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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)

INSIDE INFORMATION SETTLEMENT OF LITIGATION

This announcement is made by New Concepts Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited Listing Rules (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s announcements (the “**Announcements**”) dated 3 October 2017 and 22 October 2020. Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

BACKGROUND

As set out in the Announcements, the Company issued the Convertible Bonds due 2022 in the principal amount of US\$5,000,000 to the Plaintiff pursuant to the Subscription Agreement dated 3 October 2017, and since the suspension of the trading of the Company’s shares during the period from 3 July 2018 to 15 February 2019 constituted an event of default under the terms of the Convertible Bonds which entitled the Plaintiff to redeem the Convertible Bonds at its discretion, the Company had been negotiating with the Plaintiff on such redemption matter and had not paid the interest under the Convertible Bonds to the Plaintiff during the course of negotiation. Thereafter on 22 October 2020, the Company received the Writ indorsed with a statement of claim issued by the High Court of Hong Kong, wherein the Plaintiff sought against the Company for, among others, a sum of US\$6,572,708 (being the aggregate of the outstanding principal

amount of US\$5,000,000 and interest of US\$1,572,708 under the Convertible Bonds), with daily interest of US\$1,667, being 12% per annum calculated on the outstanding principal amount of the Convertible Bond on daily basis.

SETTLEMENT OF LITIGATION

After receipt of the Writ, the Company has further negotiated with the Plaintiff and repaid to the Plaintiff an aggregate of approximately US\$7,094,000, being the aggregate of the outstanding principal amount of US\$5,000,000 and interest of approximately US\$2,094,000 accrued up to 17 August 2021 pursuant to the terms of the Convertible Bonds.

After receiving the said repayment, the Plaintiff agreed to discontinue its claim under the Writ and made an application to the High Court of Hong Kong with the Company. On 25 August 2021, a consent order was issued by the court and the Plaintiff's claim was discontinued with effect on the even date.

The Board considers the aforesaid settlement is in the interest of the Company and the shareholders of the Company as a whole, and the repayment has no material adverse impact on the financial position and operations of the Group.

Shareholders and/or investors are advised to exercise caution when dealing in the Company's securities.

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

Hong Kong, 26 August 2021

As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun, Mr. Pan Yimin and Mr. Lee Tsi Fun Nicholas; the non-executive Directors are Dr. Ge Xiaolin and Dr. Zhang Lihui; and the independent non-executive Directors are Mr. Lo Chun Chiu, Adrian, Dr. Tong Ka Lok and Mr. Choy Wai Shek, Raymond, MH, JP.