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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 12 August 2019 (after trading hours of the Stock Exchange), the Company entered into the MOU with the Vendor in relation to the Possible Acquisition.

Pursuant to the MOU, the Company (or through its designated company) intended to acquire, and the Vendor intended to sell, the entire equity interest in the Target Company from the Vendor. As at the date of this announcement, the Target Company holds 10 kitchen waste projects in the People's Republic of China (the "PRC"), and 5 of which are in operations. The total designed capacity of these 10 kitchen waste projects is 2,235 tons per day.

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. 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 of the Target Company.

## **Effective Period**

The MOU shall be effective for a period of 12 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.

## **Non-legally Binding**

The MOU is not legally binding save for the provisions on confidentiality, due diligence cost and expenses 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 principally engaged in (i) provision of foundation works, civil engineering contractual service and general building works; (ii) sales of construction materials; (iii) environmental protection projects including kitchen waste treatment, industrial water treatment and strategic investments in environmental protection related projects; and (iv) industrial fluids system services.

In March 2017, the PRC central government set out plans for a standardised system and regulations for rubbish sorting by 2020, with a target for 46 major cities, including Shanghai, to recycle 35% of their waste. Starting 1 July 2019, Shanghai implemented the Shanghai Administrative Regulation on Household Waste Sorting stipulating that the residents are required by law to sort domestic waste where such policies and measures should bring momentous opportunity to the PRC kitchen waste treatment industry.

The Group has certain kitchen waste treatment plants that are in operations and under construction in the PRC. The proposed acquisition, if materialised, enables the Group further strengthening the positioning and may become one of the top-tier operators in the PRC 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)
“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 or may not 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 12 August 2019 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 Target Company from the Vendor 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
“Target Company”	a company incorporated in the PRC which is principally engaged in kitchen waste treatment business and is wholly-owned by the Vendor as at the date of this announcement

“Vendor” a company incorporated in the PRC

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

Hong Kong, 12 August 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.*