

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)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF A SUBSIDIARY AND MAJOR TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE

RESUMPTION OF TRADING

Financial adviser to the Company



建泉融資有限公司

VBG Capital Limited

THE DISPOSAL

The Board announces that on 8 February 2021, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement in relation to the disposal of the 100% equity interest in the Disposal Company by the Vendor to the Purchaser at the Consideration of RMB120,000,000. Upon Completion, the Disposal Company will cease to be a subsidiary of the Group.

THE PROVISION OF FINANCIAL ASSISTANCE

The Group has been providing several loans to the Disposal Company to fulfil its working capital requirement. As at 31 December 2020, the outstanding amount of such loans amounted to approximately RMB31,636,000.

Upon Completion, these loans will become a financial assistance to a third party which is part of the transactions contemplated under the Disposal Agreement.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the provision of financial assistance to the Disposal Company exceeds 25% but is less than 75%, the provision of financial assistance to the Disposal Company constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, details of the Disposal and the provision of financial assistance to the Disposal Company, and a notice convening the EGM will be despatched to the Shareholders once available. As the Company requires time for compiling the information for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or before 23 April 2021 in order to allow sufficient time for the preparation of such relevant information.

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the conditions precedent to the Disposal Agreement. Therefore, the Disposal may or may not proceed to Completion. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 3:29 p.m. on 4 February 2021, pending the release of this announcement.

Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 February 2021.

The Board announces that on 8 February 2021, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement in relation to the disposal of the 100% equity interest in the Disposal Company by the Vendor to the Purchaser at the Consideration of RMB120,000,000. Upon Completion, the Disposal Company will cease to be a subsidiary of the Group.

THE DISPOSAL AGREEMENT

Set out below are the principal terms and conditions of the Disposal Agreement:

Date

8 February 2021

Parties

- (i) 北控十方(山東)環保能源集團有限公司, as the Purchaser;
- (ii) Prime World Limited, as the Vendor;
- (iii) the Company and Mr. Zhu Yongjun;
- (iv) BECE Legend Group Co., Ltd.* 北清環能集團股份有限公司; and
- (v) the Disposal Company.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its holding company, being BECE Legend Group Co., Ltd.* 北清環能集團股份有限公司, are third parties independent of the Company and its connected persons in accordance with the Listing Rules.

Subject matter

Pursuant to the Disposal Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the 100% equity interest in the Disposal Company at the Consideration of RMB120,000,000 (equivalent to approximately HK\$145.5 million).

Consideration and payment

The Consideration was determined based on arm's length negotiations between the Vendor and the Purchaser after taking into consideration of the unaudited net asset value of the Disposal Company as at 31 December 2020.

The parties to the Disposal Agreement also agree that if the relevant government authority of Taiyuan raises the unit price of kitchen waste treatment within twelve (12) months from the date of the Disposal Agreement, for every RMB1 per ton raised beyond the existing price of RMB309.17 per ton, the Consideration shall be increased by RMB700,000 (the "**Additional Consideration**"), vice versa. The Purchaser shall pay the Additional Consideration (if applicable) to the Vendor together with the last instalment Consideration payment (for details, please refer to the paragraph below); while the Purchaser shall have the right to deduct the reduced amount (if applicable) from the unpaid portion of the Consideration.

The Consideration shall be satisfied by the Purchaser in cash in the following manner:

- (i) within three (3) Business Days from the date of signing the Disposal Agreement, the Purchaser shall pay 17% of the Consideration, i.e. RMB20,400,000 (equivalent to approximately HK\$24.7 million), to the bank account designated by the Vendor as refundable deposits (the “**Deposits**”);
- (ii) within three (3) Business Days from the date on which all the conditions precedent to the Disposal Agreement are satisfied, the Purchaser and the party designated by the Vendor shall open a jointly controlled bank account (the “**Joint Account**”) and within three (3) Business Days after the Joint Account is opened, the Purchaser shall pay 68% of the Consideration, i.e. RMB81,600,000 (equivalent to approximately HK\$98.9 million) (the “**2nd Instalment Consideration**”), to the Joint Account;
- (iii) within ten (10) days from the Completion Date, the amount in the Joint Account can be released and transferred to the bank account designated by the Vendor; and
- (iv) within twelve (12) months from the Completion Date (the “**Stipulated Period**”) and subject to the condition that the Target Company has not encountered any loss in asset value of over RMB3 million due to reason(s) caused by the Vendor (the “**Material Loss**”) (such as the loss attributable to factors that are not identified by the Purchaser and/or its auditor during the audit process and are not presented to the Purchaser, if any), the Purchaser shall, within five (5) Business Days thereafter, pay the remaining 15% of the Consideration, i.e. RMB18,000,000 (equivalent to approximately HK\$21.8 million) to the bank account designated by the Vendor. The Purchaser shall also pay the Additional Consideration to the Vendor together with such last instalment Consideration payment (if applicable).

Should the Target Company encounter any Material Loss within the Stipulated Period, the Purchaser shall have the right to deduct the exact amount of the Material Loss from the last instalment Consideration payment. If the amount of the last instalment Consideration payment is insufficient to settle the Material Loss, the Vendor shall pay the shortfall thereof to the Purchaser in cash.

As at the date of this announcement, neither the Purchaser nor the Vendor is aware of the possible nature and/or has identified any items to be potentially classified as Material Loss. The Purchaser shall inform the Vendor when an event probable of causing the Material Loss takes place, and the assessment on the total amount of the Material Loss shall be conducted in one go at the end of the Stipulated Period by a third party competent institution jointly engaged by the Purchaser and the Vendor, based on an assessment method in compliance with the applicable professional standard.

Conditions precedent

The equity transfer and the effectiveness of the Disposal Agreement (save for the provisions on matters related to the Deposits) shall be subject to fulfilment of the following conditions precedent:

- (i) the transactions contemplated under the Disposal Agreement having been approved in writing by the Taiyuan Urban and Rural Management Bureau* (太原市城鄉管理局);
- (ii) the written consent for the Disposal as well as its agreement to assist in the change of business registration of the Disposal Company from CITIC Financial Leasing Company Limited* (中信金融租賃有限公司) (being a major creditor of the Disposal Company) having been obtained;
- (iii) the third party competent institution engaged by the Purchaser having issued the audited report of the Disposal Company; and
- (iv) the approval of the Disposal by the Shareholders and all relevant authorities (including the Stock Exchange) having been obtained.

Upon fulfilment of all of the conditions precedent and the Purchaser having paid the 2nd Instalment Consideration to the Joint Account in the manner as prescribed above, the parties shall proceed with the transfer and change of business registration of the Disposal Company within fifteen (15) Business Days.

If within one hundred and twenty (120) days after signing of the Disposal Agreement (or such later date as may be agreed by the parties thereto in writing), the conditions precedent to the Disposal Agreement have not yet been fulfilled due to the breach of the Disposal Agreement and reason(s) caused by the Vendor (for the avoidance of doubt, except for the non-fulfilment of condition (iv) as stated above), the Vendor shall return double amount of the Deposits to the Purchaser within ten (10) days after such non-fulfilment. In the event that the non-fulfilment is due to the breach of the Disposal Agreement and reason(s) caused by the Purchaser, the Vendor can confiscate the Deposits within ten (10) days after such non-fulfilment. In the event that the non-fulfilment is due to the breach of the Disposal Agreement or reason(s) caused by neither parties, the Vendor shall return the Deposits (without interest) to the Purchaser within ten (10) days after such non-fulfilment. In all events, the Disposal Agreement shall be terminated and upon termination, the Disposal Agreement shall be of no further effect thereafter and all the rights, obligations and liabilities of the parties under the Disposal Agreement will cease and determine (save for any antecedent rights and obligations of the parties already accrued before the termination).

Completion

Completion of the Disposal takes place upon the equity interest of the Disposal Company having been transferred and registered in the name of the Purchaser and the Purchaser becoming the registered shareholder of the Disposal Company.

Vendor's undertakings

In the event that the total net asset value of the Disposal Company as at 31 December 2020 as audited by a third party competent institution engaged by the Purchaser is:

- (i) within 10% to 15% less than the net asset value of the Disposal Company as at 31 December 2020 as agreed by both parties without taking into account any possible impairment (i.e. RMB76,900,000), the Purchaser has the right to deduct such difference from the unpaid portion of the Consideration; or
- (ii) less than the net asset value of the Disposal Company as at 31 December 2020 as agreed by both parties without taking into account any possible impairment (i.e. RMB76,900,000) for 15% or above, the Purchaser may terminate the Disposal Agreement and the Vendor shall return double amount of the Deposits to the Purchaser.

In addition, the Vendor also undertakes that:

- (i) if the Disposal Company suffers a net loss of more than RMB500,000 as assessed by a third party competent institution jointly engaged by the Purchaser and the Vendor in any month during the transition period from 1 January 2021 to the Completion Date, it shall reimburse such extra loss amount to the Disposal Company, otherwise the Purchaser may deduct such amount from the unpaid portion of the Consideration; and
- (ii) if the Disposal Company is unable to recover any of its accounts receivable recorded as at 31 December 2020 within the Stipulated Period, it shall reimburse the entire unrecovered amount to the Disposal Company, otherwise the Purchaser may deduct the entire unrecovered amount from the unpaid portion of the Consideration. However, should the Disposal Company be able to receive those unrecovered accounts receivable subsequent to the reimbursement by the Vendor, the Purchaser shall return the equivalent reimbursement to the Vendor.

PROVISION OF FINANCIAL ASSISTANCE

The Group has been providing several loans to the Disposal Company to fulfil its working capital requirement. As at 31 December 2020, the outstanding amount of such loans amounted to approximately RMB31,636,000 (equivalent to approximately HK\$38.3 million).

Pursuant to the Disposal Agreement, it is agreed that the aforesaid loans shall be repayable following the below repayment schedule:

- (i) within three (3) months from the Completion Date, the Purchaser shall arrange the Disposal Company to repay 30% of such amount (i.e. approximately RMB9,491,000) to the Group;
- (ii) within six (6) months from the Completion Date, the Purchaser shall arrange the Disposal Company to repay 30% of such amount (i.e. approximately RMB9,491,000) to the Group; and
- (iii) within the Stipulated Period, the Purchaser shall arrange the Disposal Company to repay the remaining 40% of such amount (i.e. approximately RMB12,654,000) to the Group.

The outstanding amounts during the first six (6) months from the Completion Date are subject to an annual interest rate of 5.5%; whilst those which remain outstanding within the subsequent 6-month period are subject to an annual interest rate of 6.5% to be calculated starting from the Completion Date. Payment of all interests accrued to the Vendor shall be made together with the relevant principal loan repayment within the Stipulated Period.

The payment obligations of the Vendor is guaranteed by BECE Legend Group Co., Ltd.* 北清環能集團股份有限公司 under the Disposal Agreement.

Upon Completion, these loans will become a financial assistance to a third party which is part of the transactions contemplated under the Disposal Agreement.

INFORMATION OF THE DISPOSAL COMPANY

The Disposal Company is a limited liability company established in the PRC principally engaged in kitchen waste treatment in the PRC through the operation of the Taiyuan Plant. As at the date of this announcement, the Disposal Company is an indirect wholly-owned subsidiary of the Company.

The Taiyuan Plant

Located in Taiyuan, Shanxi Province, the PRC, the Taiyuan Plant is a kitchen waste treatment plant operated under the Build-Operate-Transfer (BOT) model. Construction of the kitchen waste treatment plant was permitted pursuant to a service concession agreement entered into between the Disposal Company and the Taiyuan Environment and Hygiene Bureau* 太原市市容環境衛生管理局 (details of which are set forth in the following paragraph) and is in two phases with a total permitted capacity of 500 tons per day. Phase one facilities of 200 tons per day commenced operation in April 2017 and was fully utilised. Phase two facilities with an additional capacity of 300 tons per day have been substantially installed, but is subject to final quality review and acceptance by the relevant government authorities of Taiyuan.

The Disposal Company entered into a service concession agreement with the Taiyuan Environment and Hygiene Bureau* 太原市市容環境衛生管理局 (as grantor) to construct a kitchen waste treatment plant in Taiyuan. Under the said agreement, the Disposal Company will operate and make the kitchen waste treatment plant available to the public for a period of 30 years from 2013 to 2043. The Disposal Company is generally entitled to use all the facilities of the plant; however, the facilities of the plant shall become the property of the grantor who shall also be entitled to retain the beneficial entitlement to any residual interest of the facilities at the end of the concession period. During the concession period, the grantor shall provide the Disposal Company a guaranteed minimum annual payment for each year that the kitchen waste treatment plant is in operation. The service concession agreement does not contain a renewal option.

Financial information of the Disposal Company

A summary of the unaudited results of the Disposal Company based on the Group's accounting policies for the nine months ended 31 December 2020 and each of the two financial years ended 31 March 2019 and 2020 is set out below:

	For the nine months ended 31 December 2020 HK\$'000	For the financial year ended 31 March 2020 2019 HK\$'000 HK\$'000	
Loss before taxation	(22,572)	(109)	(9,073)
Profit/(Loss) after taxation	(17,276)	1,384	(5,851)

As at 31 December 2020, the unaudited net asset value of the Disposal Company was approximately HK\$136,563,000.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE PROVISION OF FINANCIAL ASSISTANCE

The Group has been principally engaged in foundation, civil engineering and general building works in Hong Kong. Given the decreasing contribution of revenue from civil engineering and general building works over the past few years, the Group decided to focus its resources on the foundation business, which the Board believes will continue to contribute stable revenue and profits to the Group.

On the other hand, with reference to the “Circular on the Plan for Establishing Facilities for the Innocuous Treatment of Municipal Solid Waste under the Twelfth Five-Year Plan” (全國城鎮生活垃圾無害化處理設施建設規劃的通知) issued by the State Council of the PRC in April 2012, the PRC government intended to accelerate kitchen waste treatment and sorting in the PRC. Moreover, the “Thirteenth Five-Year Plan” issued by the State Council of the PRC also reinforced the importance of ecosystem improvement and ecological development, including daily water and solid wastes treatment, and

promotion for recycling and harmless waste treatment. To ride on the potential opportunities as driven by the government policies, the Group tapped into the environmental protection business, in particular, the kitchen waste treatment business to diversify its business portfolio. As at the date of this announcement, besides the Taiyuan Plant, the Group also owns/operates a number of kitchen waste treatment plants located in various regions of the PRC.

While endeavouring to streamline and enhance its business portfolio, the Group is relatively heavily indebted with gearing ratio staying at approximately 206.7% as at 30 September 2020. The short-term and long-term interest-bearing bank and other borrowings of the Group amounted to approximately HK\$132.8 million and HK\$152.4 million, respectively, as at 30 September 2020. On 22 October 2020, the Company further received a writ of summons (the “**Writ**”) with a statement of claim issued by the High Court of Hong Kong, wherein the plaintiff sought, amongst others, (i) a sum of US\$6,572,708 (equivalent to approximately HK\$51.0 million) with daily interest of US\$1,667 (equivalent to approximately HK\$12,922); and (ii) costs. Taking into account the financing need of the Group in the short to medium run, the Board has been aiming to strengthen the Group’s financial position and liquidity by, amongst others, divesting part of the assets/projects of the Group in a way that also aligns with its future business development strategy.

Notwithstanding that the Group may record an estimated loss of approximately HK\$19.9 million part of which is related to the non-cash impairment of associated goodwill of approximately HK\$23.5 million, the Board considers that the Disposal would represent a good opportunity for the Group to realise its investment, thereby improving the Group’s financial position and allowing it to maintain a stronger cash flow and lower its short-term indebtedness. Upon Completion, the Group will continue its operations in the foundation business and environmental protection business, in particular, the kitchen waste treatment business. Leveraging on its experience, the Group would consider and explore the business opportunities in providing kitchen waste related Engineering Procurement Construction (EPC) services (i.e. mainly the provision of kitchen waste related consultation and/or procurement services) which are less capital-intensive and require less resources as compared to the BOT operation model (i.e. the construction and operation of kitchen waste treatment plant under the relevant service concession agreement) which is currently operated by the Taiyuan Plant, and capture the momentous opportunity arising from the implementation of household waste sorting across the PRC.

With regard to the provision of financial assistance, the interest rates for the loans to the Disposal Company are higher than benchmark lending rates of the People’s Bank of China. Moreover, taking into account the guarantee provided by and the strong background of the holding company of the Purchaser and that it was the Purchaser who requested for the provision of financial assistance as one of the commercial terms of the

Disposal Agreement, the Board is of the view that the Disposal Company would be able to repay those loans and the provision of financial assistance would provide additional interest income to the Group with acceptable risk level.

The Board considers that the terms of the Disposal Agreement and the provision of financial assistance are fair and reasonable and are on normal commercial terms, and the Disposal and the provision of financial assistance are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT AND USE OF PROCEEDS OF THE DISPOSAL AND THE PROVISION OF FINANCIAL ASSISTANCE

Upon Completion, the Disposal Company will cease to be a subsidiary of the Group, and its consolidated financial results, assets and liabilities will no longer be included in the consolidated financial statements of the Group.

Assuming there be no adjustment to the Consideration, the Group expects to record an estimated loss of approximately HK\$19.9 million from the Disposal, which is calculated with reference to the difference between the Consideration and the unaudited carrying amount of the Disposal Company as at 31 December 2020, after taking into account of the non-cash impairment of associated goodwill of approximately HK\$23.5 million and the transaction costs and expenses and tax in relation to the Disposal (assuming that there will be no significant change in foreign exchange fluctuation at the relevant actual settlement dates). Such calculation is only an estimate provided for illustrative purposes, and the actual gain or loss as a result of the Disposal to be recorded by the Company is subject to any changes to the financial position of the Disposal Company as at Completion and final audit, and hence may or may not be the same as the aforesaid expected loss.

In addition, based on the unadjusted Consideration, the gross proceeds from the Disposal are expected to be RMB120 million (equivalent to approximately HK\$145.5 million) and the net proceeds (after deducting related transaction costs and expenses and tax) are expected to be approximately HK\$143.1 million. The Group intends to use the aforesaid net proceeds and the proceeds from provision of the financial assistance of approximately RMB31.6 million entirely for repayment of the interest-bearing liabilities of the Group, including but not limited to (i) bank and other borrowings; (ii) the bonds issued by the Company; and (iii) the potential amount for settlement of the Writ.

INFORMATION OF THE GROUP AND THE VENDOR

The Group is principally engaged in (i) construction works in Hong Kong; and (ii) environmental protection.

The Vendor is an investment holding company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE PURCHASER

The Purchaser is a limited liability company established in the PRC and is a wholly-owned subsidiary of BECE Legend Group Co., Ltd.* 北清環能集團股份有限公司, being a company listed on the Shenzhen Stock Exchange (Stock Code: 000803) and is effectively controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality* 北京市人民政府國有資產監督管理委員會. The Purchaser is principally engaged in organic waste recycling, project operations of kitchen waste treatment, production and sales of organic waste treatment equipment and the comprehensive utilisation of biomass energy.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio calculated pursuant to Chapter 14 of the Listing Rules in respect of the provision of financial assistance to the Disposal Company exceeds 25% but is less than 75%, the provision of financial assistance to the Disposal Company constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, details of the Disposal and the provision of financial assistance to the Disposal Company, and a notice convening the EGM will be despatched to the Shareholders once available. As the Company requires time for compiling the information for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or before 23 April 2021 in order to allow sufficient time for the preparation of such relevant information.

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the conditions precedent to the Disposal Agreement. Therefore, the Disposal may or may not proceed to Completion. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 3:29 p.m. on 4 February 2021, pending the release of this announcement.

Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 February 2021.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or public holiday) on which banks are open in the PRC for general commercial business
“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 Disposal Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the aggregate consideration for the sale and purchase of the 100% equity interest in the Disposal Company pursuant to the Disposal Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the 100% equity interest in the Disposal Company by the Vendor to the Purchaser pursuant to the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement dated 8 February 2021 entered into among the Purchaser, the Vendor, the Company and Mr. Zhu Yongjun, BECE Legend Group Co., Ltd.* 北清環能集團股份有限公司, and the Disposal Company in relation to the Disposal
“Disposal Company”	Taiyuan Tianrun Bioenergy Co., Ltd* 太原天潤生物能源有限公司, a limited liability company established in the PRC and as at the date of this announcement, an indirect wholly-owned subsidiary of the Company

“EGM”	an extraordinary general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, approving the Disposal Agreement and the transactions contemplated thereunder, including the provision of financial assistance to the Disposal Company
“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
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	北控十方(山東)環保能源集團有限公司, a limited liability company established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 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
“Taiyuan Plant”	the kitchen waste treatment plant operated by the Disposal Company in Taiyuan, Shanxi Province, the PRC
“US\$”	US dollars, the lawful currency of the United States of America
“Vendor”	Prime World Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 8 February 2021

In this announcement, translation of RMB into HK\$ is based on the exchange rate of RMB0.825: HK\$1. 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.

In this announcement, translation of US\$ into HK\$ is based on the exchange rate of US\$0.129: HK\$1. No representation is made that any amounts in US\$ and HK\$ can be or could have been converted at the above exchange rate or any other rates.

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.

As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun and Mr. Lee Tsi Fun Nicholas; the non-executive Directors are 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.