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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 BONDS

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 9 March 2018 (after trading hours), the Company, the Guarantor and the Placing Agent entered into the Agreement pursuant to which the Placing Agent conditionally agreed to act as placing agent to procure, on a best effort basis, Placee(s) to subscribe for the Bonds to be issued by the Company up to an aggregate principal amount of HK\$200,000,000 subject to the terms and conditions in the Agreement during the Placing Period.

THE PLACING AGREEMENT

Date: 9 March 2018 (after trading hours)

Parties: the Company (as issuer);
the Placing Agent; and
the Guarantor

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are parties independent of the Company and its connected persons.

Placing of Bonds

Pursuant to the Placing Agreement, the Placing Agent conditionally agreed to procure, on a best effort basis, the Placee(s) to subscribe for the Bonds to be issued by the Company up to an aggregate principal amount up to HK\$200,000,000 subject to the terms and conditions in the Agreement during the Placing Period.

Placees

Any institutional or private investors to whom the Placing Agent procured to subscribe for the Bonds. Such Placee(s) shall not be connected person(s) of the Company.

Placing Period

The placing period will be 12 months commencing from the date of the Agreement, (or such other period as may be agreed between the Company and the Placing Agent in writing).

Conditions Precedent

The obligations of the Placing Agent are conditional upon the following conditions having been fulfilled (or waived by the Placing Agent in respect of condition (b)) within five (5) Business Days from the date of the Agreement (or such later time and date as the Placing Agent and the Company shall agree in writing):

- (a) all necessary consents and approvals required to be obtained by the Company and the Placing Agent in respect of the Agreement and the transactions contemplated hereunder having been obtained; and
- (b) there being no event of default (as defined in the Bond instrument) having been occurred or occurring.

Completion of each Placing shall take place on a particular Business Day within the Placing Period as specified in the completion notice issued by the Placing Agent. At each Completion, the Company shall deliver the instrument and certificates of the Bonds to

the Placing Agent and the Placing Agent shall deliver a cashier order to the Company for settling the principal amount of the Bonds under such Placing (net of the Placing commission and other expenses incurred by the Placing Agent, if any).

Termination Right of the Placing Agent

The Placing Agent may, after consultation with the Company and/or its advisers as the circumstances shall admit or be necessary, by notice to the Company and the Guarantor given at any time prior to expiry of the Placing Period, terminate the Agreement if, in the reasonable opinion of the Placing Agent, the success of the Placing contemplated hereunder would be materially and adversely affected by:

- (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Placing;
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the Placing;
- (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Placing Agent is likely to materially or adversely affect the success of the Placing or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;
- (v) any suspension in the trading of the Company's securities on the Stock Exchange for a period of more than fifteen (15) consecutive Business Days, excluding any suspension in connection with the clearance of the announcement, circular or other documents in connection with the subscription contemplated under the Agreement;
or
- (vi) any material breach of any of the warranties comes to the knowledge of the Placing Agent.

In the event that the Placing Agent terminates the Agreement due to the occurrence of any of the aforesaid events, the obligations of all parties under the Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Guarantee

At each Completion of the Placing, the Guarantor shall execute a deed of guarantee in favour of the relevant Placee(s) to guarantee due and punctual payment and performance of all other obligations of the Company to the Placees(s) under the Bonds.

As the Guarantor is the chairman of the Board, an executive Director and an indirect substantial shareholder of the Company (through his beneficial interest in Jumbo Grand Enterprise Development Limited), the provision of the guarantee pursuant to the Placing Agreement constitutes a connected transaction in the form of financial assistance in favour of the Company. However, as the guarantee is not secured by any assets of the Group, and the Directors are of the view that the provision of the guarantee by the Guarantor is on normal commercial terms or better, the provision of the guarantee is fully exempt from the Shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

THE BONDS

The principal terms of the Bonds are summarised below:

Issuer:	the Company
Principal amount:	up to HK\$200,000,000
Issue price:	100% of the principal amount of the Bonds
Interest rate:	6.5% per annum
Maturity Date:	3 years from the issuance date of the Bonds
Early Redemption:	The Company may, at any time before the Maturity Date redeem the Bonds (in whole or in part) on a "first in, first out" basis of the total principal amount of such Bonds and together with payment of interests accrued up to the date of such redemption by serving at least 10 day's prior written notice to the holders of the Bonds.
Transferability:	The Bonds may be transferrable in whole multiples of HK\$500,000 (or such lesser amount as may represent the entire principal amount thereof) and may be transferred to any person. Save with the consent of the Stock Exchange, none of the Bonds may be transferred to a connected person of the Company.

The Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for the listing of the Bonds on the Stock Exchange or any other exchange.

REASON FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company. The principal activities of its subsidiaries comprise construction works and environmental protection.

Reference is made to the announcements of the Company dated 21 December 2017 and 19 January 2018 in relation to proposed placing of 11,964,000 new shares to two subscribers for approximately HK\$44,386,000 pursuant to the subscription agreement entered into among the Company and such subscribers on 21 December 2017. As disclosed in the said announcements, the subscription agreement was subsequently terminated on 19 January 2018. Therefore, the Board has considered other alternatives of raising funds to develop its businesses and consider that the Placing of Bonds represents a suitable opportunity to raise capital for the Group.

Assuming the Bonds are placed in full, the maximum aggregate gross proceeds from the Placing will be HK\$200,000,000. The Company intends to use the net proceeds from the Placing as (1) general working capital for the development and operation of the kitchen waste and water treatment business; and (2) financial resources for capturing potential business opportunities arise from time to time.

In view of the above, the Directors are of the view that the Placing provides a good opportunity to strengthen the Company's financial position and the terms of the Placing of Bonds are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion of the Placing is subject to fulfilment of the conditions preceded under the Agreement and Issue of Bonds are subject to, among others, the Placing Agent's right of termination under the Placing Agreement and the actual results of the subscription of Bonds. Accordingly, the Placing and issue of Bonds may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Agreement”	the placing agreement entered into among the Company, the Guarantor and the Placing Agent on 9 March 2018 in relation to the Placing;
“Board”	the board of Directors;
“Bonds”	unlisted bonds in an aggregate principal amount up to HK\$200,000,000 to be issued by the Company pursuant to the Agreement;
“Business Day”	means any day (excluding Saturday, Sunday and other public holidays) on which commercial banks in Hong Kong are generally open for business throughout their normal business hours;
“Company”	New Concepts Holdings Limited, company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 2221);
“Completion”	completion of the subscription of the Bonds by the relevant Placee;
“Completion Notice”	the notice given by the Placing Agent in writing for the purpose of each Completion;
“Director(s)”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Guarantor”	Mr. Zhu Yongjun, the chairman of the Board, an executive Director and an indirect substantial shareholder of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Issue Price”	the issue price of the Bonds, which shall be 100% of the principal amount of the Bonds;

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Placees”	means any person or entity to whom the Placing Agent or its agents shall procure or, as the case may be, shall have procured to subscribe for the Bonds;
“Placing”	means the offer by way of a private placing of the Bonds in registered form to the selected independent institutional and private investors on the terms of the Agreement;
“Placing Agent”	Head & Shoulders Securities Limited, a company incorporated in Hong Kong and a licensed corporation under the Securities and Futures Ordinance of Hong Kong to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities;
“Placing Period”	a period of 12 months commencing from the date of the Agreement, or such other period as may be agreed between the Company and the Placing Agent in writing;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company;
“Shareholders”	the holders of Shares; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent

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

Hong Kong, 9 March 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 independent non-executive Directors are Mr. Lo Chun Chiu, Adrian, Dr. Tong Ka Lok and Mr. Choy Wai Shek, Raymond, MH, JP.