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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)

CONNECTED TRANSACTION ACQUISITION OF WARRANTS

The Board is pleased to announce that on 19 February 2016 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser (or through its designated company) has conditionally agreed to acquire and the Vendor has conditionally agreed to sell 3,184,443 Warrants issued by the Target Company. The principal terms of the Sale and Purchase Agreement are set out as follows:

SALE AND PURCHASE AGREEMENT

- Date: 19 February 2016 (after trading hours of the Stock Exchange)
- Parties: (i) Prime World Limited, as Purchaser
- (ii) Interchina Water Treatment Hong Kong Company Limited, as Vendor
- Subject matter: Pursuant to the Sale and Purchase Agreement, the Purchaser (or through its designated company) has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, 3,184,443 Warrants issued by the Target Company owned by the Vendor at a consideration of SEK3,184,443 (equivalent to approximately HK\$2,923,000). The Warrants are exercisable on or before 26 February 2016 at an exercise price of SEK4 (equivalent to approximately HK\$3.67) per Warrant. The Purchaser agrees to exercise the Warrants in full on or before 26 February 2016. The consideration payable by the Purchaser for the exercise of the Warrants in full will be SEK12,737,772 (equivalent to approximately HK\$11,693,000, which shall be paid by the Purchaser to the Target Company in cash.

Assets to be acquired: The Warrants issued by the Target Company are held by the Vendor as at the date of the Sale and Purchase Agreement. Upon exercise of the Warrants, the holder of the Warrants shall be entitled to 3,184,443 Warrants Shares to be issued by the Target Company. The Warrants Shares represent approximately 6.53% of the total issued share capital of the Target Company as at the date of this announcement and approximately 6.13% of the enlarged issued share capital of the Target Company as enlarged by the issue of the Warrants Shares. The Warrants Shares to be issued upon exercise of the Warrants will be listed on AktieTorget, a stock exchange in Sweden. The closing price of the shares of the Target Company was SEK5.60 per share as quoted in the AktieTorget on 19 February 2016, being one business day immediately preceding the date of the Sale and Purchase Agreement; and the average closing price was SEK5.77 per share as quoted in the AktieTorget for the five business days immediately preceding the date of the Sale and Purchase Agreement.

The consideration for the Acquisition and exercise of Warrants will be funded from the existing internal resources and working capital of the Group.

CONDITIONS PRECEDENT

Completion of the Sale and Purchase Agreement is conditional upon the fulfillment or waiver by the Purchaser (as the case may be) of the following Conditions:

1. all agreements or arrangements (whether written or oral) with the Target Company, the board of directors of the Target Company and/or any shareholder of the Target Company on the one hand and the Vendor or to natural or legal entities or persons closely related to the Vendor on the other hand, have been duly and finally settled; and
2. no suit or other proceedings are pending before any court or governmental agency seeking to prohibit the Acquisition contemplated under the Sale and Purchase Agreement.

COMPLETION

Subject to the fulfilment or waiver by the Purchaser (as the case may be) of the Conditions set out above, Completion shall take place on the Completion Date (i.e. the date occurring three Business Days after the Conditions have been fulfilled or waived by the Purchaser (as the case may be) but not later than 26 February 2016 (or such other date as the parties may agree in writing)).

Upon Completion and exercise of the Warrants in full, the Purchaser (or through its designated company) will own approximately 6.13% of the enlarged issued share capital of the Target Company and the Target Company will be accounted as investment of the Company.

INFORMATION ON THE TARGET COMPANY AND THE VENDOR

The Target Company is a company listed on the AktieTorget, a stock exchange in Sweden, and is engaged in the business of the development and manufacture of water treatment solutions systems.

As of 30 September 2015, the Target Company had a net asset value of approximately SEK39,880,000. Based on the audited accounts of the Target Company for each of the two financial years ended 31 December 2014, the audited financial information of the Target Company are as follows:

	For the year ended	
	31 December 2013	31 December 2014
	<i>SEK'000</i>	<i>SEK'000</i>
Turnover	1,656	11,802
Net loss before tax for the year	(12,793)	(3,651)
Net loss after tax for the year	(12,794)	(3,651)

As at the date of the Sale and Purchase Agreement, the Vendor owns 35.82% of the issued share capital of the Target Company.

Based on the information provided by the Vendor, the original acquisition cost of the Warrants by the Vendor was SEK3,184,443 in 2014. Mr. Cai Jianwen, an executive Director, is also a director of each of the Vendor and the Target Company. Mr. Zhu Yongjun who is the beneficial owner of the entire issued share capital of Jumbo Grand Enterprise Development Limited, a substantial Shareholder of the Company, is the chairman of the board of directors of the Target Company and a director of the Vendor. Each of Mr. Cai Jianwen and Mr. Zhu Yongjun is a connected person of the Company under the Listing Rules. As Mr. Cai Jianwen and Mr. Zhu Yongjun together control the board of directors of the Vendor, the Vendor is their associate and hence a connected person of the Company under the Listing Rules.

INFORMATION ON THE GROUP

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.

REASONS FOR AND BENEFITS OF THE ACQUISITION

With the increased emphasis on the development on environmental protection and related industries, the State Council of the PRC officially promulgated the Action Plan for Preventing and Treatment of Water Pollution (《水污染防治行動計劃》) (“Ten Measures for Water”), of which requirements ranged from improving charging policies and facilitating diversified financing to increasing governmental expenditures in order to fully drive the development of the environmental protection industry. The Directors believe that the Target Company’s technology and relevant application of water treatment solutions systems could facilitate the Group’s exposure to the water treatment industries in China’s rural areas and South East Asia.

The Directors (including independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

Mr. Cai Jianwen, an executive Director, abstained from voting on the relevant board resolution of the Company in view of his directorship in the Vendor. Save for Mr. Cai Jianwen, there is no other Director who is required to abstain from voting on the board resolution for approval of the Sale and Purchase Agreement and the Acquisition contemplated thereunder.

LISTING RULES IMPLICATIONS

As the Vendor is a connected person of the Company under the Listing Rules, the Acquisition contemplated under the Sale and Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITION

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

“Acquisition”	the acquisition of the Warrants issued by the Target Company pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the Board of Directors
“Business Day”	any day (other than a Saturday and public holiday or a day on which a tropical cyclone warning signal no.8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong) on which banks are generally open for normal business in Hong Kong
“Company”	New Concepts Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of Stock Exchange
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date occurring three Business Days immediately following the date on which the Conditions having been fulfilled or waived (as the case may be) but not later than 26 February 2016 (or such other date as the Purchaser and Vendor may agree in writing)
“Condition(s)”	the conditions precedent of the Completion, details of which are set out in the paragraph headed “Conditions Precedent” of this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“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”	Prime World Limited, a company with limited liability incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 19 February 2016 and entered into between the Vendor and the Purchaser in relation to the Acquisition
“SEK”	Swedish Krona, the lawful currency of Sweden
“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”	Josab International AB, a company incorporated under the laws of Sweden, the shares of which are listed on AktieTorget, a stock exchange in Sweden
“Vendor”	Interchina Water Treatment Hong Kong Company Limited, a company with limited liability incorporated under the laws of Hong Kong
“Warrants”	the 3,184,443 warrants issued by the Target Company held by the Vendor
“Warrants Shares”	the 3,184,443 shares in the Target Company to be issued upon exercise of the Warrants

In this announcement, amounts in SEK are translated into HK\$ on the basis of SEK1 = HK\$0.918. The conversion rate is for illustration purpose only and should not be taken as a representation that SEK could actually be converted into HK\$ at such rate or at all.

Certain figures included in this announcement have been subject to rounding adjustments and any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

By Order of the Board
New Concepts Holdings Limited
Chu Shu Cheong
Chairman

Hong Kong, 22 February 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.