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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)

TERMINATION OF THE DISCLOSEABLE TRANSACTION OF ACQUISITION OF 49% EQUITY INTEREST IN PT. DEMPO SUMBER ENERGI

Reference is made to the Company's announcements dated 23 March 2016, 6 April 2016, 30 May 2016, 21 September 2016 and 21 April 2017 (the "**Announcements**") in relation to, among other things, the Acquisition Agreement dated 23 March 2016 entered into between Vendor A and the Purchaser, an indirect wholly-owned subsidiary of the Company, in relation to the proposed acquisition of 49% equity interest in PT. Dempo Sumber Energi by the Purchaser. Unless otherwise defined, capitalised terms used herein shall have the same meaning as defined in the Announcements.

Pursuant to the Acquisition Agreement (as amended and supplemented by the Supplemental Agreement dated 30 May 2016 and the extension deeds dated 21 September 2016 and 21 April 2017) entered into by the parties to the Acquisition Agreement (the "**Parties**"), the Long Stop Date had been extended to 20 October 2017 or such later date as the Parties may agree in writing. As certain Conditions Precedent were not fulfilled as of the date of this announcement, the Parties entered into a deed of termination and indemnification on 20 October 2017 (the "**Deed**"). Pursuant to the Deed, Vendor A and Mr. Muhammad Yamin Kahar ("**Mr. Muhammad**") unconditionally and irrevocably agreed, on a joint and several basis, to refund the deposit of US\$2.92 million (the "**Deposit**") to the Purchaser, and to pay deposit interest at 10% per annum on the Deposit since 23 March 2016 up to the full repayment date of the Deposit (the "**Deposit Interest**") to the Purchaser or its designated party. Payment of the Deposit and the Deposit Interest shall be made in three tranches as follows:

- (a) US\$0.62 million as partial repayment for the Deposit shall be paid by 31 January 2018.
- (b) US\$0.60 million as partial for the Deposit shall be paid by 31 March 2018.
- (c) US\$1.70 million as remaining repayment for the Deposit and Deposit Interest shall be paid by 30 June 2018.

Vendor A and Mr. Muhammad also unconditionally and irrevocably undertook, on a joint and several basis, to guarantee that PT. Dempo Sumber Energi shall repay to the Purchaser or its designated party its indebtedness (the “**Indebtedness**”) owed to the Purchaser by 31 March 2018.

Upon full payment of the Deposit, the Deposit Interest and the Indebtedness, the Purchaser shall transfer the 28,240 Class A Shares which was registered under the Purchaser’s name as a security for completion of the Acquisition Agreement, to Vendor A or its designated party.

As a Condition Precedent to the Acquisition Agreement, the Parties had entered into the Joint Venture Agreement. In light of the termination of the Acquisition Agreement, the Parties also executed a deed of novation on 20 October 2017 to novate the rights and obligations of the Purchaser under the Joint Venture Agreement to Vendor A.

After taking into account the long procession of time involved, the Directors (including independent non-executive Directors) consider that the termination of the Acquisition Agreement and the novation of the Joint Venture Agreement are in the interests of the Company and the Shareholders as a whole and will not have any material adverse effect on the operation and financial position of the Group.

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

Hong Kong, 20 October 2017

As at the date of this announcement, the executive directors of the Company are Mr. Zhu Yongjun, Ms. Qin Shulan and Mr. Cai Jianwen; the non-executive directors of the Company are Dr. Zhang Lihui and Mr. Chu Kingston Chun Ho; and the independent non-executive directors of the Company are Mr. Lo Chun Chiu, Adrian, Dr. Tong Ka Lok and Mr. Choy Wai Shek, Raymond, MH, JP.