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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)

FURTHER INFORMATION ON DISCLOSEABLE TRANSACTION OF ACQUISITION OF 49% EQUITY INTEREST IN PT. DEMPO SUMBER ENERGI

Reference is made to the Company's announcement dated 23 March 2016 (the "Announcement") in relation to, among others, the Acquisition of 49% equity interest in PT. Dempo Sumber Energi. Capitalised terms herein shall bear the same meanings as defined in the Announcement unless otherwise stated.

Regarding the Acquisition, the Company would like to supplement information as follows:

1. EXISTING SHAREHOLDING STRUCTURE OF TARGET COMPANY A

As at the date of the Acquisition Agreement and up to the date of this announcement, the total issued share capital of Target Company A consists of 58,000 ordinary shares with a nominal value of IDR 1,000,000 per share. The 49% equity interest in Target Company A (the "Acquired Shares") acquired by the Purchaser pursuant to the Acquisition Agreement are currently ordinary shares.

As set out in the in the Announcement, Completion of the Acquisition Agreement is subject to the conditions precedent which provide, *inter alia*, (i) Target Company A having amended its Articles of Association to, amongst other things, alter the shareholders' rights and the composition of the boards of directors and commissioners; and (ii) the Joint Venture Agreement having been duly executed by all relevant parties.

Accordingly, upon Completion, the total issued share capital of Target Company A will consist of 28,420 Class A Shares, 23,780 Class B Shares, and 5,800 Class C Shares, and the Acquired Shares will be converted into Class A Shares. The number and proportion of the Acquired Shares will remain unchanged upon such conversion.

2. JOINT VENTURE AGREEMENT AND SHAREHOLDERS' RIGHT

The Joint Venture Agreement, in the confirmed form exhibited to the Acquisition Agreement, will be entered into among the Purchaser, Target Company A and its remaining shareholders upon Completion. Completion shall occur at such time and date

as the Purchaser and Vendor A mutually agree in writing, provided that all of the Conditions Precedent in the Acquisition Agreement have been satisfied or waived by the relevant party.

The relevant parties entered into the Joint Venture Agreement to, among other things:

- Regulate the voting rights of shareholders;
- Regulate the nomination, appointment, removal and replacement of the directors, commissioners, president director and president commissioner of Target Company A; and
- Establish and regulate pre-emptive rights, rights of first refusal, tag-along and drag-along rights for the shareholders.

The share capital of Target Company A is to be classified into Class A, B and C shares to differentiate the rights of the respective shareholders, as set out below:

Shareholder	Class of shares	Number of shares	% of shareholding	Rights of the relevant class of shares
Purchaser	Class A Shares	28,420 voting shares	49.0	<p>Right to nominate and appoint 4 out of 6 directors and 2 out of 3 commissioners to the board of directors and board of commissioners respectively, and the right to nominate and appoint the President Director and President Commissioner who shall each have a casting vote on the respective boards</p> <p>Entitled to receive dividends and liquidation proceeds</p> <p>Pre-emptive right</p> <p>Right of first refusal</p> <p>Tag-along right</p> <p>Drag-along right</p>
Vendor B	Class B Shares	23,780 voting shares	41.0	<p>Right to nominate and appoint 2 out of 6 directors and 1 out of 3 commissioner to the board of directors and board of commissioners respectively</p> <p>Entitled to receive dividends and liquidation proceeds</p> <p>Pre-emptive right</p> <p>Right of first refusal</p> <p>Tag-along right</p> <p>Drag-along right</p>
Individual A	Class C Shares	1,740 non-voting shares	3.0	<p>Entitled to receive dividends and liquidation proceeds</p> <p>Pre-emptive right</p>
Individual B	Class C Shares	4,060 non- voting shares	7.0	<p>Entitled to receive dividends and liquidation proceeds</p> <p>Pre-emptive right</p>
		<u>58,000 shares</u>	<u>100.0</u>	

Upon Completion and the Joint Venture Agreement being entered into simultaneously, the Purchaser shall own 28,420 Class A voting shares of Target Company A.

Pursuant to the Joint Venture Agreement, Class C Shareholders shall be obliged to sell their shares in Target Company A if the Drag Holders (i.e. Class A Shareholder and Class B Shareholder) sell all or substantially all of their equity interests in, or the assets of, Target Company A. There is no defined disposal threshold (i.e. % of equity interests or assets to be sold) in the Joint Venture Agreement which will trigger the drag-along rights.

3. ACCOUNTING TREATMENT ON TARGET COMPANY A

As set out in the Announcement, Company will consolidate the assets and liabilities and financial results of Target Company A upon Completion.

Upon Completion, the Company through the Purchaser will own 54.44% of the total voting shares of Target Company A. With reference to the Conditions Precedent (i) and (j) as disclosed in the Announcement, 4 of 6 members of the board of directors and 2 of 3 members of the board of commissioners of Target Company A shall be individuals designated by the Purchaser. In addition, all bank accounts holding cash for any disbursement requires the signature of the representative designed by the Purchaser as set out in Condition Precedent (k).

The Board considers that having (i) the majority voting rights amongst the shareholders of Target Company A; (ii) the majority of members on the boards of directors and commissioners of Target Company A; and (iii) control over the operation of Target Company through the control of cash disbursement, will enable the Company to obtain control over Target Company A despite holding only 49% equity interest. Therefore, the Company should account for Target Company A as a non-wholly owned subsidiary and consolidate the assets and liabilities and financial results of Target Company A.

The Company's auditor, Wellink CPA Limited, is in the opinion that according to the "Hong Kong Financial Reporting Standard 10" issued by Hong Kong Institute of Certified Public Accountants, the Purchaser controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As such, the auditor considered that the accounting treatment over the equity interest in Target Company A as a non-wholly-owned subsidiary is acceptable.

4. SHAREHOLDING STRUCTURE OF TARGET COMPANY A

The table below sets out the shareholding structures of Target Company A (i) immediately before the Acquisition Agreement, (ii) upon transfer of the Acquired Shares to the Purchaser but prior to completion of the Acquisition Agreement, and (iii) immediately after Completion of the Acquisition Agreement and the Joint Venture Agreement:

Shareholder	Immediately before the Acquisition Agreement		Upon transfer of the Acquired Shares to the Purchaser but prior to completion of the Acquisition Agreement		Immediately after Completion of the Acquisition Agreement and the Joint Venture Agreement	
	Number and class of shares	Shareholding percentage %	Number and class of shares	Shareholding percentage %	Number and class of shares	Shareholding percentage %
Purchaser	— 28,420 ordinary shares	—	28,420 ordinary shares	49.0	28,420 Class A Shares	49.0
Vendor A	23,780 ordinary shares	49.0	— 23,780 ordinary shares	—	— 23,780 Class B Shares	—
Vendor B	1,740 ordinary shares	41.0	1,740 ordinary shares	41.0	1,740 Class C Shares	41.0
Individual A	4,060 ordinary shares	3.0	4,060 ordinary shares	3.0	4,060 Class C Shares	3.0
Individual B	— 4,060 ordinary shares	7.0	— 4,060 ordinary shares	7.0	— 4,060 Class C Shares	7.0
	<u>58,000 Shares</u>	<u>100.0</u>	<u>58,000 Shares</u>	<u>100.0</u>	<u>58,000 Shares</u>	<u>100.0</u>

Note:

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

5. NOMINAL VALUE OF THE SHARES OF TARGET COMPANY A

The Company hereby clarifies that, the nominal value of each of Class A Shares, Class B Shares and Class C Shares of Target Company A should be IDR1,000,000 per share instead of par value of IDR0.000001 per share as set out in the “Definition” section in the Announcement.

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

Hong Kong, 6 April 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.