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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)**

## **DISCLOSEABLE TRANSACTION CONSTRUCTION AGREEMENT**

### **INTRODUCTION**

The Board hereby announces that on 28 June 2023 (after trading hours), Yixing Company (an indirect wholly-owned subsidiary of the Company) entered into the Construction Agreement with the Contractor, pursuant to which the Contractor agreed to contract the construction work at Yixing Plant at the Consideration, subject to adjustments (if any) as set out below.

### **THE CONSTRUCTION AGREEMENT**

The principal terms of the Construction Agreement are set out below:

Date: 28 June 2023 (after trading hours)

Parties: (i) Yixing Company; and  
(ii) the Contractor.

**Subject Matter:** The Contractor is appointed as the contractor responsible for the construction, installation, decoration of the environmental protection industrial park and the ancillary facilities located at the Yixing Plant (the “**Construction Work**”).

**Construction Period:** The construction period is expected to be 550 days, tentatively scheduled to commence on 1 July 2023 and end on 31 December 2024.

If the expected construction timetable is delayed, and such delay is attributable to the Contractor, the Contractor will be subject to a daily delay fee of RMB2,000.

**Consideration:** The Consideration payable to the Contractor pursuant to the Construction Agreement shall be RMB120,000,000 (equivalent to approximately HK\$130,435,000).

**Basis of determination of Consideration:** The Consideration was determined based on the expected scope and complexity of the Construction Work to be performed, the expected cost of the project and the prevailing market price for carrying out construction works of similar scale and complexity. The Board is of the view that the Consideration offered by the Contractor is fair and reasonable after having evaluated the experience and capability of the Contractor.

**Payment Terms:** After signing of the Construction Agreement and the Contractor’s main management personnel of the project team (project manager, key technical staff) and major equipment facilities are in place, Yixing Company shall pay RMB24,000,000 (equivalent to approximately HK\$26,087,000), being 20% of the total Consideration as deposit.

Yixing Company shall make monthly progress payments amount to 80% of the work done for that month.

At the time when inspection of the Construction Work is completed, Yixing Company should have paid up to 90% of the Consideration to the Contractor, and up to 97% of the Consideration when the clearance of pricing of the Construction Work has completed. Yixing Company shall retain 3% of the Consideration, i.e. RMB3,600,000 (equivalent to approximately HK\$3,913,000), as security money and shall release to the Contractor after the expiration of the warranty period of the relevant Construction Work.

## **INFORMATION OF THE GROUP AND YIXING COMPANY**

The Group is principally engaged in the business of construction works and environmental protection.

Yixing Company is a limited company incorporated in the PRC which principally engages in development and management of environmental protection industrial park, through the Yixing Plant, in Yixing, Jiangsu province, the PRC and has not commenced construction and operation.

## **INFORMATION OF THE CONTRACTOR**

The Contractor is a limited company incorporated in the PRC which principally engages in garden greening engineering construction, property management, general facilities repairing, sales of building material, cleaning and disinfection services. The Contractor is beneficially owned as to 51% by Zhu Pengyu\* (朱朋宇) and as to 49% by Yang Fan\* (楊帆). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT**

Reference is made to the Company's announcement dated 12 April 2022 in relation to entering of a cooperation agreement (the "**Cooperation Agreement**") with China Yixing Environmental Science and Technology Industrial Park Management Committee (中國宜興環保科技工業園管理委員會), a PRC governmental body, for the Group's investment in a production and research and development base project of multiple effect membrane distillation (V-MEMD) technology in Yixing (宜興), Jiangsu province. Following the signing of such Cooperation Agreement, the Group has been proceeding for obtaining the relevant land use right for the development of such environmental protection industrial park and relevant preparation for construction of the Yixing Plant.

Yixing Company awarded the Construction Agreement to the Contractor after thorough evaluation of considering factors including but not limited to the Contractor's experience and capability background, credentials, and the expected scope of work of the construction project. Yixing Company considers that the Contractor is capable of delivering standard construction services for the Yixing Plant.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Construction Agreement are fair and reasonable, on normal commercial terms; and the transaction contemplated thereunder is in the interests of the Company and its shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Construction Agreement exceeds 5% but all are less than 25%, the transaction contemplated under the Construction Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## 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
“Construction Agreement”	the construction agreement dated 28 June 2023 entered into between Yixing Company and the Contractor in respect of the construction of the Yixing Plant
“Contractor”	江蘇巴朗建設工程有限公司, a limited liability company established in the PRC
“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
“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

“Yixing Company”	Yisheng (Yixing) Environmental Technology Limited* 宜昇(宜興)環境宜昇(宜興)環境技術有限公司, a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Yixing Plant”	the environmental protection industrial park to be developed and managed by Yixing Company in Yixing, Jiangsu Province, the PRC
“%”	per cent

\* For identification purpose only

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

Hong Kong, 28 June 2023

*In this announcement, amounts quoted in RMB have been converted into HK\$ at a rate of HK\$1.00 to RMB0.92. Such exchange rate has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates at all.*

*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.*