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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **New Concepts Holdings Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscription for the securities of **New Concepts Holdings Limited**.

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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)**

## ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Financial adviser to the Company**



**建泉融資有限公司  
VBG Capital Limited**

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A letter from the Board is set out from pages 4 to 14 of this circular.

A notice convening the EGM to be held at R One Space, 22/F, One Pacific Centre, 414 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong, on Friday, 18 June 2021, at 10:00 a.m. is set out from pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). Whether or not you propose to attend the meeting, you are requested to read the notice of EGM and to complete the form of proxy enclosed in this circular in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the meeting should you so wish.

31 May 2021

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## PRECAUTIONARY MEASURES FOR THE EGM

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The health of our shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the EGM to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every Shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) The Company encourages each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (iii) No refreshment will be served, and there will be no corporate gift. In addition, the Company reminds all Shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution at the meeting instead of attending the meeting in person, by completing and return the proxy form attached to this circular.

If any Shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our registered office. If any Shareholder has any question relating to the meeting, please contact Tricor Investor Services Limited, the Company's Hong Kong branch share registrar as follows:

Tricor Investor Services Limited  
Level 54, Hopewell Centre 183 Queen's Road East, Hong Kong  
Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)  
HK Tel: (852) 2980 1333  
Fax: (852) 2810 8185

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

|                           |   |
|---------------------------|---|
| “Board”                   | the board of Directors  |
| “business day”            | a day (other than a Saturday or Sunday or public holiday) on which banks are open in Hong Kong 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)   |
| “connected person(s)”     | has the meaning ascribed to it in the Listing Rules   |
| “Director(s)”             | director(s) of the Company  |
| “EGM”                     | an extraordinary general meeting of the Company to be held on 18 June 2021 for the purpose of considering, and if thought fit, approving the Subscription, the grant of the Specific Mandate and the transactions contemplated thereunder |
| “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  |
| “Last Trading Day”        | 10 May 2021, being the last trading day for the Shares on the Main Board of the Stock Exchange immediately before the date of the Subscription Agreements   |
| “Latest Practicable Date” | 26 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular   |
| “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  |
| “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)   |

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## DEFINITIONS

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|------------------------------|---|
| “Specific Mandate”           | the specific mandate to be granted to the Directors by the Shareholders at the EGM to allot, issue and deal in the Subscription Shares    |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited   |
| “Subscriber(s)”              | the subscriber(s) under the Subscription Agreements   |
| “Subscription”               | subscription of the Subscription Shares by the Subscribers at the Subscription Price  |
| “Subscription Agreements”    | the subscription agreements dated 10 May 2021 entered into between the Company and each of the Subscribers in respect of the Subscription |
| “Subscription Price”         | HK\$0.295 per Subscription Share  |
| “Subscription Shares”        | an aggregate of 169,472,000 new Shares to be allotted and issued by the Company to the Subscribers  |
| “substantial shareholder(s)” | has the meaning ascribed to it in the Listing Rules   |
| “%”                          | per cent.   |



**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)**

*Executive Directors:*

Mr. Zhu Yongjun (*Chairman of the Board*)

Mr. Pan Yimin

Mr. Lee Tsi Fun Nicholas

*Registered office:*

Windward 3

Regatta Office Park, P.O. Box 1350

Grand Cayman, KY-1108

Cayman Islands

*Non-executive Directors:*

Dr. Ge Xiaolin

Dr. Zhang Lihui

*Headquarter, head office and*

*principal place of business in Hong Kong:*

Office B, 3/F.

Kingston International Centre

19 Wang Chiu Road

Kowloon Bay

Hong Kong

*Independent non-executive Directors:*

Mr. Lo Chun Chiu, Adrian

Dr. Tong Ka Lok

Mr. Choy Wai Shek, Raymond, *MH, JP*

31 May 2021

*To the Shareholders*

Dear Sir/Madam,

**ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE  
AND  
NOTICE OF EGM**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 10 May 2021 in relation to the Subscription.

On 10 May 2021, the Company entered into 9 Subscription Agreements with each of the Subscribers. Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for an aggregate of 169,472,000 Subscription Shares at the Subscription Price of HK\$0.295.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further details of the Subscription; and (ii) a notice convening the EGM together with the form of proxy, and other information as required under the Listing Rules.

### THE SUBSCRIPTION AGREEMENTS

Save for the number of Subscription Shares to be subscribed for and the identity of the Subscribers, the terms and conditions the Subscription Agreements are identical in all material respects. The principal terms of the Subscription Agreements are set out as follows:

#### Date

10 May 2021

#### Parties

The Company (as issuer); and

The relevant Subscriber.

#### The Subscription

Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for an aggregate of 169,472,000 Subscription Shares at the Subscription Price of HK\$0.295 to be paid by cash or cashier order on the completion date of the Subscription Agreements, the breakdown of which is as follows:

| Subscriber   | Number of<br>Subscription Shares<br>( '000) | % of issued share<br>capital as at the Latest<br>Practicable Date | % of issued share<br>capital as enlarged by<br>the allotment and issue<br>of the Subscription<br>Shares (assuming that<br>there will be no further<br>change in the number<br>of issued Shares from<br>the Latest Practicable<br>Date up to the<br>completion of the<br>Subscription) | Total subscription<br>price payable<br>(approximately)<br>(HK\$'000) |
|--------------|---|---|---|--|
| Subscriber A | 13,556                                      | 1.83  | 1.49  | 4,000  |
| Subscriber B | 11,864                                      | 1.60  | 1.30  | 3,500  |
| Subscriber C | 27,116                                      | 3.67  | 2.98  | 8,000  |
| Subscriber D | 8,472                                       | 1.15  | 0.93  | 2,500  |
| Subscriber E | 5,084                                       | 0.69  | 0.56  | 1,500  |
| Subscriber F | 33,896                                      | 4.58  | 3.73  | 10,000   |
| Subscriber G | 25,420                                      | 3.44  | 2.80  | 7,500  |
| Subscriber H | 10,168                                      | 1.38  | 1.12  | 3,000  |
| Subscriber I | 33,896                                      | 4.58  | 3.73  | 10,000   |
| Total        | <u>169,472</u>                              | <u>22.92</u>  | <u>18.64</u>  | <u>50,000</u>  |

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## LETTER FROM THE BOARD

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Upon completion of the Subscription, none of the Subscribers nor their respective associates will become a substantial shareholder of the Company.

### **The Subscription Shares**

The 169,472,000 Subscription Shares under the Subscription represent (i) approximately 22.92% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 18.64% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares, assuming that there will be no further change in the number of issued Shares from the Latest Practicable Date up to the completion of the Subscription. The Subscription Shares have an aggregate nominal value of approximately HK\$16,947,000 and market value of approximately HK\$89,820,000 based on the closing price of HK\$0.530 per Share as quoted on the Stock Exchange on the Last Trading Day.

### **Ranking of the Subscription Shares**

The Subscription Shares, when allotted, issued and fully paid, will be free of all encumbrances and rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

### **The Subscription Price**

The Subscription Price of HK\$0.295 per Subscription Share represents:

- (i) a discount of approximately 50.83% to the closing price of HK\$0.600 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 44.34% to the closing price of HK\$0.530 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iii) a discount of approximately 17.37% to the average closing price of approximately HK\$0.357 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was determined with reference to the prevailing market prices of the Shares over a period of time and was negotiated on an arm's length basis between the Company and the respective Subscriber. The Company noted that there has been a sudden surge in the market prices of the Shares from mid-April 2021. For reference, during the 12-month period preceding the Last Trading Day, the Share price ranged between HK\$0.165 to HK\$0.580, indicating a relatively significant price fluctuation. In addition, the Subscription Price is above or equivalent to the closing prices of the Shares on 211 trading days, representing over 85% of the total number of 246 trading days in the 12-month period preceding the Last Trading Day. Therefore, the Directors consider that an appropriate reference time for determination of the Subscription Price should be over a reasonably expansive time period. In particular, the Subscription Price represents (i) a discount of approximately 9.26% to the average closing price of approximately HK\$0.325 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to

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## LETTER FROM THE BOARD

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the date of the Subscription Agreements; (ii) a premium of approximately 15.73% over the average closing price of approximately HK\$0.255 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days immediately prior to the date of the Subscription Agreements; and (iii) a premium of approximately 23.89% over the average closing price of approximately HK\$0.238 per Share as quoted on the Stock Exchange for the last 90 consecutive trading days immediately prior to the date of the Subscription Agreements. Accordingly, the Directors are of the view that using the average closing price as quoted on the Stock Exchange for the last 60 consecutive trading days immediately prior to the date of the Subscription Agreements as a reference time for negotiation is fair and reasonable, despite the substantial discounts of the Subscription Price to the closing prices of the Shares on the Latest Practicable Date, the Last Trading Day and the last five consecutive trading days prior to the date of the Subscription Agreements.

### **Conditions precedent**

Completion of the Subscription is conditional upon:

- (i) the listing of and permission to deal in the Subscription Shares on the Main Board of the Stock Exchange being granted by the Stock Exchange; and
- (ii) the passing of a resolution by the Shareholders' approving the Subscription Agreement and the grant of the Specific Mandate to the Directors to allot, issue and deal in the relevant Subscription Shares.

None of the conditions precedent above are waivable. If the above conditions are not fulfilled on or before 9 July 2021 (or such other date as the parties to the Subscription Agreements may agree in writing), the obligations and liabilities of the relevant Subscriber and the Company under the Subscription Agreements shall cease and terminate, and the relevant Subscriber and the Company shall be released from all rights and obligations save for any antecedent breach thereof.

As at the Latest Practicable Date, none of the conditions precedent to the Subscription Agreements had been fulfilled.

### **Completion of the Subscription**

Completion of the Subscription shall take place on the 3rd business day (or such other date as the parties to the Subscription Agreements may agree in writing) after the conditions precedent are satisfied.

Completion of the Subscription under each of the Subscription Agreements is not inter-conditional with each other.

### **APPLICATION FOR LISTING**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

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## LETTER FROM THE BOARD

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### THE SPECIFIC MANDATE

The Subscription Shares will be allotted and issued under the Specific Mandate to be approved by way of ordinary resolution by the Shareholders at the EGM.

### INFORMATION ON THE SUBSCRIBERS

The Subscribers are either citizens of Hong Kong or the PRC, or limited liability companies incorporated in Hong Kong.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Subscribers and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons; and the Subscribers are not connected with each other.

### INFORMATION ON THE GROUP

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

### REASONS FOR THE SUBSCRIPTION

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 and cash flow position by (i) disposal of part of the assets/projects of the Group in a way that also aligns with its future business development strategy; and (ii) other equity and debt financing alternatives. In this relation, the Company entered into a disposal agreement to dispose of its entire equity interest in a PRC subsidiary (the "**Disposal**") (the "**Disposal Agreement**") in February 2021. The Disposal has been approved by the Shareholders, and the Company intends to apply the net proceeds therefrom of approximately HK\$143.1 million for repayment of the interest-bearing liabilities of the Group. As at the Latest Practicable Date, the conditions precedent to the Disposal had not yet been fulfilled entirely and thus the Group has only received the deposits of RMB20.4 million from the relevant purchaser in accordance with the terms of the Disposal Agreement. The parties to the Disposal Agreement are endeavoring to complete the Disposal and it is expected that the Company shall be able to receive the remaining consideration of RMB99.6 million following the payment schedule as stipulated in the Disposal Agreement.

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## LETTER FROM THE BOARD

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On the other hand, the Company has also been issuing new Shares and convertible bonds to a number of interested investors during the past 12 months, raising a total of approximately HK\$38.3 million as at the Latest Practicable Date for replenishment of the general working capital of the Group. The Company has decided not to conduct rights issue or open offer as these two fund raising exercises will involve the issue of listing documents with other application and administrative procedures which would require additional administrative costs. Moreover, taking into account (i) the relatively high gearing level (30 September 2020: approximately 206.7%) and the substantial loss the Group recorded during the financial year ended 31 March 2020; and (ii) the interest rates of the Group's existing bank borrowings ranging from 5% to up to 12%, the Directors expect that any new bank borrowings would likely to be subject to lengthy negotiations with the lenders, not to mention the relatively high interest rates which will further increase the interest burden of the Group.

Details of the Disposal and the equity fund raising activities conducted by the Company during the past 12 months can be found in the circular of the Company dated 8 April 2021 and the section headed "Fund raising activities in the past 12 months" of this Letter from the Board, respectively.

The Directors consider the Subscription to be an appropriate means of fund raising for the Company given that (i) the capital and shareholders bases of the Company can be broadened; and (ii) the Subscription is relatively less time consuming and can be conducted at relatively low cost.

The Directors are also of the opinion that the terms of each of the Subscription Agreements are fair and reasonable and are on normal commercial terms, and the Subscription is in the interests of the Company and the Shareholders as a whole.

**Completion of the Subscription is subject to the satisfaction of the conditions precedent to the Subscription Agreements. As such, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### USE OF PROCEEDS FROM THE SUBSCRIPTION

The gross proceeds from the Subscription will be approximately HK\$50.0 million. The net proceeds from the Subscription will be approximately HK\$49.5 million. The net Subscription Price per Subscription Share after deducting the relevant fees and expenses is approximately HK\$0.292 per Share. The funds to be raised under the Subscription are intended to be applied as to:

- (i) approximately HK\$25.0 million as the initial investment cost for the kitchen waste treatment project in Xuancheng (宣城) of Anhui province, the PRC.

The Group tapped into the environmental protection business since December 2015, in particular, the kitchen waste treatment business to diversify its business. The Directors on a constant basis make assessment and formulate plans for the Group's business development in this segment, including exploring new kitchen waste treatment projects with potentials and streamlining its projects portfolio

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## LETTER FROM THE BOARD

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when suitable opportunities arise in alignment with the Group's future business development strategy. As disclosed in the announcement of the Company dated 9 March 2021, a wholly-owned subsidiary of the Company won a tender and is awarded a kitchen waste treatment project in Xuancheng of Anhui province, the PRC. Since winning of the tender, the Group has been negotiating with the local government of Xuancheng for details regarding the development plan of the relevant project. Several key progress have been achieved so far. A project company was established and a preliminary feasibility report has been completed. Works on environmental assessment are underway and the project company is in the process of preparing the "Land Selection Opinions" 《用地選址意見書》 and applying for the Land Use Planning Permit (用地規劃許可證). The funds from the Subscription shall be applied as the initial investment cost to fulfil the capital requirement of the various preparation works as aforementioned for commencement of development of the Xuancheng kitchen waste project.

- (ii) approximately HK\$14.2 million for repayment of debts and the interests accrued, including but not limited to the short-term interest-bearing loans from financial institutions and the possible partial settlement of the claimed amount under a writ of summons received by the Group in October 2020 (for details, please refer to the announcement of the Company dated 22 October 2020).
- (iii) approximately HK\$10.3 million as general working capital for the Group for payment of items such as administrative expenses and settlement of payables which fall due.

In light of that completion of the Subscription under each of the Subscription Agreements is not inter-conditional with each other, it is possible that the net proceeds from the Subscription will fall below HK\$49.5 million if the Subscription only proceeds partially. In such event the Company will prioritise the allocation of the funds in the following manner:

- (i) if the total amount raised is below HK\$8 million, the Company shall apply the entire amount as general working capital of the Group;
- (ii) if the total amount raised is between HK\$8 million and HK\$14 million, the Company shall apply the entire amount for repayment of debts and the interests accrued; and
- (iii) if the total amount raised is above HK\$14 million, the Company shall apply HK\$14 million for repayment of debts and the interests accrued; whereas the remaining will be applied as the investment cost for the aforesaid Xuancheng kitchen waste treatment project.

As to any shortfall, depending on changes in market conditions, the Company will further explore alternative fund raising methods as and when appropriate.

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**LETTER FROM THE BOARD**

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**CHANGES TO THE COMPANY'S SHAREHOLDING STRUCTURE UPON COMPLETION OF THE SUBSCRIPTION**

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Subscription:

| Shareholders   | As at the Latest Practicable Date |                      | Immediately after completion of the Subscription |                      |
|--|-----------------------------------|----------------------|--|----------------------|
|  | Number of Shares                  | % of shareholding    | Number of Shares                                 | % of shareholding    |
| Jumbo Grand Enterprise Development Limited<br>(Note 1) | 77,000,000                        | 10.41                | 77,000,000                                       | 8.47                 |
| Prosper Power Group Limited<br>(Note 2)                | 76,500,000                        | 10.35                | 76,500,000                                       | 8.42                 |
| Simple Gain International Limited<br>(Note 3)          | 40,000,000                        | 5.41                 | 40,000,000                                       | 4.40                 |
| CEF Concept Holdings Limited<br>(Note 4)               | 55,400,000                        | 7.49                 | 55,400,000                                       | 6.09                 |
| Mr. Zhu Yongjun (Note 5)                               | 4,900,000                         | 0.66                 | 4,900,000  | 0.54                 |
| Dr. Zhang Lihui (Note 5)                               | 96,000                            | 0.01                 | 96,000   | 0.01                 |
| Mr. Choy Wai Shek, Raymond, MH, JP (Note 5)            | 700,000                           | 0.10                 | 700,000  | 0.08                 |
| Dr. Tong Ka Kok (Note 5)                               | 480,000                           | 0.07                 | 480,000  | 0.05                 |
| The Subscribers (Note 6)                               | —                                 | —                    | 169,472,000                                      | 18.64                |
| Other public Shareholders                              | <u>484,398,134</u>                | <u>65.50</u>         | <u>484,398,134</u>                               | <u>53.30</u>         |
| <b>Total</b>   | <b><u>739,474,134</u></b>         | <b><u>100.00</u></b> | <b><u>908,946,134</u></b>                        | <b><u>100.00</u></b> |

Notes:

- Jumbo Grand Enterprise Development Limited is wholly-owned by Mr. Zhu Yongjun. Mr. Zhu Yongjun is the brother-in-law of Mr. Allan Warburg, the ultimate beneficial owner of Simple Gain International Limited, a Shareholder.
- Prosper Power Group Limited is owned as to 75% by Mr. Chu Shu Cheong.
- Simple Gain International Limited is wholly-owned by Allan Warburg Holdings Limited, which is in turn wholly-owned by Mr. Allan Warburg.
- CEF Concept Holdings Limited is wholly-owned by CEF IV Holdings Ltd., which is in turn owned as to 92.55% by China Environment Fund IV, L.P., an investment fund incorporated in the Cayman Islands.
- Directors of the Company.
- Upon completion of the Subscription, none of the Subscribers nor their respective associates will become a substantial shareholder of the Company.
- The percentage figures included in this table are subject to rounding adjustment.

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## LETTER FROM THE BOARD

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### FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities involving the issue of equity securities during the past 12 months from the date of this circular:

| Date of announcement | Fund raising activities  | Net proceeds  | Intended use of proceeds | Actual use of proceeds as at the Latest Practicable Date |
|----------------------|--|---|--------------------------|--|
| 10 June 2020         | Placing of not more than 57,290,013 new Shares at HK\$0.202 per Share  | Approximately HK\$10.98 million   | General working capital  | Fully applied as intended                                |
| 15 June 2020         | Issue of 49,768,000 new Shares at HK\$0.221 per Share  | Approximately HK\$10.97 million   | General working capital  | Fully applied as intended                                |
| 14 December 2020     | Issue of convertible bonds with an aggregate principal amount of HK\$10,000,000 at the conversion price of HK\$0.20 per conversion share in 3 tranches. As at the date of this announcement, the first tranche with principal amount of HK\$4,000,000 was issued.                              | Approximately HK\$4.6 million, representing the net proceeds from the first tranche and the non-refundable deposits of the convertible bonds  | General working capital  | Fully applied as intended                                |
| 24 March 2021        | Issue of 20,000,000 new Shares at HK\$0.20 per Share   | Approximately HK\$3.98 million  | General working capital  | Fully applied as intended                                |
| 15 April 2021        | Issue of convertible bonds with an aggregate principal amount of approximately HK\$16,826,000 at the conversion price of HK\$0.260 per conversion share in 3 tranches. As at the date of this announcement, the first tranche with principal amount of approximately HK\$6,730,000 was issued. | Approximately HK\$7.74 million, representing the net proceeds from the first tranche and the non-refundable deposits of the convertible bonds | General working capital  | Fully applied as intended                                |

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## LETTER FROM THE BOARD

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### GENERAL

None of the Directors has a material interest in the Subscription Agreements and hence no Director was required to abstain from voting on the Board resolution approving the Subscription Agreements.

The Subscription is subject to the Shareholders' approval at the EGM. All Subscription Shares will be allotted and issued under the Specific Mandate which is subject to the Shareholders' approval at the EGM.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### EGM

A notice of convening the EGM to be held at R One Space, 22/F, One Pacific Centre, 414 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong, on Friday, 18 June 2021, at 10:00 a.m. is set out from pages EGM-1 to EGM-3 in this circular. Ordinary resolution will be proposed at the EGM for the purpose of considering and, if thought fit, approving the Subscription, the grant of the Specific Mandate and the transactions contemplated thereunder. Voting on ordinary resolution to be proposed at the EGM will be taken by way of poll and an announcement will be made by the Company after the EGM on the result of the EGM with respect to whether or not the proposed ordinary resolution have been passed by the Shareholders. As at the Latest Practicable Date, no Shareholder had material interest in the Subscription and therefore no Shareholder will be required to abstain from voting on the relevant resolution and the grant of the requisite Specific Mandate at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you propose to attend the meeting, you are requested to read the notice of EGM and to complete the form of proxy enclosed in this circular in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the meeting should you so wish.

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## LETTER FROM THE BOARD

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### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 15 June 2021 to Friday, 18 June 2021, both days inclusive, during which period no transfer of Shares will be registered, in order to determine the entitlement to attend and vote at the EGM. In order to be entitled to attend and vote at the EGM, unregistered holders of Shares should ensure that all transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 11 June 2021 for registration.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Subscription is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the ordinary resolution as set out in the notice of the EGM.

Yours faithfully,  
By order of the Board  
**New Concepts Holdings Limited**  
**Zhu Yongjun**  
*Chairman and Executive Director*



**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)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM”) of New Concepts Holdings Limited (the “Company”) will be held at R One Space, 22/F, One Pacific Centre, 414 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong, on Friday, 18 June 2021, at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as ordinary resolution of the Company:

**ORDINARY RESOLUTION**

“**THAT:**

- (a) each subscription agreements entered into between each of the subscribers (as subscriber) and the Company (as issuer) on 10 May 2021 (the “**Subscription Agreements**”) in relation to the subscription of an aggregate of 169,472,000 subscription shares (the “**Subscription Shares**”) at the subscription price of HK\$0.295 per share, copies of which have been produced to the EGM and initialled by the chairman of the EGM for the purpose of identification, and the respective transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the directors of the Company be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares, subject to and in accordance with the terms and conditions set out in each of the Subscription Agreements;
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to sign and execute such documents and do all such acts and things which in their opinion may be necessary, desirable or expedient to carry out or give effect to each of the Subscription Agreements and the respective transactions contemplated thereunder (including the allotment and issue of the Subscription Shares pursuant thereto), and to agree to any non-material amendments to each of the Subscription Agreements and any other agreements made in relation thereto

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## NOTICE OF EGM

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to the extent permitted by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the applicable laws and in the interests of the Company and its shareholders.”

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

Hong Kong, 31 May 2021

**Notes:**

1. A member entitled to attend and vote at the EGM is entitled to appoint another person(s) as his proxy(ies) to attend and vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In the case of joint holders of a share of the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the share of the Company.
3. A form of proxy for use at the EGM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, with the Company at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
4. The register of members of the Company will be closed from Tuesday, 15 June 2021 to Friday, 18 June 2021, both days inclusive, during which period no transfer of shares of the Company will be registered, in order to determine the entitlement to attend and vote at the EGM. To ascertain the entitlements to attend and vote at the EGM, unregistered holders of the shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Friday, 11 June 2021 for registration.

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## NOTICE OF EGM

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5. Any vote of members (attending in person or by proxy) at the EGM shall be taken by poll.

*As at the date of this notice, the executive Directors are Mr. Zhu Yongjun, Mr. Pan Yimin 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.*