



Press Release

[For immediate release]

New Concepts Intends to Acquire Water and Food Leftover Treatment Projects to Drive Business Diversification

(2 June 2016, Hong Kong) **New Concepts Holdings Limited** (the “Company”, together with its subsidiaries known as the “Group”; Stock Code: 2221.HK) is pleased to announce that its wholly-owned subsidiary, Max Charm (Hong Kong) Limited, has entered into memoranda of understanding for acquisitions with vendors. The target Company to be acquired is mainly engaged in water treatment, treatment of food leftover and garbage residues businesses. The acquisition of these new businesses comes in line with the Company’s development strategy, which enables it to realize business diversification and boost its profitability and value.

According to the MOU sealed between Max Charm (Hong Kong) Limited and the vendors, Max Charm will acquire 51% equity interest in the target Company, Suzhou Clear Industry Co., Ltd., and 100% equity interest of a direct wholly-owned subsidiary of the target Company, at a total consideration of not more than RMB88 million. Besides, Max Charm intends to acquire 51% equity interest in Loudi Fangsheng Environmental Technology Co. Ltd. (婁底市方盛環保科技有限公司) owned by the target Company at a consideration of not less than RMB23 million. Suzhou Clear Industry Co., Ltd. is a technology company which focuses on water treatment, treatment of food leftover and garbage residues and other environmental improvement solutions system in the PRC. Upon completion of this possible acquisition, Max Charm will become its majority shareholder.

According to its “13th Five-year Plan”, the Chinese government will step up efforts to enhance the ecosystem in the country, which include the improvement in daily sewage and solid wastes treatment and the promotion of recycling and innocuous waste treatment. As this policy creates ample room for growth in water treatment and treatment of food leftover and garbage residues businesses, the management is fully confident about the prospects of related operations. Mr. Zhu Yongjun, Chairman of the Company, commented, “Underpinned by the government’s supportive policy, there is consideration room for growth in water and food leftover treatment operations. Going forward,



they will become one of the major businesses we will focus on. The acquisition marks a major milestone for our long-term strategic growth as they enable us to diversify our business portfolio. Therefore, we will strive hard to realize the acquisitions. The Company's new management possesses extensive management experience and in-depth knowledge of water treatment and environmental protection industry. As a result, we will continue to identify suitable targets for investments and development, thereby further reinforcing our portfolio in water and food leftover treatment businesses and enhancing our profitability."

~End~

About New Concepts Holdings Limited

New Concepts Holdings Limited was listed on the main board of Hong Kong Stock Exchange on 19 September 2014. The main businesses for the Group are foundation project, civil engineering project and general building project.

For more information, please view <http://www.ncfl.com.hk>

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