

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)

INSIDE INFORMATION PROPOSED FORMATION OF JOINT VENTURE

This announcement is made by the Company 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).

The Board hereby announces that on 20 October 2022 (after trading hours), the Company entered into the JV Intention Agreement in relation to the proposed formation of the JV Company with the Investor.

JV INTENTION AGREEMENT

The principal terms of the JV Intention Agreement are as follows:

Date: 20 October 2022 (after trading hours)

Parties: The Company; and
Investor;

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Investor and its ultimate beneficial owner is a third party independent of the Company.

Subject matter: Subject to the signing of the Formal Agreement, the Company and the Investor proposed to establish the JV Company with a registered capital of RMB68.6 million (equivalent to approximately HK\$75.64 million) which shall be contributed by the parties in cash as follows:

	Capital Contribution <i>(RMB'000)</i>	Percentage of shareholding in the JV Company <i>(%)</i>
The Company	34,986	51
Investor	<u>33,614</u>	<u>49</u>
Total:	<u><u>68,600</u></u>	<u><u>100.0</u></u>

Upon establishment of the JV Company, it will be owned as to 51% and 49% by the Company and Investor, respectively. The JV Company will be a non wholly-owned subsidiary of the Company.

Both the Company and Investor shall contribute its relevant capital in full within 1 year upon the completion of the business registration of the JV Company and subject to the signing of the Formal Agreement.

Principal Business: The proposed principal activities of the JV Company will be production of graphite-based related anode materials.

Board composition: The board of directors of the JV Company shall comprise 5 members. Each of the Company and Investor may nominate 3 members and 2 members, respectively.

Acquisition of the Investor's Patented Technologies: Within 1 year after completion of the business registration of the establishment of the JV Company and upon the Company having carried out and completed the valuation on the patented technologies (the "**Patented Technologies**") owned by the Investor, the JV Company shall acquire the Patented Technologies from the Investor at a price not exceeding RMB33.614 million. The Patented Technologies include but not limited to worldwide patents, know-how, know-how, production rights, etc. of modified graphite-based anode materials and related anode materials.

- Exclusivity:** Each of the parties shall not, within 6 months from the date of the JV Intention Agreement, contact, communicate, negotiate, etc. with any other third party on matters in relation to the establishment of the JV Company or such other matters that may be contrary to the parties' intention to establish the JV Company.
- Due Diligence:** Following the signing of the JV Intention Agreement, the Company will conduct due diligence on the Investor and the Patented Technologies within 1 month from the date of the JV Intention Agreement. The Investor shall provide all documents and information necessary in connection therewith to the Company and cooperate with the Company and its professionals in the due diligence process.
- Termination:** Unless otherwise agreed by the parties, the JV Intention Agreement shall cease to be in effect automatically if the Formal Agreement is not entered into within 6 months from the date of the JV Intention Agreement.

INFORMATION OF THE GROUP

The Group was principally engaged in provision of foundation works in Hong Kong and environmental protection.

INFORMATION OF THE INVESTOR

The Investor is a limited liability company established in the PRC and it is principally engaged in research and development, and sales of new energy application and materials. Its ultimate beneficial owner is Ye Lunliang, a citizen of the PRC and a merchant.

REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT

For the past few years, the PRC central government has been promoting the application of new energy and related materials. The Investor's core focus is on the graphene technology to produce modified graphite anode materials, mainly for new energy power batteries, energy storage batteries, etc. As such, the Company considers the proposed formation of the JV Company would be also an alternative and excellent opportunity for the Group to expand its environmental protection business portfolio.

The JV Intention Agreement may or may not lead to the entering into of the Formal Agreement and the transactions contemplated thereunder may or may not be consummated. The proposed establishment of the JV Company, if materialised, may constitute a discloseable transaction for the Company under the Listing Rules. The Company will comply with the applicable provisions of the Listing Rules in relation to the proposed establishment of the JV Company pursuant to the requirements under the Listing Rules. Further announcement will be made in respect thereof as and when required by the Listing Rules.

As the proposed establishment of the JV Company may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITION

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

“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
“Formal Agreement”	the formal joint venture agreement relating to the establishment of the JV Company which may or may not be entered into among the parties to the JV Intention Agreement
“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
“Investor”	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
“JV Company”	the joint venture company proposed to be established pursuant to the JV Intention Agreement
“JV Intention Agreement”	the joint venture intention agreement dated 20 October 2022 entered into between the Company and the Investor in relation to the proposed formation of the JV Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“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
“%”	per cent

* *For identification purpose only*

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

Hong Kong, 20 October 2022

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. Sui Guangyi, Dr. Ge Xiaolin and Dr. Zhang Lihui; and the independent non-executive Directors are Mr. Lo Chun Chiu, Adrian, Dr. Tong Ka Lok and Mr. Choy Wai Shek, Raymond, MH, JP.