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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)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF 30% EQUITY INTEREST IN ZAOZHUANG HIGH ENERGY NEW MATERIALS CO., LTD.*

On 29 August 2024, the Purchaser (an indirect non wholly-owned subsidiary of the Company), the Vendor and the Target Company entered into the Acquisition Agreement, the principal terms and conditions of the Acquisition Agreement are summarised below:

ACQUISITION AGREEMENT

Date: 29 August 2024 (after trading hours of the Stock Exchange)

Parties: (a) Purchaser;
(b) Vendor; and
(c) the Target Company

As at the date of this announcement, the Target Company is owned as to 30% by the Vendor. Pursuant to the Acquisition Agreement, the Vendor agreed to sell its entire 30% equity interest in the Target Company to the Purchaser.

The registered capital of the Target Company is RMB30.0 million, and the Vendor's attributable capital contribution to the Target Company is RMB9.0 million, of which RMB3.0 million should be contributed by cash and the remaining RMB6.0 million should be contributed through provision of technology management. As at the date of this announcement, the Vendor has contributed RMB1.0 million in cash to the Target Company.

Consideration:

The consideration for the 30% equity interest in the Target Company is RMB1.0 million (equivalent to approximately HK\$1,094,000) which represented the capital contribution already made by the Vendor, and will be paid to the Vendor in cash within 180 days upon completion of business registration in respect of the transfer for such 30% equity interest in the Target Company. Upon completion, the Purchaser will inherit the Vendor's obligation to contribute to the Target Company capital of RMB2.0 million in cash and RMB6.0 million through provision of technology management.

Upon completion of the business registration, the Target Company will be owned as to 30% as an associate of the Company. It will not become a subsidiary of the Company and will not be consolidated into the financial statements of the Group.

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser and with reference to capital contribution and commitment of the Vendor in the Target Company.

The consideration will be financed by internal resources of the Group.

INFORMATION OF THE PURCHASER

The Group is principally engaged in (i) provision of foundation works, civil engineering contractual service and general building works; and (ii) environmental protection projects including kitchen waste treatment related business, development and management of environmental protection industrial park and new energy materials in the PRC. The Purchaser is a limited liability company established in the PRC and owned as to 51% and 49% by the Company and the Vendor, respectively. It is principally engaged in the production of graphite-based related anode materials.

INFORMATION OF THE VENDOR

The Vendor is a limited liability company established in the PRC and holds 49% equity interest of the Purchaser. It is principally engaged in research and development, and sales of new energy application and materials. Its ultimate beneficial owner is You Yiyuan, a citizen of the PRC and a merchant.

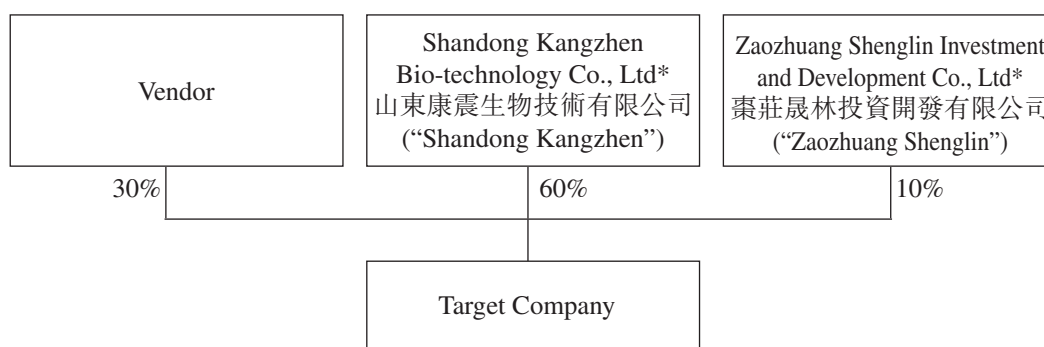
To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, save for the Vendor's ownership of 49% equity interest in the Purchaser, each of the Vendor and its ultimate beneficial owner is independent of the Company and its connected persons.

INFORMATION OF THE TARGET COMPANY

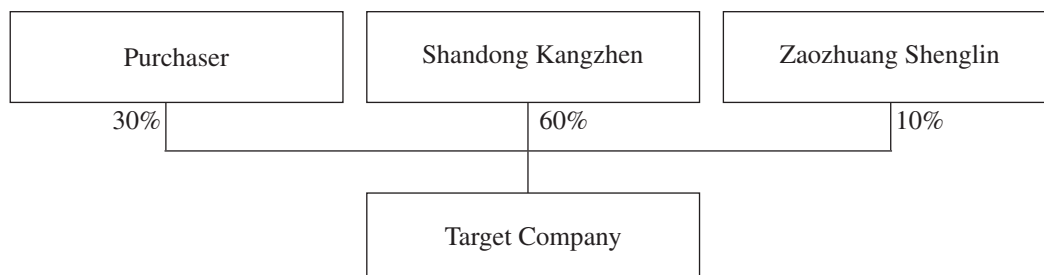
The Target Company is a limited company established in the PRC in January 2024, and is principally engaged in the production of new energy materials including graphite-based related anode materials, carbon and alloy materials in Zaozhuang, Shandong province, the PRC. As at the date of this announcement, the Target Company has yet to commence any construction and business operations. Based on the unaudited management accounts prepared in accordance with the accounting principles generally accepted in the PRC since its establishment up to 30 June 2024, the Target Company incurred net loss before and after tax of approximately RMB12,000; and its net asset value was approximately RMB8.9 million as at 30 June 2024.

The shareholding of the Target Company as at the date of this announcement and upon completion of the Acquisition are set out as follows:

As at the date of this announcement:



Upon completion of the Acquisition:



Shandong Kangzhen is a limited liability company established in the PRC and is principally engaged in manufacturing and sales of chemical materials. Its ultimate beneficial owner is Cao Zhen, a citizen of the PRC and a merchant.

Zaozhuang Shenglin is a limited liability company established in the PRC and is principally engaged in businesses including project and assets management services, and is an enterprise ultimately and beneficially controlled by the People’s Government of Zaozhuang’s Municipal.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of Shandong Kangzhen, Zaozhuang Shenglin and their ultimate beneficial owner is an independent third party of the Company.

As at the date of this announcement, Shandong Kangzhen and Zaozhuang Shenglin made their capital contributions to the Target Company of RMB6.0 million and RMB2.0 million, respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION AGREEMENT

In light with the national promotion for “dual carbon”, and new application of new energy and related materials and power storage, the Group further expanded its environmental protection business portfolio into graphene technology as well modified graphite anode materials (i.e. environmental friendly new energy materials application) through the establishment of the Purchaser in 2022. Currently, the Group’s footprints in anode materials business in mainly within the Southern China region (through the Purchaser) and Northern China region (through Hantang Minsheng). As such, entering the Acquisition Agreement shall achieve a nationwide regional layout, expand into the East China region, and even radiate the North China region market as well as exploring more business opportunities.

The Directors (including all independent non-executive Directors) are of the view that the terms of the Acquisition Agreement and the transaction contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

None of the Directors has or is deemed to have a material interest in the Acquisition Agreement and the Acquisition contemplated thereunder, and no Director is required to abstain from voting on the relevant board resolutions approving the Acquisition Agreement and the Acquisition contemplated thereunder.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Acquisition are more than 5% and all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Vendor holds 49% equity interest in the Purchaser, a non wholly-owned subsidiary of the Company. Therefore, the Vendor is connected person of the Company at subsidiary level and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Nonetheless, since the Board has approved the Acquisition and all the independent non-executive Directors have confirmed that the terms of the Acquisition Agreement and the Acquisition contemplated thereunder are fair and reasonable, on normal commercial

terms or better and in the interests of the Company and its Shareholders as a whole, the Acquisition is only subject to the announcement and reporting requirements but is exempt from the circular, and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	Acquisition of 30% equity interests in the Target Company by the Purchaser from the Vendor pursuant to the Acquisition Agreement
“Acquisition Agreement”	the acquisition agreement entered into among the Purchaser, the Vendor and the Target Company on 29 August 2024 in relation to the Acquisition
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Shenzhen Huamingsheng Technology Co., Ltd.* 深圳市華明勝科技有限公司, a non wholly-owned subsidiary of the Company registered in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“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”	Zaozhuang High Energy New Materials Co., Ltd.* 棗莊高能新材料有限公司, a company registered in the PRC with limited liability
“Vendor”	Shanghai Bakusi Superconducting New Materials Co., Ltd.* 上海巴庫斯超導新材料有限公司, a company registered in the PRC with limited liability
“%”	per cent

* For identification purpose only

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

Hong Kong, 29 August 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 Director is Mr. Lin Jiakuang; 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.