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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)**

### **COMPLETION OF DISCLOSEABLE TRANSACTION OF ACQUISITION OF VIMAB HOLDINGS AB INVOLVING ISSUE OF CONSIDERATION SHARES AND SUBSCRIPTION OF SHARES UNDER GENERAL MANDATE**

Reference is made to the announcements dated 4 May 2018 and 24 May 2018 respectively (the “Announcements”) made by New Concepts Holdings Limited (the “Company”) in relation to the acquisition of 100% of the issued share capital in VIMAB Holdings AB involving the issue of Consideration Shares. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

#### **COMPLETION OF THE ACQUISITION**

The Board is pleased to announce that all conditions precedent of the Share Purchase Agreement have been fulfilled or waived (as the case may be) in accordance with the terms and conditions of the Share Purchase Agreement. The completion of the Share Purchase Agreement took place on 31 May 2018.

The Consideration of HK\$170,524,000 was fully settled with the Vendors, among which (i) approximately HK\$23,044,000 was settled in cash; and (ii) the remaining balance was settled by the allotment and issue of 42,137,142 Consideration Shares at the issue price of HK\$3.50 per Consideration Share under the General Mandate.

The number of the Consideration Shares represents (i) approximately 7.95% of the issued share capital of the Company immediately before the completion of the Share Purchase Agreement ; and (ii) approximately 7.36% of the issued share capital of the Company immediately after the completion of the Share Purchase Agreement as enlarged by the Consideration Shares.

## **SUBSCRIPTION AGREEMENTS**

As disclosed in the announcement of the Company dated 4 May 2018, as one of the conditions precedent under the Share Purchase Agreement, certain key employees of the Target Group (the “Subscribers”) should, respectively, enter into Subscription Agreements with the Company on or before the Completion Date (details of the Subscribers and the number of Subscription Shares to be subscribed by each of them are set out in the paragraph headed “Information on the Group and the Subscribers — Details of the Subscribers” in this announcement). The Board is pleased to announce that on 31 May 2018 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers. The terms of all Subscription Agreements are substantially the same save for the identity of the Subscriber, the number of the Subscription Shares to be subscribed and the total Subscription Price payable by the relevant Subscriber. The principal terms of the Subscription Agreements are set out as follows:

Date: 31 May 2018 (after trading hours)

Parties: The Company (as issuer)  
The relevant Subscriber

Pursuant to the Subscription Agreements, the Company conditionally agreed to allot and issue, and the Subscribers conditionally agreed to subscribe for an aggregate of 5,380,000 Subscription Shares at the proposed Subscription Price of HK\$3.50 per Subscription Share.

### **Number of Subscription Shares**

The 5,380,000 Subscription Shares under the Subscription represent 0.94% of the existing issued share capital of the Company as at the date of this announcement (taking into account the issue of Consideration Shares) and approximately 0.93% of the issued share capital of the Company 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 date of this announcement up to the completion of the Subscription. The aggregate nominal value of the Subscription Shares under the Subscription is HK\$538,000.

Based on the Subscription Price of HK\$3.50, the aggregate consideration for the Subscription Shares is approximately HK\$18,830,000 (which shall be payable in cash by the Subscribers to the Company on 15 June 2018).

## **Ranking of Subscription Shares**

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

## **Subscription Price**

The Subscription Price of HK\$3.50 represents a discount of approximately 10.03% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$3.89 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and (ii) the average closing price of HK\$3.87 per Share as quoted on the Stock Exchange for the last 5 trading days prior to the date of the Subscription Agreements.

The Subscription Price was determined with reference to the prevailing market price and liquidity of the Shares and was negotiated on an arm's length basis between the Company and the Subscribers. The Directors consider that the terms of the Subscription Agreement and the Subscription Price are fair and reasonable based on the current market conditions and in the best interests of the Company and the Shareholders as a whole.

## **General Mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued under the General Mandate. Accordingly, the allotment and issue of the Subscription Shares will not be subject to approval of the Shareholders. Under the General Mandate, the Company is authorised to allot and issue up to 102,265,398 Shares. After taking into account (i) of the issue of convertible bonds under the General Mandate; (ii) the issue of 10,164,000 Shares under the General Mandate as announced by the Company on 3 October 2017 and 27 November 2017, respectively, and (iii) the issue of 42,137,142 of Consideration Shares upon the completion of the Acquisition, approximately 62.3% of the General Mandate has been utilised and only 38,805,256 Shares may be further allotted and issued under the General Mandate as at the date of this announcement.

## **Conditions precedent to the Subscription Agreements**

Completion of the Subscription is conditional upon the fulfilment or waiver (save for conditions (a) and (b)) of the following conditions:

- (a) 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 such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares);
- (b) if necessary, granting of approval by the shareholders of the Company and/or any relevant regulatory authority in relation to the allotment and issue of the Subscription Shares; and
- (c) the Subscribers having obtained all necessary consents and approvals in relation to this Agreement and the transaction contemplated hereunder.

If the conditions as set out in the above are not fulfilled or waived (in respect of condition (c) only) on or before 15 June 2018 (or such later date as may be agreed by the parties hereto in writing), the obligations and liabilities of the Subscribers and the Company under the Subscription shall be null and void and the Subscribers and the Company shall be released from all rights and obligations pursuant to the Subscription save for any antecedent breach thereof.

## **Completion of the Subscription**

Completion of the Subscription shall take place on 15 June 2018 (or such other date as the parties to the Subscription Agreements may agree in writing) after all conditions pursuant to the Subscription Agreements to be satisfied shall have been so satisfied or waived (as the case may be).

## **INFORMATION ON THE GROUP AND THE SUBSCRIBERS**

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

## Details of the Subscribers

All 13 Subscribers are key employees (or through their beneficial companies) of the Target Group and citizens of Sweden. The number of Subscription Shares to be subscribed by each Subscriber under the relevant Subscription Agreement are set out as follows:

	<b>Number of Subscription Shares to be subscribed</b>
Mats Erik Tony Johansson	848,000
Ronnie Karlsson	1,008,000
Lucky Invest AB (being company owned by Kent Inge Mörsch)	756,000
Mats Jutéus	8,000
Björn Carlsson	8,000
Christian Mossberg	44,000
Holma Consulting AB (being company owned by Nils Erik Holmner)	504,000
Lucid Power Europe AB (being company owned by Henrik Sebastian Sjöblom)	124,000
Kjell Larsson ( <i>Note</i> )	188,000
Christer Larsson (who is also the Guarantor B)	1,136,000
Maria Larsson ( <i>Note</i> )	252,000
Christoffer Larsson ( <i>Note</i> )	252,000
Johan Larsson ( <i>Note</i> )	252,000
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Total	<u><u>5,380,000</u></u>

*Note:* Christer Larsson, Guarantor B, is the father of Christoffer Larsson and Johan Larsson, the spouse of Maria Larsson and the son of Kjell Larsson, Guarantor A. Save for the aforesaid, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Subscribers is an third party independent of the Company and its connected persons.

## REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the business of construction works and environmental protection. Over the past few months, the Company published various announcements in the completion and possible acquisition(s) of kitchen waste treatment and water treatment projects respectively. Subject to completion of the Subscription, the gross proceeds from the Subscription Shares is intended to be used for the Company's investment in its kitchen waste and water treatment businesses and as general working capital.

Subject to completion of the Subscription, the gross proceeds from the Subscription will be approximately HK\$18,830,000. The net proceeds, after deducting all relevant costs and expenses is intended to be used for the general working capital for the operation and development of the kitchen waste and water treatment business as mentioned above.

The Directors (including independent non-executive Directors) consider that the Subscription Agreement and transactions contemplated thereunder are on normal commercial terms determined after arm's length negotiations among the parties, fair and reasonable and in the interests of the Company and the Shareholders as whole.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company issued convertible bond with an aggregated principal amount of US\$5,000,000 under the General Mandate, details of which are set out in the Company's announcement dated 3 October 2017. The Company also completed the issue of 10,164,000 shares with gross proceeds of approximately HK\$37,700,000 under the General Mandate, details of which are set out in the Company's announcements dated 27 November 2017 and 6 December 2017. The Company has conducted the following equity fund raising exercises in the past twelve months immediately preceding the date of this announcement:

<b>Date of announcement</b>	<b>Equity fund raising exercise</b>	<b>Proceeds raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceed</b>
3 October 2017	Issue of convertible bonds with an aggregated principal amount of US\$5,000,000	approximately US\$5,000,000	used for the general working capital for the operation and development of the kitchen waste and water treatment business	Applied as intended
27 November 2017 and 6 December 2017	Issue of 10,164,000 subscription shares at the subscription price of HK\$3.71 per share	approximately HK\$37,700,000	used for the general working capital for the operation and development of the kitchen waste and water treatment business	Applied as intended

Save for the aforesaid, the Company did not raise funds on any issue of equity securities raising activities during the past twelve months immediately preceding the date of this announcement.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company immediately before and after the completion of the Share Purchase Agreement and the Subscription are set out as follows:

	Immediately before the completion of the Share Purchase Agreement		Immediately after the completion of the Share Purchase Agreement and before the completion of Subscription		Immediately after the completion of the Subscription	
		%		%		%
Jumbo Grand Enterprise Development Limited (“ <b>Jumbo Grand</b> ”) (Note 1)	77,000,000	14.52	77,000,000	13.45	77,000,000	13.33
Prosper Power Group Limited (“ <b>Prosper Power</b> ”) (Note 2)	76,500,000	14.43	76,500,000	13.37	76,500,000	13.24
CEF Concept Holdings Limited (Note 3)	55,400,000	10.45	55,400,000	9.68	55,400,000	9.59
Simple Gain International Limited (“ <b>Simple Gain</b> ”) (Note 4)	40,000,000	7.54	40,000,000	6.99	40,000,000	6.92
Ms. Qin Shulan (Note 5)	4,084,000	0.77	4,084,000	0.71	4,084,000	0.71
Mr. Zhu Yongjun (Note 1)	124,000	0.02	124,000	0.02	124,000	0.02
Mr. Cai Jianwen (Note 5)	480,000	0.09	480,000	0.08	480,000	0.08
Dr. Zhang Lihui (Note 6)	48,000	0.01	48,000	0.01	48,000	0.01
Mr. Choy Wai Shek, Raymond, <i>MH. JP</i> (Note 7)	480,000	0.09	480,000	0.08	480,000	0.08
Dr. Tong Ka Lok (Note 7)	480,000	0.09	480,000	0.08	480,000	0.08
Vendor A	—	0.00	21,068,571	3.68	21,068,571	3.65
Vendor B	—	0.00	21,068,571	3.68	21,068,571	3.65
Guarantor B	350,000	0.07	350,000	0.06	1,486,000	0.26
Other Subscribers (Note 8)	—	—	—	—	4,244,000	0.73
Public	275,316,992	51.92	275,316,992	48.11	275,316,992	47.65
	<u>530,262,992</u>	<u>100.00</u>	<u>572,400,134</u>	<u>100.00</u>	<u>577,780,134</u>	<u>100.00</u>

Notes:

- The 77,000,000 Shares are held by Jumbo Grand which is owned as to 100% by Mr. Zhu Yongjun (chairman and executive director of the Company). Mr. Zhu is personally interested in 480,000 Options. By virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), Mr. Zhu is deemed to be interested in the Shares held by Jumbo Grand.
- The 76,500,000 Shares are held by Prosper Power which is owned as to 75% by Mr. Chu Shu Cheong. By virtue of the SFO, Mr. Chu is deemed to be interested in the Shares held by Prosper Power.
- CEF Concept Holdings Limited was wholly-owned by CEF IV Holdings Limited, which in turn is owned as to 92.55% by China Environment Fund IV, L.P. (an investment fund incorporated in the Cayman Islands). CEF IV Management, L.P. is the general partner of China Environment Fund IV, L.P., and CEF IV Management, Ltd. is the general partner of CEF IV Management, L.P.. By virtue of the SFO, CEF IV Holdings Limited, China Environment Fund IV, L.P., CEF IV Management, L.P. and CEF IV Management, Ltd. are all deemed to be interested in the 55,400,000 Shares held by

CEF Concept Holdings Limited. CEF IV Management, Ltd. is wholly-owned by Mr. Wu Yeyang. Accordingly, Mr. Wu is deemed to be interested in the 55,400,000 Shares held by CEF Concept Holdings Limited for the purpose of the Securities and Futures Ordinance.

4. The 40,000,000 Shares are held by Simple Gain which is owned as to 100% by AW Holdings. AW Holdings is owned as to 100% by Mr. Allan Warburg. By virtue of the SFO, AW Holdings and Mr. Warburg are deemed to be interested in the Shares held by Simple Gain. Mr. Allan Warburg is the brother-in-law of Mr. Zhu Yongjun.
5. Ms. Qin Shulan and Mr. Cai Jianwen are executive directors of the Company.
6. Dr. Zhang Lihui is non-executive director of the Company.
7. Mr. Choy Wai Shek, Raymond *MH, J.P.* and Dr. Tong Ka Lok are independent non-executive directors of the Company.
8. Among the Subscribers, the family members of Guarantor B collectively hold 944,000 Shares.

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

Hong Kong, 31 May 2018

*As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun, Ms. Qin Shulan and Mr. Cai Jianwen; the non-executive Director is Dr. Zhang Lihui; 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.*