

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSEABLE TRANSACTION UPDATE TO THE JOINT VENTURE AGREEMENT

Reference is made to the announcement of New Concepts Holdings Limited (the “**Company**”) dated 11 July 2023 (the “**Announcement**”) in relation to the Joint Venture Agreement entered into between Shenzhen Huamingsheng (a 51%-owned subsidiary of the Company) and Shanxi Hantang Senyuan Development Group Co., Ltd.* 陝西漢唐森源實業發展集團有限責任公司 (“**Hantang Senyuan**”) on 11 July 2023, pursuant to which the parties agreed to establish a joint venture company, i.e. Xi’an Hantang Mingsheng Technology Co., Ltd.* 西安漢唐明勝科技有限公司 (“**Hantang Mingsheng**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless stated otherwise.

BACKGROUND

Pursuant to the Joint Venture Agreement, Hantang Mingsheng should have a registered capital of RMB350.0 million, and to be owned as to 30% and 70% by Shenzhen Huamingsheng and Hantang Senyuan, respectively, upon establishment. Hantang Senyuan should make its capital contribution to Hantang Mingsheng of RMB245.0 million in cash within 30 days upon the signing of the Joint Venture Agreement, and Shenzhen Huamingsheng should make its capital contribution to Hantang Mingsheng of RMB105.0 million (equivalent to approximately HK\$114.4 million), either in cash or by transfer of the Patented Technologies (as defined below), to Hantang Mingsheng at its sole discretion. Should Shenzhen Huamingsheng make its capital contribution by cash, Hantang Mingsheng will negotiate with Shenzhen Huamingsheng on its possible acquisition of the Patented Technologies from Shenzhen Huamingsheng at an estimated consideration of RMB105.0 million, and the Company would make further announcement if Shenzhen Huamingsheng determines to contribute its capital by the Patented Technologies to Hantang Mingsheng.

As at the date of this announcement, Hantang Senyuan has contributed its share of capital contribution to Hantang Mingsheng in full while Shenzhen Huamingsheng has not made its contribution to Hantang Mingsheng.

Having considered the reasons set out in the section headed “Reasons for and Benefits of the making capital contribution by the Patented Technologies” below, Shenzhen Huamingsheng determined to make its capital contribution by way of the Patented Technologies into Hantang Mingsheng.

THE PATENTED TECHNOLOGIES

The Patented Technologies consist of 20 patents which include but not limited to patents, know-how, production rights, etc. of modified graphite-based anode materials and related anode materials. 16 out of these patents (the “**16 Patents**”) were transferred from Shanghai Bakusi Superconducting New Materials Co., Ltd.* (上海巴庫斯超導新材料有限公司) (“**Shanghai Bakusi**”), being the 49% shareholder of Shenzhen Huamingsheng, to Shenzhen Huamingsheng pursuant to a supplemental agreement dated 30 November 2023, details of which are set out in the Company’s announcement of even date. The remaining 4 patents were developed and registered by Shenzhen Huamingsheng since its establishment.

FINANCIAL EFFECT

It is expected that such injection of the Patented Technologies into Hantang Mingsheng will record a non-cash gain of approximately RMB68.8 million being the difference between the carrying values of the Patented Technologies of approximately RMB36.2 million, and the carrying values of Shenzhen Huamingsheng’s attributable interest in associate (i.e. Hantang Mingsheng) of approximately RMB105.0 million, through equity-method accounting, and will have no adverse impact on the Company’s financial position.

The above figure is for illustrative purpose only. The actual gain or loss will be subject to the review and final audit by the independent auditors of the Company.

INFORMATION OF THE PARTIES INVOLVED

The Group is principally engaged in (i) construction business in Hong Kong; and (ii) environmental protection projects including kitchen waste treatment related business, development and management of environmental protection industrial park and new energy materials.

Shenzhen Huamingsheng is a limited liability established in the PRC and owned as to 51% by the Company. It is principally engaged in the production of graphite-based related anode materials.

Hantang Senyuan is a limited liability company established in the PRC and it and its subsidiaries are principally engaged in coal mining, hydropower investment and graphene technology. Its ultimate beneficial owner is Zi Fenggao, a citizen of the PRC and a merchant. Each of Hantang Senyuan and its ultimate beneficial owner is an independent third party to the Company.

Hantang Mingsheng is a joint venture company incorporated in the PRC and owned as to 30% and 70% by Shenzhen Huamingsheng and Hantang Senyuan. It is principally engaged in the production and sale of graphite-based related anode materials in the PRC and is an independent third party of the Company.

REASONS FOR AND BENEFITS OF MAKING CAPITAL CONTRIBUTION BY THE PATENTED TECHNOLOGIES

One of the key purposes of the Joint Venture Agreement is to procure the Patented Technologies to be seized by Hantang Mingsheng, which are highly essential for its principal businesses. As such, the injection of the Patented Technologies is on one hand in line with such key purpose and on the other hand speeding up the fulfillment of Hantang Senyuan and Shenzhen Huamingsheng's obligations under the Joint Venture Agreement without any material derivation. In addition, Hantang Senyuan will be responsible for providing additional fundings, where necessary, Hantang Mingsheng by way of shareholder's loan at an annual interest rate of not exceeding 6%. Therefore, it enables the Group to ride on larger production capacity without further capital involvement. In addition, subject to the confirmation in the Company's audited financial statements for the year ending 31 March 2024, such injection of the Patented Technologies would result in a gain of approximately RMB68.8 million.

* *identification only*

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

Hong Kong, 28 March 2024

As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun, Mr. Pan Yimin and Mr. Lee Tsi Fun Nicholas; the non-executive Directors are Mr. Lin Jiakuang and Dr. Ge Xiaolin; and the independent non-executive Directors are Ms. Du Yun, Mr. Lo Chun Chiu, Adrian, Dr. Tong Ka Lok and Mr. Choy Wai Shek, Raymond, MH, JP.