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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)

TERMINATION OF (1) CONNECTED TRANSACTION IN RELATION TO THE ADMISSION AS A LIMITED PARTNER TO CHINA ENVIRONMENT FUND V, L.P. AND (2) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE MANAGEMENT FEE PAYABLE UNDER THE LIMITED PARTNERSHIP AGREEMENT

Reference is made to the announcement of New Concepts Holdings Limited (the “Company”) dated 30 June 2017 (the “Announcement”) in relation to (1) the admission of UPL, an indirect wholly-owned subsidiary of the Company, as a limited partner to China Environment Fund V, L.P.; and (2) the continuing connected transaction in relation to the management fee payable by UPL under the Limited Partnership Agreement. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

As the Fund has not been launched, the Company intends UPL to exit from the Limited Partnership Agreement in order to reallocate resources of the Group to its existing projects in construction and environmental protection businesses. Therefore, UPL, the General Partner and the Management Company entered into a withdrawal deed (the “Withdrawal Deed”) on 24 January 2019.

Pursuant to the Withdrawal Deed, the parties agreed UPL shall withdraw from the Partnership under the Limited Partnership Agreement. Since the Fund has not been launched, it is also agreed that UPL was not obliged to make any capital contribution to the Partnership nor incurred pay any management fee payable to the Management Company. Each of the General Partner and the Management Company also agreed and acknowledged that, as at the date of the Withdrawal Deed, UPL has not breached any provision of the Limited Partnership Agreement nor owed any outstanding amount to the

Partnership, the General Partner and/or the Management Company; and the General Partner and the Partnership, the General Partner and/or the Management Company do not have any claim or potential claim against UPL.

Up to the date of this announcement, the Group has not made any capital contribution to the Fund and has not paid any management fee to the Management Company. As the General Partner and the Management Company have not breached the Limited Partnership Agreement and there is no provision in the Limited Partnership Agreement entitles UPL to request for the launch of the Fund or claim against the General Partner and the Management Company, the Company believes that entering into the Withdrawal Deed is fair and reasonable and will not cause any material adverse impact to the Group's business and operational activities.

As at the date of this announcement, CEF IV together with its subsidiaries hold approximately 9.67% of the total issued share capital of the Company and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Dr. Zhang, being the non-executive Director who controls or shares control of the Management Company, has abstained from voting on the resolutions in relation to the Withdrawal Deed in the Board meeting. Save and except for Dr. Zhang, no Director has material interests in the transaction contemplated under the Withdrawal Deed.

IMPLICATIONS UNDER THE LISTING RULES

Since the continuing connected transaction contemplated under the Limited Partnership Agreement was terminated, the Company issued this announcement pursuant to the requirement under the Note to Rule 14A.35 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 24 January 2019

As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun, Ms. Qin Shulan, Mr. Cai Jianwen and Mr. Lee Tsi Fun Nicholas; 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.