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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 FRAMEWORK AGREEMENT IN RELATION TO POSSIBLE DISPOSAL AND FINANCIAL ASSISTANCE

This announcement is made by New Concepts Holdings Limited (the “**Company**”) 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).

FRAMEWORK AGREEMENT

On 22 February 2021, Fancy Ascent Limited (宜昇有限公司) (an indirect wholly-owned subsidiary of the Company, the “**Vendor**”), BECE Legend Group Co., Ltd.* (北清環能集團股份有限公司) (the “**Purchaser**”), being a company listed on the Shenzhen Stock Exchange (Stock Code: 000803), and Hefei Feifan Bio-technology Co., Ltd* (合肥非凡生物科技有限公司) (a 60%-owned subsidiary of the Company owned through the Vendor, the “**Target Company**”) entered into an equity transfer framework agreement (the “**Framework Agreement**”), the principal terms of which are as follows;

Date: 22 February 2021

Parties: the Vendor;
the Purchaser; and
the Target Company.

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

As already disclosed in the Company's announcements both dated 8 February 2021, the Group entered into (i) a sale and purchase agreement dated 8 February 2021 with the Purchaser and other parties in relation to the disposal of 100% equity interest in Taiyuan Tianrun Bioenergy Co., Ltd* (太原天潤生物能源有限公司) by the Group to the wholly-owned subsidiary of the Purchaser; and (ii) a strategic cooperation agreement dated 8 February 2021 with the Purchaser to set out the cooperation intention between the parties. For details of the two agreements, please refer to the aforesaid announcements of the Company.

Possible Transaction

As at the date of the Framework Agreement, the Target Company is owned as to 60% by the Vendor. It is intended that the Vendor shall acquire the remaining 40% equity interest in the Target Company from its other existing shareholders, and thereafter sell the 100% equity interest (the "**Target Interest**") in the Target Company to the Purchaser at the consideration of not exceeding RMB155 million. The consideration (the "**Consideration**") of the Target Interest is tentatively determined by, among others, with reference to the unaudited net asset value of the Target Company as at 30 November 2020 in the amount of approximately RMB134.17 million, and is subject to adjustment pursuant to the valuation results on the Target Interest to be appraised by a qualified valuer to be appointed by the Purchaser). Further, if the relevant government authority of Hefei raises the unit price of kitchen waste treatment on or before 31 December 2021, the Purchaser shall also an additional amount of RMB500,000 for every RMB1 per ton raised beyond the existing price.

The Consideration is expected to be settled by assignment of a right to loan (the "**Loan**") of approximately RMB240.48 million owed by Nanchong Jinyu Property Development Co., Ltd.* (南充金宇房地產開發有限公司) ("**Jinyu Property**") and its subsidiaries to the Purchaser. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Jinyu Property and its ultimate beneficial owner(s) is an independent third party of the Company and its connected persons (as defined under the Listing Rules).

Such Loan is currently valued at approximately RMB157.07 million by the Purchaser. The Vendor shall conduct due diligence review on the Loan upon signing the Framework Agreement. In the event the value of the Loan as appraised by the valuer to be appointed by the Vendor is lower than the final Consideration, the Purchaser shall pay such difference in the amount by cash to the Vendor.

Conditions Precedent

The transfer of the Target Interest and the effectiveness of the Framework Agreement is subject to fulfillment of the following conditions:

- (i) the transactions contemplated under the Framework Agreement including the transfer of the Target Interest having been approved in writing by the relevant government authorities of Hefei;
- (ii) the transfer of the Target Interest contemplated under the Framework Agreement having been approved by the board of directors or shareholders of the Purchaser;
- (iii) the transfer of the Target Interest contemplated under the Framework Agreement having been approved by the Board or the shareholders of the Vendor and the Company and all relevant authorities (including the Stock Exchange) having been obtained;
- (iv) the Loan assignment contemplated under the Framework Agreement having been approved by the board of directors or shareholders of the Purchaser; and
- (v) the Loan assignment contemplated under the Framework Agreement having been approved by the Board or the shareholders of the Vendor and the Company and all relevant authorities (including the Stock Exchange) having been obtained.

The parties shall arrange the transfer of the Target Interest and the Loan assignment within 5 working days upon fulfillment of all the above conditions and the signing of a formal agreement (the “**Formal Agreement**”) on the transactions contemplated under the Framework Agreement among the parties. It is expected that the above conditions shall be fulfilled in full and the parties shall sign the Formal Agreement within 120 days from the date of the Framework Agreement (or such other later date agreed by the parties in writing) (the “**Long Stop Period**”).

If any of the conditions precedent could not be fulfilled during the Long Stop Period due to breach by the Vendor or the Purchaser, the Framework Agreement shall be terminated and the defaulting party shall pay a compensation of RMB10 million to the non-defaulting party within 10 days from the date of breach. For avoidance of doubt, non-fulfilment of any of conditions (i), (ii) and (iv) shall not be deemed as breach by the Purchaser while non-fulfilment of any of conditions (i), (iii) and (v) shall not be deemed as breach by the Vendor. In the event that the non-fulfilment is not caused by breach of the Framework Agreement by either the Purchaser and/or the Vendor, or the parties ultimately do not enter into the Formal Agreement within the Long Stop Period, the Framework Agreement shall be terminated and upon termination, the Framework Agreement shall be of no further effect thereafter and all the rights, obligations and liabilities of the parties under the Framework Agreement will cease and determine.

Due Diligence and Exclusivity

Within 60 days from the signing date of the Framework Agreement, the Purchaser shall complete its due diligence investigation on the Target Interest while the Vendor shall complete its due diligence investigation on the Loan. During such period, each party shall not negotiate or reach any agreement or letter of intention with any other third-party in respect of any transaction regarding the Target Interest or the Loan, otherwise the defaulting party shall pay a compensation of RMB10 million to the non-defaulting party within 10 days from the date of breach.

Legal Effect

The Framework Agreement is legally binding on the parties save and except for the transactions in relation to the transfer of the Target Interest and Loan assignment which will be subject to further negotiation among the parties and the signing of the Formal Agreement.

GENERAL

The transactions in relation to the transfer of the Target Interest and Loan assignment contemplated under the Framework Agreement, if materialised, are expected to constitute a very substantial disposal transaction and a major financial assistance transaction, respectively. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules in this regard.

The parties to the Framework Agreement may or may not proceed to the entering of the Formal Agreement and thus the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 22 February 2021

As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun 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.

In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.

** For identification purpose only*