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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**

**MEMORANDUM OF UNDERSTANDING  
IN RELATION TO POSSIBLE ACQUISITION**

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**POSSIBLE ACQUISITION**

The Board is pleased to announce that on 4 June 2018 (after trading hours of the Stock Exchange), the Company entered into the MOU with the Vendor in relation to the Possible Acquisition. The principal terms of the MOU are set out as follows:

**Date:** 4 June 2018 (after trading hours of the Stock Exchange)

**Parties:** (i) the Company, as purchaser  
(ii) Smooth Chance Limited, as vendor

Pursuant to MOU, the Company (or through its designated company) intended to acquire, and the Vendor intended to sell, certain trademarks and intellectual properties rights in relation to household food waste treatment processors (the “Assets”) owned by Vendor.

Pursuant to the MOU, the parties agreed to proceed with further negotiation in good faith and use their best endeavours to enter into the Formal Sale and Purchase Agreement and other transaction documents (if any) in respect of the Possible

Acquisition within 90 days (or such other date as agreed by the parties). The consideration for the Possible Acquisition shall be determined by the parties to the MOU with reference to the results of the due diligence review and/or valuation report of the Assets.

### **Exclusivity**

Pursuant to the MOU, the parties agreed that for a period of 6 months commencing from the signing date of the MOU, the Vendor and its ultimate beneficial owner(s) shall not directly or indirectly invite, contact or accept any third party for discussion, negotiation, evaluation or investigation for any transfer, investment, activities of similar nature or reaching any agreement in relation to the Assets.

### **Effective Period**

The MOU shall be effective for a period of 6 months commencing from the signing date of the MOU. Subject to any further agreement between the parties, the MOU shall cease to be effective automatically upon expiry.

### **Formal Sale and Purchase Agreement**

The MOU is not legally binding save for the provisions on exclusivity, confidentiality, cost and expenses, effective period and governing law. The Possible Acquisition therefore may or may not materialise.

In the event that the Formal Sale and Purchase Agreement is entered into, the Possible Acquisition may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) is an independent third party of the Company and its connected persons (as defined under the Listing Rules).

### **REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION**

The Group is a contractor in the Hong Kong construction industry and is principally engaged in construction works and environmental protection.

In particular, the Group has certain kitchen waste treatment plants that are in operations and under construction in the People's Republic of China. The proposed acquisition of the Assets, if materialised, enables the Group penetrating its kitchen waste treatment business into individual households and further strengthen the positioning and increase the market share in the kitchen waste treatment industry.

**Shareholders and/or investors should note that the Possible Acquisition may or may not materialise as no formally binding documentation has been executed between the parties and negotiations are still in progress. Shareholders and/or investors are advised to exercise caution when dealing in the Company's securities.**

## **DEFINITION**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the Board of Directors
“Company”	New Concepts Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 2221)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Formal Sale and Purchase Agreement”	the formal sale and purchase agreement relating to the Possible Acquisition which may be entered into among the parties to the MOU
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU ”	the memorandum of understanding dated 4 June 2018 entered into among the Vendor and the Company in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition by the Company (or through its designated Company) of the Assets pursuant to the MOU
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor ”

Smooth Chance Limited, a company incorporated in the British Virgin Islands with limited liability

By Order of the Board  
**New Concepts Holdings Limited**  
**Cai Jianwen**  
*Executive Director*

Hong Kong, 4 June 2018

*As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun, Ms. Qin Shulan and Mr. Cai Jianwen; the non-executive Director is 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.*