logistics synergies through the optimisation of transportation routes, collection networks and logistics resources across the Group's existing Anhui operations and the Target Group's waste oil business;

(ii) channel synergies through the sharing of upstream collection channels, supplier networks and customer resources relating to waste oil and kitchen waste collection and treatment; and

(iii) operational synergies through the sharing of operational expertise, management resources, personnel and industry know-how across the Group's existing environmental protection projects and the Target Group's business.

The Board considers that the geographical proximity among the Group's existing projects and the Target Company's operations makes such synergies practically achievable. The Board expects that, following the Acquisition, regional coordination among the Group's Anhui-based projects will enhance overall operational efficiency, reduce transportation and operating costs, improve resource utilisation and increase the economic benefits generated by the Group's environmental protection business as a whole. Accordingly, the Board believes that the Acquisition will enable the Group to strengthen its presence in the waste recycling and environmental protection sector in Anhui Province and create synergistic benefits that are expected to exceed the standalone benefits of the Target Group and the Group's existing projects operating independently. As such, the Board considers that the Acquisition is in line with the Group's long-term business development strategy and is capable of generating commercial benefits for the Group and the Shareholders as a whole.

Having considered, among other things, the Target Company's controlling interest in and control over the PRC Subsidiary, the consolidation of the PRC Subsidiary into the Target Company's financial statements, the strategic rationale for establishing the PRC Subsidiary to develop the Chuzhou market and the protection afforded by the Performance Guarantees and related adjustment mechanisms under the Equity Transfer Agreement, the Directors consider that the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The information provided in this announcement does not affect other information contained in the Announcement. Save as disclosed above, the contents of the Announcement remain unchanged.

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

Hong Kong, 18 September 2026

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.