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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

MEMORANDA OF UNDERSTANDING IN RELATION TO POSSIBLE ACQUISITIONS

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 ACQUISITIONS

The Board is pleased to announce that on 22 January 2016 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into MOUs with the Vendors in relation to the Possible Acquisitions. The MOUs are non-legally binding in nature save as certain provisions as mentioned herein. The principal terms of each of the MOUs are set out as follows:

MOU 1

Date: 22 January 2016 (after trading hours of the Stock Exchange)

Parties: (i) Progressive Merit Limited, as Purchaser
(ii) Mr. Xu Peng, as Vendor A
(iii) Mr. Muhamad Yamin Kahar, as Vendor B

Deposit: Upon signing of MOU 1, the Purchaser is required to pay a refundable deposit of US\$800,000 to Vendor A within 3 business days from the date of MOU 1. This deposit was agreed between the Purchaser and Vendor A after arm's length negotiations.

Pursuant to MOU 1, the Purchaser (or through its designated company) intended to acquire, and Vendor A intended to sell, 49% equity interest in Target Company A owned by Vendor A at a consideration of not exceeding US\$10 million. Upon completion of this possible acquisition, if materialised, the Purchaser (or through its designated company) will become the

single largest shareholder of Target Company A. In addition, the Purchaser (or through its designated company) and Vendor B (also an existing shareholder of Target Company A) shall enter into a loan agreement on the same date of the Formal Sale and Purchase Agreement, pursuant to which the Purchaser (or through its designated company) would provide Vendor B with a loan of not exceeding US\$210,000 (the “**Loan**”).

The term of the Loan is 20 years and the interest will be further determined by the parties. The Loan will be secured by the pledge of not less than 2% equity interest in Target Company A owned by Vendor B. The Purchaser (or through its designated company) may exercise an option to purchase such pledged equity interest at a consideration of not exceeding the amount of the Loan, subject to the applicable laws of Indonesia.

Each of the parties to MOU 1 shall procure to alter and adopt the articles of association of Target Company A, such that (i) the board of directors of Target Company A shall comprise 6 members, of which 4 members shall be appointed by the Purchaser (or its designated company); (ii) the supervising committee of Target Company A shall comprise 3 members, of which 2 members shall be appointed by the Purchaser (or its designated company); and (iii) any further amendments to the composition of board of directors, supervising committee and articles of association shall only be approved if members holding not less than two-third of the total voting rights of Target Company A vote in favour of such amendment. Target Company A is the project company for the development of hydropower plants in Indonesia.

MOU 2

Date: 22 January 2016 (after trading hours of the Stock Exchange)

Parties: (i) Progressive Merit Limited, as Purchaser
(ii) Mr. Xu Peng, as Vendor A
(iii) Mr. Muhamad Yamin Kahar, as Vendor B

Deposit: Upon signing of MOU 2, the Purchaser is required to pay a refundable deposit of US\$800,000 to Vendor A within 3 business days from the date of MOU 2. This deposit was agreed between the Purchaser, Vendor A and Vendor B after arm's length negotiations.

Pursuant to MOU 2, the Purchaser (or through its designated company) intended to acquire, and Vendor A and Vendor B intended to sell, in aggregate 51% equity interest in Target Company B owned by Vendor A and Vendor B at a consideration of not exceeding US\$11 million. As at the date of MOU 2, Vendor A and Vendor B own 29.7% and 60.3% equity interest in Target Company B respectively. The final equity interest in Target Company B which each of Vendor A and Vendor B intends to sell to the Purchaser has yet been determined as at the date of MOU 2. Upon completion of this possible acquisition, if materialised, the Purchaser (or through its designated company) will become the majority shareholder of Target Company B. Target Company B is the project company for the development of a hydropower plant in Indonesia.

OTHER COMMON TERMS OF THE MOUS

Pursuant to the MOUs, the parties have agreed to proceed with further negotiation in good faith and use their best endeavours to enter into the Formal Sale and Purchase Agreement(s) and other transactional documents in respect of the Possible Acquisition(s) within the

Relevant Period. The final consideration for the Possible Acquisition(s) shall be jointly determined by the parties to each of the MOUs with reference to the results of the due diligence review on the Target Companies. If (i) the results of the due diligence review on the Target Companies reveal material defects and operational barriers of the Target Companies or their proposed projects; or (ii) the Vendors have breached their undertakings and warranties under the MOUs, the Vendors shall return the deposits paid by the Purchaser pursuant to the MOUs to the Purchaser. If the parties to each of the MOUs have entered into the Formal Sale and Purchase Agreement(s) in respect of the Possible Acquisition(s), the deposits paid by the Purchaser pursuant to the MOUs shall form part of the consideration under the Formal Sale and Purchase Agreement(s). If, however, the parties to each of the MOUs have not entered into the Formal Sale and Purchase Agreement(s) within the Relevant Period, the Vendors shall return the deposits paid by the Purchaser pursuant to the MOUs to the Purchaser within 7 days upon expiry of the Relevant Period.

Due Diligence Review and Exclusivity

Following the signing of the MOUs, the Purchaser will conduct due diligence review on the Target Companies. The Vendors shall provide reasonable assistance required by the Purchaser and any of its advisers and agents in connection with such review.

It is also agreed that the Vendors will not, and will procure that the Target Companies and their directors, officers, employees, representatives and agents will not, during the Relevant Period, directly or indirectly negotiate or reach any agreements with any party other than the Purchaser in respect of any transfer of equity interest in the Target Companies, investment in the Target Companies or their projects, and any other similar matters.

Formal Sale and Purchase Agreement(s)

The MOUs are not intended to constitute any legally binding obligations among the parties to the MOUs save for the provisions on deposit, exclusivity, confidentiality, cost and expenses, validity period and governing law. The Possible Acquisition(s) therefore may or may not materialise and is subject to the execution and completion of the Formal Sale and Purchase Agreement(s).

In the event that the Formal Sale and Purchase Agreement(s) is/are entered into, each of the Possible Acquisitions 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, each of the Vendors 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 ACQUISITIONS

The Group is a contractor in the Hong Kong construction industry and is principally engaged in foundation works, civil engineering works and general building works in Hong Kong. Since the Group has concentrated exposure to the construction industry, and to Hong Kong geographically, the Group has continued exploring investment opportunities with a view to improving returns for its Shareholders.

“BVI”	the British Virgin Islands
“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
“Director(s)”	director(s) of the Company
“Formal Sale and Purchase Agreement(s)”	the formal sale and purchase agreement(s) relating to the Possible Acquisition(s) to be entered into among the parties to the MOUs
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indonesia”	the Republic of Indonesia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU 1”	the non-legally binding memorandum of understanding dated 22 January 2016 entered into among Vendor A, Vendor B and the Purchaser in relation to, among other things, the possible acquisition of 49% equity interest in Target Company A owned by Vendor A (save as to certain provisions mentioned in this announcement)
“MOU 2”	the non-legally binding memorandum of understanding dated 22 January 2016 entered into among Vendor A, Vendor B and the Purchaser in relation to, among other things, the possible acquisition of 51% equity interest in Target B owned by Vendor A and Vendor B (save as to certain provisions mentioned in this announcement)
“MOUs”	collectively, MOU 1 and MOU 2
“Possible Acquisition(s)”	the possible acquisition(s) by the Purchaser of the respective equity interests in Target Company A held by Vendor A and Target Company B held by Vendor A and Vendor B pursuant to the MOUs
“PRC”	the People’s Republic of China
“Purchaser”	Progressive Merit Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Relevant Period”	90 days from the date of each of the MOUs or such later date as agreed by the parties to each of the MOUs
“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”	PT. Dempo Sumber Energi, a company incorporated under the laws of Indonesia
“Target Company B”	PT. Sumatera Pembangkit Mandiri, a company incorporated under the laws of Indonesia
“Target Companies”	collectively, Target Company A and Target Company B
“Vendor A”	Mr. Xu Peng, a PRC citizen
“Vendor B”	Mr. Muhamad Yamin Kahar, an Indonesian citizen
“Vendors”	collectively, Vendor A and Vendor B

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

Hong Kong, 22 January 2016

As at the date of this announcement, the executive Directors are Mr. Chu Shu Cheong, Mr. Kwan Man Hay, Mr. So Kin Shing, Mr. Cai Jianwen and Ms. Lai Mun Yee; the non-executive Director is Mr. Lam Kwei Mo; and the three independent non-executive Directors are Mr. Lo Chun Chiu, Adrian, Dr. Tong Ka Lok and Mr. Choy Wai Shek, Raymond, MH, JP.