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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)

VOLUNTARY ANNOUNCEMENT FORMATION OF JOINT VENTURE

The board of directors (the “**Board**”) of New Concepts Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 19 June 2017, Prime World (Tianjin) Environmental Protection Technology Co., Ltd. (世本(天津)環境技術有限公司) (“**Prime World (Tianjin)**”), a wholly-owned subsidiary of the Company, entered into the joint venture agreement (“**JV Agreement**”) with Hanzhong Urban Construction Investment Development Co., Ltd.* (漢中市城市建設投資開發有限公司) (“**Hanzhong USID**”) for the formation of the joint venture company (“**JV Company**”). Both Prime World (Tianjin) and Hanzhong USID are companies incorporated in the People’s Republic of China (the “**PRC**”) with limited liability.

To the best of the Board’s knowledge, information and belief, and having made all reasonable enquiries, Hanzhong USID and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The JV Company will be held as to 92% by Prime World (Tianjin) and 8% by Hanzhong USID. Prime World (Tianjin) will contribute RMB40,000,000 (equivalent to approximately HK\$45,899,000) in cash to the registered capital of the JV Company.

The amount of capital contribution to be made by the Prime World (Tianjin) will be funded by the existing internal resources and working capital of the Group.

The JV Company will principally engage in kitchen waste treatment and development and production of renewable energy from kitchen waste upon the commencement of a service concession agreement and the formal commencement of business. It is expected that the JV Company will process 150 tons of waste per day in the first stage and will expand to process 300 tons of waste per day thereafter. The total investment in the JV Company is expected to be RMB152,000,000 (equivalent to approximately HK\$174,416,000).

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

The Group has three kitchen waste treatment sites in Taiyuan of Shanxi Province, Loudi of Hunan Province and Hefei of Anhui Province in the PRC with a total planned capacity of 850 tons per day.

Upon completion of the construction of kitchen waste treatment plant by the JV Company, it will cover and serve a population of approximately 3.4 million in treating kitchen wastes in Hanzhong City of Shanxi Province of the PRC. The pollution of kitchen wastes shall be significantly reduced and kitchen wastes could be recycled into useful resources.

The formation of JV Company and the success of the service concession agreement, if materialised, along with the increase in demand as well as the support of favorable policies and economic growth momentum through the development of the PRC's environmental protection business, will highlight the Group's presence in Western part of the PRC, strengthen our positioning and increase our market share in the kitchen waste treatment in the PRC.

As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the total capital contribution to be made by Prime World (Tianjin) to the JV Company pursuant to the JV Agreement are below 5%, the entering into of the JV Agreement does not constitute any notifiable transaction for the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

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

Hong Kong, 19 June 2017

In this announcement, translation of RMB into HK\$ is based on the exchange rate of HK\$1: RMB0.87148. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the above exchange rate or any other rates.

As at the date of this announcement, the executive directors of the Company are Mr. Zhu Yongjun, Ms. Qin Shulan and Mr. Cai Jianwen; the non-executive directors of the Company are Dr. Zhang Lihui and Mr. Chu Kingston Chun Ho; and the independent non-executive directors of the Company 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*