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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 SHARES UNDER GENERAL MANDATE**

#### **SUBSCRIPTION AGREEMENTS**

The Board is pleased to announce that on 15 June 2020 (after trading hours), the Company entered into 3 Subscription Agreements with each of the Subscribers, respectively, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for an aggregate of 49,768,000 Subscription Shares at the Subscription Price of HK\$0.221 per Subscription Share.

The 49,768,000 Subscription Shares under the Subscription represent 8.69% of the existing issued share capital of the Company of 572,900,134 Shares as at the date of this announcement, approximately 7.99% of the issued share capital of 622,668,134 Shares as enlarged by the allotment and issue of the Subscription Shares and approximately 7.32% of the issued share capital of 679,958,147 Shares as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares (assuming the Placing Shares are placed in full), 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 Placing and the Subscription.

Subject to completion of the Subscription, the gross proceeds from the Subscription will be approximately HK\$11.00 million. The net proceeds, after deducting all relevant costs and expenses is expected to be approximately HK\$10.97 million, is intended to be used for the general working capital.

The Subscription Shares will be allotted and issued pursuant to the General Mandate.

## **GENERAL**

**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.**

## **SUBSCRIPTION AGREEMENTS**

The Board is pleased to announce that on 15 June 2020 (after trading hours), the Company entered into 3 Subscription Agreements with each of the Subscribers, respectively. Save for the number of Subscription Shares to be subscribed and the identity of the Subscribers, the terms and conditions of all Subscription Agreements are identical in all material respects. The signing of the Subscription Agreements are not inter-conditional to each other. The principal terms of the Subscription Agreements are set out as follows:

Date: 15 June 2020 (after trading hours)

Parties: The Company (as issuer); and  
the relevant Subscriber

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 49,768,000 Subscription Shares at the aggregate Subscription Price of HK\$0.221 to be paid by cash on the completion date of the Subscription Agreements, the breakdown of which is as follows:

	<b>Number of Subscription Shares to be subscribed</b>	<b>Amount of Subscription Price payable</b> <i>HK\$'000</i>
Subscriber A	9,048,000	2,000
Subscriber B	27,148,000	6,000
Subscriber C	13,572,000	3,000
	<u>49,768,000</u>	<u>11,000</u>

## **Number of Subscription Shares**

The 49,768,000 Subscription Shares under the Subscription represent 8.69% of the existing issued share capital of the Company of 572,900,134 Shares as at the date of this announcement, approximately 7.99% of the issued share capital of 622,668,134 Shares as enlarged by the allotment and issue of the Subscription Shares and approximately 7.32% of the issued share capital of 679,958,147 Shares as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares (assuming the Placing Shares are placed in full), 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 Placing and the Subscription. The aggregate nominal value of the Subscription Shares under the Subscription is HK\$4,976,800.

## **Ranking of 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.

## **Subscription Price**

The Subscription Price of HK\$0.221 per Subscription Share represents:

- (i) a discount of approximately 19.64% to the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements); and
- (ii) a discount of approximately 15.65% to the average closing price of approximately HK\$0.262 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 respective Subscribers.

## **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 114,580,026 Shares. Accordingly, the Subscription will utilise 43.44% of the General Mandate. Taking into account the Placing of 57,290,013 Placing Shares (assuming the Placing Shares are placed in full), an aggregate of 93.44% of General Mandate will be utilised upon completion of the Placing and the Subscription.

### **Condition precedent of the Subscription Agreements**

Completion of the Subscription is conditional upon 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 (whether such grant is conditional or not).

If the condition as set out in the above is not fulfilled on or before 6 July 2020, the obligations and liabilities of the Subscribers and the Company under the respective Subscription Agreements shall cease and terminate, and the Subscribers and the Company shall be released from all rights and obligations save for any antecedent breach thereof.

### **Application for Listing**

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

### **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 condition precedent is satisfied.

### **INFORMATION OF THE SUBSCRIBERS**

Subscriber A is Mr. Zhuo Jingming, a citizen of the Republic of Singapore and a merchant.

Subscriber B is Mr. Zheng Jian, a PRC citizen and a merchant.

Subscriber C is Givemore Group Limited, a company incorporated in the British Virgin Islands with limited liability, it is principally engaged in investment holding. The ultimate beneficial owner is Li Shengqin, a PRC citizen and a merchant.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Subscribers and the ultimate beneficial owner of Subscriber C is independent of and not a connected person of the Company and the other Subscribers.

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

The indicative shareholding structure of the Company (i) as at the date of the Subscription Agreements, (ii) immediately after completion of the Subscription Agreements without taking into account the effect of the completion of the Placing; and (iii) immediately after completion of the Placing and the Subscription (assuming the Placing Shares are placed in full and there be no change in the issued share capital of the Company from the date of this announcement up to the completion of the Placing and the Subscription) are as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Subscription (without taking into account the completion of the Placing)		Immediately after completion of the Placing and the Subscription	
	Number of shares	% of shareholding (approximately)	Number of shares	% of shareholding (approximately)	Number of shares	% of shareholding (approximately)
Jumbo Grand Enterprise Development Limited (Note 1)	77,000,000	13.44%	77,000,000	12.37	77,000,000	11.32
Prosper Power Group Limited (Note 2)	76,500,000	13.35%	76,500,000	12.29	76,500,000	11.25
Simple Gain International Limited (Note 3)	40,000,000	6.98%	40,000,000	6.42	40,000,000	5.88
CEF Concept Holdings Limited (Note 4)	55,400,000	9.67%	55,400,000	8.90	55,400,000	8.15
Ms. Qin Shulan (Note 5)	4,084,000	0.71%	4,084,000	0.66	4,084,000	0.60
Mr. Cai Jianwen (Note 5)	480,000	0.08%	480,000	0.08	480,000	0.07
Dr. Zhang Lihui (Note 5)	96,000	0.02%	48,000	0.01	48,000	0.01
Mr. Choy Wai Shek, Raymond, MH. JP (Note 5)	700,000	0.12%	700,000	0.11	700,000	0.10
Dr. Tong Ka Kok (Note 5)	480,000	0.08%	480,000	0.08	480,000	0.07
The placee(s) under the Placing	—	—	—	—	57,290,013	8.43
The Subscribers	—	—	49,768,000	7.99	49,768,000	7.32
Other public shareholders	318,160,134	55.54%	318,208,134	51.09	318,208,134	46.80
	<u>572,900,134</u>	<u>100%</u>	<u>622,668,134</u>	<u>100%</u>	<u>679,958,147</u>	<u>100%</u>

### Notes:

- Jumbo Grand Enterprise Development Limited is wholly-owned by Mr. Zhu Yongjun (chairman of the Board and an executive Director). Mr. Zhu is the brother-in-law of Mr. Allan Warburg, an ultimate beneficial owner of Simple Gain International Limited, a shareholder of the Company.
- 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.

5. Directors of the Company.
6. The percentage figures included in this table are subject to rounding adjustment.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS**

As set out in the Company's announcement dated 10 June 2020, the Directors have considered various ways of raising additional funds for strengthening the Group's financial position and future use and they consider that the Subscription, similar to the Placing, is an appropriate means of raising additional capital for the Company since the capital base of the Company can be broadened at a relatively low cost compared to bank borrowings or issue of debt securities, and the cash position of the Group will be improved which then can help establishing and strengthening the existing and future business of the Group.

The Directors (including independent non-executive Directors) consider that the Subscription Agreements 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.

## **INTENDED USE OF PROCEEDS**

The gross proceeds from the Subscription will be approximately HK\$11.00 million. The net proceeds from the Subscription will be approximately HK\$10.97 million. The net Subscription Price per Subscription Share after deducting relevant fee and expenses is approximately HK\$0.221 per Share. The funds to be raised under the Subscription are intended to be used for general working capital.

## **FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

As set out in the Company's announcement dated 10 June 2020, the Company entered into the Placing Agreement with CNI Securities Group Limited (as placing agent) on 10 June 2020, pursuant to which agreed to place not more than 57,290,013 new Shares on best effort basis. As at the date of this announcement, the Placing is not completed and the Company has not received any proceeds from the Placing. It is expected that, if the Placing Shares are placed in full, the gross proceeds and the net proceeds from the Placing upon completion will be approximately HK\$11.57 million and HK\$10.98 million, respectively. The Company intended to apply the said proceeds for general working capital purpose.

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.

**Completion of the Subscription is subject to the satisfaction of the condition 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.**

## **DEFINITION**

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

“Associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday or Sunday or public holiday in Hong Kong or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9 a.m. and 5 p.m.) on which banks are generally open for business in Hong Kong
“Company”	New Concepts Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 2221)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate to allot, issue and deal with not more than 114,580,026 new Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 16 August 2019
“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

“Placing”	the placing of not more than 57,290,013 new Shares at the placing price of HK\$0.202 each on best effort basis pursuant to the placing agreement entered into between the Company (as issuer) and by CNI Securities Group Limited (as non-exclusive placing agent) on 10 June 2020
“Placing Shares”	not more than 57,290,013 new Shares to be placed by CNI Securities Group Limited under the Placing
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Subscriber A, Subscriber B and Subscriber C
“Subscription”	the subscription of the Subscription Shares under the General Mandate by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	the 3 subscription agreements relating to the Subscription of the Subscription Shares entered into between the Company and each of the Subscribers on 15 June 2020
“Subscription Price”	the subscription price of HK\$0.221 per Subscription Share
“Subscription Shares”	an aggregate of 49,768,000 new ordinary Shares to be allotted and issued by the Company to the Subscribers pursuant to the Subscription Agreements
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

\* *For identification purpose only*

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

Hong Kong, 15 June 2020



*As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun, Ms. Qin Shulan, Mr. Cai Jianwen and Mr. Lee Tsi Fun Nicholas; the non-executive Director is 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.*