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 TRANSACTION OF ACQUISITION OF 49% EQUITY INTEREST IN PT. DEMPO SUMBER ENERGI AND INSIDE INFORMATION OF MEMORANDA OF UNDERSTANDING IN RELATION TO POSSIBLE INVESTMENT(S)

The Board is pleased to announce that on 23 March 2016 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with Vendor A in relation to acquisition of 49% equity interest in Target Company A. On the same date, Progressive Merit, an indirect wholly-owned subsidiary of the Company, also entered into the MOUs with the Vendors in relation to the Possible Investment(s). The MOUs are non-legally binding in nature save as certain provisions as mentioned herein.

I. ACQUISTION OF TARGET COMPANY A

Reference is made to the Company's announcement dated 22 January 2016 (the "Announcement") in relation to, among other things, the possible acquisition of 49% equity interest in Target Company A.

The Board is pleased to announce that on 23 March 2016 (after trading hours of the Stock Exchange) the Purchaser and Vendor A entered into the Acquisition Agreement in respect to the Acquisition. The principal terms of the Acquisition Agreement are set out as follow:

1. Date

23 March 2016 (after trading hours of the Stock Exchange)

2. Parties

(i) Stand Ascent Limited, as Purchaser

(ii) Mr. Xu Peng, as Vendor A and one of the warrantors

(iii) PT. Dempo Sumber Energi, as Target Company A and one of the warrantors

(iv) Mr. Muhammad Yamin Kahar, as one of the warrantors

3. Interests to be acquired

Pursuant to the Acquisition Agreement, the Purchaser conditionally agreed to acquire, and Vendor A conditionally agreed to sell, 49% equity interest in Target Company A owned by Vendor A.

The Consideration for the Acquisition will be funded by the existing internal resources and working capital of the Group.

4. Consideration and Payment Terms

The Consideration for the Sale Shares was determined after arm's length negotiations between the parties and with reference to a valuation report (the "Valuation Report") prepared by Appraisal and Consultancy (Asia) Limited (the "Valuer"), an independent valuer. The valuated amount of the Sale Shares is approximately US$7.52 million.

Given that the valuation of Target Company A has adopted the use of the income approach, which involves the discounted cash flow method, such valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules. The followings were prepared and published in compliance with Rule 14.62 of the Listing Rules.

Profit Forecast in relation to the Valuation Report

The Valuation Report has been prepared based on the following major assumptions:

1. the projected financial performance of Target Company A could be achieved;

2. Target Company A will have adequate financing for its operation;

3. no material change in the existing political, legal, technological, fiscal or economic condition which may adversely affect Target Company A;

4. no major changes in the current taxation laws in Indonesia and the regions related to the operation of Target Company A, and the rates of tax payable remain unchanged;

5. the operating licenses and incorporating documents related to Target Company A are reliable and legitimate; and

6. operational and contractual terms bound by the contracts and agreements related to Target Company A will be honoured.

A report from the Company's auditor, Wellink CPA Limited ("Wellink"), confirming that it has reviewed the calculation method of the income approach used in the Valuation Report is set out in Appendix I to this announcement. A letter from the Board confirming that the Directors are satisfied that the valuation of the Target Company A has been made after due and careful enquiry is set out in Appendix II to this announcement for the purpose of Rule 14.60A and 14.62 of the Listing Rules. The Company has submitted the aforesaid report from Wellink and letter from the Board to the Stock Exchange in compliance with Rule 14.62(2) and (3) of the Listing Rules.

The followings are the qualifications of the experts who have given their opinions in this announcement:

Name	**Qualification**
Appraisal and Consultancy (Asia) Limited	Professional valuer
Wellink CPA Limited	Certified Public Accountants

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Valuer and Wellink is a third party independent of and not connected with the Company or the connected persons (as defined in the Listing Rules) of the Group. As at the date of this announcement, neither the Valuer nor Wellink has any shareholding in any member of the Group directly or indirectly, or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Valuer and Wellink has given and has not withdrawn its respective written consent to the publication of this announcement with inclusion of its opinion and advice and all references to its name in the form and context in which it appears in this announcement.

The Consideration of US$7.3 million and shall be satisfied in the following manner:

(a) 40% of the Consideration shall be paid within seven (7) business days upon signing of the Acquisition Agreement by Vendor A deducting an amount from the deposit of US$800,000 paid by Progressive Merit as set out in the Announcement.

(b) 30% of the Consideration shall be paid upon the Completion date, whereby the Power Purchase Agreements (as defined below) should be signed.

(c) 15% of the Consideration shall be paid within seven (7) business days upon Target Company A obtain the Forest Borrow and Use Permit relating to both the Upstream Power Plant and Downstream Power Plant.

(d) 15% of the Consideration shall be paid within seven (7) business days upon Target Company A achieving the Construction Commencement Date as defined under the Power Purchase Agreements in full compliance with the Power Purchase Agreements.

5. Conditions Precedent

Completion of the Acquisition Agreement is conditional upon, among others, the fulfilment or waiver (as the case may be) of the following conditions:

(a) Target Company A has signed the power purchase agreements (the "Power Purchase Agreements") with PT Perusahaan Listrk Negara (Persero), a state-owned energy company in Indonesia, in form and substance satisfactory to the Purchaser, with evidence thereof furnished to the Purchaser to its absolute discretion;

(b) each holder of a cultivation right in relation to the Project Area ("Right Holder") has relinquished their right(s) in favour of Target Company A through a deed of relinquishment of cultivation right, and Target Company A has fully compensated each Right Holder according to the deed prior to Completion, in form and substance satisfactory to the Purchaser, with evidence thereof furnished to the Purchaser to its absolute discretion;

(c) each of the parties has received all necessary government approvals or other regulatory consents and third party consents that are required to be obtained in connection with the consummation of the transaction contemplated by the Acquisition Agreement, in form and substance satisfactory to the Purchaser, with evidence thereof furnished to the Purchaser to its absolute discretion;

(d) the Joint Venture Agreement (as detailed below) has been duly executed by all relevant parties, with evidence thereof furnished to the Purchaser to its absolute discretion;

(e) Target Company A's amended Articles of Association has been duly adopted by all necessary action(s) of the board of directors and/or the general meeting of shareholders of Target Company A, and such adoption has become effective prior to/upon the Completion with no alteration or amendment as of the Completion, with evidence thereof furnished to the Purchaser to its absolute discretion;

(f) all corporate and other proceedings in connection with the transactions to be completed at the Completion and all documents incident thereto, including without limitation written approval from all of the then current shareholders of Target Company A with respect to the Acquisition Agreement and the transaction contemplated thereunder, are completed in form and substance satisfactory to the Purchaser, with evidence thereof furnished to the Purchaser to its absolute discretion;

(g) Target Company A has obtained approval from BKPM of the deed of transfer purporting to transfer ownership of the Sale Shares from Vendor A to the Purchaser, in form and substance satisfactory to the Purchaser, with evidence thereof furnished to the Purchaser to its absolute discretion;

(h) the Sale Shares are free and clear of all Encumbrances, with evidence thereof furnished to the Purchaser to its absolute discretion;

(i) Target Company A has taken all necessary corporate action(s) such that immediately following the Completion, the board of directors of Target Company A shall have 6 members, 4 of which shall be individuals designated by the Purchaser;

(j) Target Company A has taken all necessary corporate action(s) such that immediately following the Completion, the board of commissioners of Target Company A shall have 3 members, 2 of which shall be individuals designated by the Purchaser;

(k) all bank accounts holding the cash of Target Company A have been established such that any disbursement requires the signature of the representative designated by the Purchaser, with evidence thereof furnished to the Purchaser to its absolute discretion;

(l) all assets of Target Company A have been duly registered in the name of Target Company A and except an amount of IDR12,140,254,000 payable by Target Company A to Vendor B, no debt has occurred (Target Company A's other debt to Vendor B as of Completion has been fully discharged), in form and substance satisfactory to the Purchaser, with evidence thereof furnished to the Purchaser to its absolute discretion;

(m) each of the warranties made by the warrantors was true and complete when made and was true and complete on and as of Completion;

(n) no new share issues, share transfers, dividends, other distributions, extraordinary transaction, bonuses, or related party transactions have occurred in relation to Target Company A in the period from signing date of the Acquisition Agreement to Completion;

(o) no material adverse change in the conditions (financial or otherwise), working capital, results of operations, assets, regulatory status, management team, or business of Target Company A have occurred in the period from signing of the Acquisition Agreement to Completion;

(p) Target Company A has entered into a management agreement with Vendor B with respect to office rental and labour outsourcing fees, in form and substance satisfactory to the Purchaser, with evidence thereof furnished to the satisfaction of the Purchaser in its absolute discretion.

The Purchaser is entitled to waive by written notice the conditions set out above.

6. Completion

Completion shall take place on such date as the parties to the Acquisition Agreement mutually agree in writing after fulfilment or waiver (as the case may be) of the above conditions precedent.

Upon Completion, Target Company A will become an indirect non-wholly owned subsidiary of the Company and the Company will consolidate the assets and liabilities and financial results of Target Company A.

If any of the conditions precedent have not been satisfied or waived by the Purchaser on or before the Long Stop Date, the Acquisition Agreement will terminate immediately and be of no further effect and all the rights, obligations and liabilities of the parties under the Acquisition Agreement will cease and determine.

7. **Shareholder rights**

Pursuant to the Joint Venture Agreement, the shareholders of Target Company A have the following rights:

(a) pre-emptive right: each shareholder of Target Company A shall have a pre-emptive right to purchase up to its pro rata share of any new securities that Target Company A may issue from time to time after the date of the Joint Venture Agreement;

(b) right of first refusal: if any shareholder of Target Company A (a "Transferor") proposes to transfer any equity securities of Target Company A or any interest therein to any third party (including any shareholder of Target Company A), then the Transferor shall give Target Company A, the Class A shareholder of Target Company A (if the Class A shareholder of Target Company A is not the Transferor) and the Class B shareholder of Target Company A (if the Class B shareholder is not the Transferor) written notice of the Transferor's intention to make the transfer;

(c) tag-along right: The Class A shareholder (assuming the Class A shareholder of Target Company A is not the Transferor) and the Class B shareholder (assuming the Class B shareholder of Target Company A is not the Transferor) shall each have an option, provided they do not exercise their respective rights of first refusal, to participate in the sale to the third party transferee identified in the transfer notice at the same price and on the same terms and conditions as specified in the transfer notice, by notifying the Transferor in writing within thirty (30) days following the date of the transfer notice; and

(d) drag-along right: if the Class A shareholder of Target Company A and the ordinary shareholder of Target Company A (the "Drag Holders") jointly agree to sell all or substantially all of the equity securities or assets of Target Company A ("Sale") to a bona fide person ("Offeror"), then, at the request of the Drag Holders, Target Company A shall deliver to the Class C shareholders of Target Company A notice of such agreement and the material terms and conditions of the Sale, whereupon the Class C shareholders shall sell, at the same time as the Drag Holders sell to the Offeror, all of their equity securities of Target Company A or the same percentage of their equity securities as the Drag Holders sell, on the same terms and conditions as agreed to by the Drag Holders.

INFORMATION ON TARGET COMPANY A AND VENDOR A

Target Company A

Target Company A is a company incorporated under the laws of Indonesia and is principally engaged in the development of hydropower stations.

As of 31 December 2015, Target Company A had an unaudited net asset value of approximately IDR34,181 million. Based on the management accounts of Target Company A for each of the two years ended 31 December 2015, the unaudited financial information of Target Company A is as follows:

	For the year ended 31 December	
	2014	**2015**
	IDR million	*IDR million*
Revenue	—	—
Net loss before tax	(9,056)	(13,866)
Net loss after tax	(9,056)	(13,866)

Vendor A

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Vendor A is an independent third party of the Company and its connected persons.

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

According to the World Bank Group, Indonesia has an energy mix which is dominated by fossil fuels. Renewable energy (mainly geothermal and hydro) contributes only to 7.2% of the energy mix. The government of Indonesia (the "Government") has set a goal that 25% of the energy mix in 2025 shall come from renewable energy. The Government has also initiated policy which aims to increase electrification access from 75% in 2014 to 95% by 2025. The Government has planned for hydro development and the Group expects to invest in high-quality hydro assets to support sustainable development of Indonesia.

The Acquisition could enhance the corporate reputation of the Group in the international integrated-water industry and gain overseas development experience. The Directors are also of the view that the Acquisition will enhance and diversify the business portfolio of the Group.

The Directors (including independent non-executive Directors) consider that the terms of the Acquisition 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.

IMPLICATIONS UNDER THE LISTING RULES

As certain 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 therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

II POSSIBLE INVESTMENT(S)

The Board is pleased to announce that on 23 March 2016 (after trading hours of the Stock Exchange), Progressive Merit and the Vendors entered into the MOUs in respect of the Possible Investment(s). Details of the MOUs are summarised as follows:

	Parties to the MOUs		Target Companies	Existing shareholders and shareholding in the Target Companies		Planned capacity of respective hydropower plants	Refundable deposit to be paid	Refundable deposit to be received by
						MW	*US$'000*	
1.	(a)	Progressive Merit	Target Company C	Vendor C	80%	12.4	100	Vendor C
	(b)	Vendors C, D, E		Vendor D	10%			
	(c)	Target Company C		Vendor E	10%			
2.	(a)	Progressive Merit	Target Company D	Vendor C	80%	9.3	100	Vendor C
	(b)	Vendors C, D, E		Vendor D	10%			
	(c)	Target Company D		Vendor E	10%			
3.	(a)	Progressive Merit	Target Company E	Vendor C	80%	14.2	100	Vendor C
	(b)	Vendors C, D, E		Vendor D	10%			
	(c)	Target Company E		Vendor E	10%			
4.	(a)	Progressive Merit	Target Company F	Vendor C	70%	6.2	100	Vendor C
	(b)	Vendors C, D, E, F		Vendor D	10%			
	(c)	Target Company F		Vendor E	10%			
				Vendor F	10%			
5.	(a)	Progressive Merit	Target Company G	Vendor B	80%	5.0	100	Vendor B
	(b)	Vendors B, C, D		Vendor C	10%			
	(c)	Target Company G		Vendor D	10%			
6.	(a)	Progressive Merit	Target Company H	Vendor B	80%	17.4	100	Vendor B
	(b)	Vendor B, C, D		Vendor C	10%			
	(c)	Target Company H		Vendor D	10%			
7.	(a)	Progressive Merit	Target Company I	Vendor C	95%	12.0	100	Vendor C
	(b)	Vendors C, G, H		Vendor G	4%			
	(c)	Target Company I		Vendor H	1%			
8.	(a)	Progressive Merit	Target Company J	Vendor B	50%	18.1	100	Vendor B
	(b)	Vendors B, C, E		Vendor C	35%			
	(c)	Target Company J		Vendor E	15%			
9.	(a)	Progressive Merit	Target Company K	Vendor B	50%	8.2	100	Vendor B
	(b)	Vendors B, C, E		Vendor C	35%			
	(c)	Target Company K		Vendor E	15%			
10.	(a)	Progressive Merit	Target Company L	Vendor B	50%	11.1	100	Vendor B
	(b)	Vendors B, C, E		Vendor C	35%			
	(c)	Target Company L		Vendor E	15%			
11.	(a)	Progressive Merit	Target Company M	Vendor C	90%	10.0	100	Vendor C
	(b)	Vendors C, D		Vendor D	10%			
	(c)	Target Company M						

		Parties to the MOUs	Target Companies	Existing shareholders and shareholding in the Target Companies		Planned capacity of respective hydropower plants *MW*	Refundable deposit to be paid *US$'000*	Refundable deposit to be received by
12.	(a)	Progressive Merit	Target Company N	Vendor B	40%	40.0	300	Vendor B
	(b)	Vendors B, C, D, G		Vendor C	15%			
	(c)	Target Company N		Vendor D	10%			
				Vendor G	35%			
						163.9	1,400	

Deposit: Upon signing of the MOUs, Progressive Merit is required to pay the refundable deposit to the respective Vendors within 3 business days from the date of MOUs. The deposits were agreed among Progressive Merit, the respective Vendors and the Target Companies after arm's length negotiations.

Based on the information provided by Vendor B, Vendor B is the majority shareholder of Dempo Group. Vendor A, Vendor C and Vendor D are officers of Dempo Group. Vendor C is the son of Vendor B. Vendor G is the elder brother of Vendor H.

Pursuant to the MOUs, Progressive Merit (or through its designated company) intended to invest, through subscription of new shares or acquisitions from existing shareholders, in the Target Companies. The final equity interest in the Target Companies to be invested and/or acquired has yet been determined as at date of each of the MOUs. Upon completion of the Possible Investment(s), if materialised, Progressive Merit (or through its designated company) will become the holding company or majority shareholder of the Target Companies. The Target Companies are project companies for the development of hydropower plants in Indonesia.

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 Investment(s) within the Relevant Period. The final consideration for the Possible Investment(s) shall be jointly determined by the parties to 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 Progressive Merit pursuant to the MOUs to Progressive Merit. If the parties to the MOUs have entered into the Formal Sale and Purchase Agreement(s) in respect of the Possible Investment(s), the deposits paid by Progressive Merit pursuant to the MOUs shall form part of the consideration under the Formal Sale and Purchase Agreement(s). If, however, the parties to 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 Progressive Merit pursuant to the MOUs to Progressive Merit within 7 days upon expiry of the Relevant Period.

Due Diligence Review and Exclusivity

Following the signing of the MOUs, Progressive Merit will conduct due diligence review on the Target Companies. The Vendors shall provide reasonable assistance required by Progressive Merit 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 Progressive Merit 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 Investment(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 Investment(s) 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 AND BENEFITS OF THE POSSIBLE INVESTMENT(S)

Together with Target Company A, the memorandum of understanding in relation to the possible acquisition of PT. Sumatera Pembangit Mandiri as set out in the Company's announcement dated 22 January 2016, and the MOUs signed as set out in this announcement, the estimated capacities of hydropower plants will be up to 195.3MW. The success of these potential investment(s), if materialised, will accelerate the Group's strategy towards becoming one of the leading hydropower operator as well as a global environmental services provider. The Group may also leverage for more hydropower plants operations and other integrated-water related opportunities.

Shareholders and/or investors should note that the Possible Investment(s) may or may not materialise as no formally binding documentation has been executed between the parties and negotiations are still in progress. Shareholders and/or investors are advised to exercise caution when dealing in the Company's securities.

DEFINITION

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

"Acquisition"	the acquisition of 49% equity interest in Target Company A pursuant to the terms and conditions of the Acquisition Agreement
"Acquisition Agreement"	the formal share purchase agreement dated 23 March 2016 and entered into between Vendor A and the Purchaser in relation to the Acquisition
"BKPM"	the Indonesian Investment Coordinating Board
"Board"	the Board of Directors
"BVI"	the British Virgin Islands
"Class A Shareholder"	the holder of the Class A Shares in Target Company A
"Class A Shares"	the Class A Shares of Target Company A, par value IDR 0.000001 per share, with the rights and privileges as set forth in the amended articles of association of Target Company A
"Class B Shareholder"	the holder of the Class B Shares in Target Company A
"Class B Shares"	the Class B Shares of Target Company A, par value IDR 0.000001 per share, with the rights and privileges as set forth in the amended articles of association of Target Company A
"Class C Shareholder"	the holder of the Class C Shares in Target Company A
"Class C Shares"	the Class C Shares of Target Company A, par value IDR 0.000001 per share, with the rights and privileges as set forth in the amended articles of association of Target Company A
"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)
"Completion"	completion of the Acquisition pursuant to the terms and conditions of the Acquisition Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the total consideration for the Sale Shares in the sum of US$7.3 million
"Director(s)"	director(s) of the Company

"Downstream Power Plant"	the mini-hydroelectric power plant at Batang Pelangai River, Indonesia, with installed capacity of 2 x 1.8MW
"Encumbrance"	any claim, charge, mortgage, pledge, lien, option, warrant, retention of title, right of pre-emption, right of first refusal or other third party right, security right or security interest of any kind, or an agreement to create any of the foregoing
"Forest Borrow and Use Permit"	forest borrow and use permit issued by the Minister of Forestry and the Environment, Indonesia, or by BKPM, or by such other relevant and competent Indonesian government authority
"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
"IDR"	Indonesian Rupiah, the lawful currency of Indonesia
"Indonesia"	the Republic of Indonesia
"Joint Venture Agreement"	the joint venture agreement to be entered into among the Purchaser, Target Company A and its remaining shareholders upon Completion
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	6 months after the signing of Acquisition Agreement or such later date as the parties to the Acquisition Agreement may agree in writing
"MOUs"	the non-legally binding memoranda of understanding dated 23 March 2016 entered into among the respective Vendor(s), the respective Target Companies and Progressive Merit in relation to, among other things, the Possible Investment(s) (save as to certain provisions mentioned in this announcement)
"MW"	megawatt
"Possible Investment(s)"	the possible subsciption(s) of new shares in the Target Companies by Progressive Merit and/or possible acquisition(s) by Progressive Merit of the respective equity interests in the Target Companies held by the respective Vendors pursuant to the MOUs
"PRC"	the People's Republic of China
"Progressive Merit"	Progressive Merit Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
"Project"	includes both the Upstream Power Plant and the Downstream Power Plant

"Project Area"	the land which will be used for the construction and operation of the Project, and includes Palangai Gadang Village, Ranah Pesisir District, and Pesisir Selatan Regency, Indonesia
"Purchaser"	Stand Ascent Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Relevant Period"	90 days from the date of the MOUs or such later date as agreed by the parties to the MOUs
"Sale Shares"	49% equity interest in Target Company A legally and beneficially owned by Vendor A
"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 C"	PT. Insan Mutiara Ciwandan, a company incorporated under the laws in Indonesia
"Target Company D"	PT. Dempo Insan Mutiara, a company incorporated under the laws in Indonesia
"Target Company E"	PT. Dempo Kaharya Anugrah, a company incorporated under the laws in Indonesia
"Target Company F"	PT. Dempo Titian Mas, a company incorporated under the laws in Indonesia
"Target Company G"	PT. Mandiri Daya Energi, a company incorporated under the laws in Indonesia
"Target Company H"	PT. Dempo Mitra Internasional, a company incorporated under the laws in Indonesia
"Target Company I"	PT. Prima Pembangkit Mandiri, a company incorporated under the laws in Indonesia
"Target Company J"	PT. Dempo Karya Energi, a company incorporated under the laws in Indonesia
"Target Company K"	PT. Dempo Multi Energi, a company incorporated under the laws in Indonesia
"Target Company L"	PT. Dempo Cipta Energi, a company incorporated under the laws in Indonesia

"Target Company M"	PT. Insan Kaharya Energi, a company incorporated under the laws in Indonesia
"Target Company N"	PT. Bumi Mandiri Energi, a company incorporated under the laws in Indonesia
"Target Companies"	collectively, Target Company C, Target Company D, Target Company E, Target Company F, Target Company G, Target Company H, Target Company I, Target Company J, Target Company K, Target Company L, Target Company M and Target Company N
"Upstream Power Plant"	the mini-hydroelectric power plant at Batang Pelangai River, Indonesia, with installed capacity of 2 x 4.9MW
"US$"	United States dollars, the lawful currency of the United States of America
"Vendor A"	Mr. Xu Peng, a PRC citizen
"Vendor B"	Mr. Muhammad Yamin Kahar, an Indonesian citizen
"Vendor C"	Mr. Angga Septian, an Indonesian citizen
"Vendor D"	Ms. Rahmawaty, an Indonesian citizen
"Vendor E"	Mr. Nursidin, an Indonesian citizen
"Vendor F"	Mr. Sri Afridayani, an Indonesian citizen
"Vendor G"	Mr. Muhammad Marlis Pohan, an Indonesian citizen
"Vendor H"	Mr. Mawardi Mirja Pohan, an Indonesian citizen
"Vendors"	collectively, Vendor B, Vendor C, Vendor D, Vendor E, Vendor F, Vendor G and Vendor H

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

Hong Kong, 23 March 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.

ACCOUNTANTS' REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF BUSINESS ENTERPRISE VALUE IN PT. DEMPO SUMBER ENERGI

TO THE BOARD OF DIRECTORS OF NEW CONCEPTS HOLDINGS LIMITED

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Appraisal and Consultancy (Asia) Limited dated 23 March 2016, of 49% interest in the business enterprise value of PT. Dempo Sumber Energi as at 31 January 2016 (the "Valuation") is based. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and reference to the Valuation will be included in the announcement dated 23 March 2016 to be issued by New Concepts Holdings Limited (the "Company") in connection with the acquisition of 49% equity interest in PT. Dempo Sumber Energi (the "Announcement").

Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the "Assumptions"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work does not constitute any valuation of PT. Dempo Sumber Energi.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different form the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

WELLINK CPA LIMITED
Certified Public Accountants
Hong Kong, 23 March 2016
Chan Yan Ting
Practising Certificate number P06380

23 March 2016
Listing Division
The Stock Exchange of Hong Kong Limited
11th Floor, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Dear Sirs,

Discloseable Transaction — Acquisition of 49% equity interest in PT Dempo Sumber Energi (the "Target Company") by Stand Ascent Limited, an indirect wholly-owned subsidiary of New Concepts Holdings Limited (the "Company")

We refer to the announcement of the Company dated 23 March 2016 of which this letter forms part (the "Announcement"). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

We refer to the Valuation Report dated 23 March 2016 issued by the Valuer regarding the valuation (the "Valuation") of 49% interest in business enterprise value of Target Company A as at 31 January 2016, which constitutes a profit forecast under Rule 14.61 of the Listing Rules. We have discussed with the Valuer about different aspects including the bases and assumptions based upon which the Valuation has been prepared, and reviewed the Valuation for which the Valuer is responsible. We have also considered the report dated 23 March 2016 from Wellink regarding whether the Valuation, so far as the accounting policies and calculations are concerned, has properly complied with the bases and assumptions as set out in the Valuation Report. We have noted that the Valuation is mathematically accurate and is presented on a basis consistent in all material aspects with the accounting policies currently adopted by the Company. We hereby confirm that the Valuation has been made after due and careful enquiry of the Board.

Yours faithfully,
For and on behalf of the Board
New Concepts Holdings Limited
Cai Jianwan
Executive Director