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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 AGREEMENT

The Board is pleased to announce that on 27 November 2017 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for an aggregate of 10,164,000 Subscription Shares at the Subscription Price of HK\$3.71 per Subscription Share.

The Subscription Price of HK\$3.71 represents a discount of approximately 19.87% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$4.60 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) the average closing price of HK\$4.63 per Share as quoted on the Stock Exchange for the last 5 trading days prior to the date of the Subscription Agreement.

The 10,164,000 Subscription Shares under the Subscription represent 1.96% of the existing issued share capital of the Company of 518,118,992 Shares as at the date of this announcement and approximately 1.92% of the issued share capital of 528,282,992 Shares 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.

Subject to completion of the Subscription, the gross proceeds from the Subscription will be approximately HK\$37,700,000. 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 treatment and water treatment businesses of the Group.

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 Agreement. As such, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on 27 November 2017 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber. The principal terms of the Subscription Agreement are set out as follows:

Date: 27 November 2017 (after trading hours)

Parties: The Company (as issuer)

Seasons Apparel International Inc. (as subscriber)

Number of Subscription Shares

The 10,164,000 Subscription Shares under the Subscription represent 1.96% of the existing issued share capital of the Company of 518,118,992 Shares as at the date of this announcement and approximately 1.92% of the issued share capital of 528,282,992 Shares 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\$1,016,400. Pursuant to the Subscription Agreement, 10,164,000 Subscription Shares will be allotted and issued to the Subscriber.

Based on the Subscription Price of HK\$3.71, the aggregate consideration for the Subscription Shares is approximately HK\$37,700,000, which shall be payable in cash by the Subscriber to the Company on the Completion Date.

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\$3.71 represents a discount of approximately 19.87% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$4.60 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) the average closing price of HK\$4.63 per Share as quoted on the Stock Exchange for the last 5 trading days prior to the date of the Subscription Agreement.

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 Subscriber. 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 of the issue of convertible bonds under the General Mandate as announced by the Company on 3 October 2017, approximately 10.91% of the General Mandate has been reserved for the allotment and issue of Shares and only 91,106,398 Shares may be further allotted and issued under the General Mandate.

Conditions precedent of the Subscription Agreement

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 Subscriber 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 the Long Stop Date (or such later date as may be agreed by the parties hereto in writing), the obligations and liabilities of the Subscriber and the Company under the Subscription shall be null and void and the Subscriber 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 the Completion Date (or such other date as the parties to the Subscription Agreement may agree in writing) after all conditions pursuant to the Subscription Agreement to be satisfied shall have been so satisfied or waived (as the case may be).

INFORMATION ON THE GROUP AND THE SUBSCRIBER

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

The Subscriber is Seasons Apparel International Inc., a company incorporated in BVI with limited liability and engaged in investment holding.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are independent of and not a connected person of the Company.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in 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\$37,700,000. 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.

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.

EFFECTS ON SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Subscription (assuming there is no other changes in the shareholding structure of the Company before the completion of the Subscription) are as follow:

Shareholders	As at the date of this announcement		Immediately after the completion of the Subscription	
	Number of shares	% of shareholdings	Number of shares	% of shareholdings
		(Approximately)		(Approximately)
Jumbo Grand Enterprise Development Limited (Note 1)	77,000,000	14.86	77,000,000	14.58
Prosper Power Group Limited (Note 2)	76,500,000	14.76	76,500,000	14.48
Simple Gain International Limited (Note 3)	40,000,000	7.72	40,000,000	7.57
CEF Concept Holdings Limited (Note 4)	55,400,000	10.69	55,400,000	10.49
Go Million International Limited (Note 5)	24,600,000	4.75	24,600,000	4.65
Ms. Qin Shulan (Note 6)	4,084,000	0.79	4,084,000	0.77
Mr. Cai Jianwen (Note 6)	2,680,000	0.52	2,680,000	0.51
Dr. Zhang Lihui (Note 7)	48,000	0.00	48,000	0.00
Mr. Choy Wai Shek, Raymond, <i>MH. JP</i> (Note 8)	480,000	0.10	480,000	0.10
Dr. Tong Ka Kok (Note 8)	480,000	0.10	480,000	0.10
The Subscriber	—	—	10,164,000	1.92
Other public Shareholders	<u>236,846,992</u>	<u>45.71</u>	<u>236,846,992</u>	<u>44.83</u>
Total	<u>518,118,992</u>	<u>100.00</u>	<u>528,282,992</u>	<u>100.00</u>

Notes:

- As at the date of this announcement, 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.
- As at the date of this announcement, Prosper Power Group Limited is owned as to 75% by Mr. Chu Shu Cheong.
- As at the date of this announcement, Simple Gain International Limited is wholly-owned by Allan Warburg Holdings Limited, which is in turn wholly owned by Mr. Allan Warburg.
- As at the date of this announcement, 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.
- As at the date of this announcement, Go Million International Limited is wholly owned by Mr. Chu Kingston Chun Ho (a non-executive Director).
- Ms. Qin Shulan and Mr. Cai Jianwen are executive Directors.
- Dr. Zhang Lihui is a non-executive Director.
- Mr. Choi Wai Shek, Raymond *MH. JP* and Dr. Tong Ka Lok are independent non-executive Directors.
- The percentage figures included in this table are subject to rounding adjustment.

GENERAL

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription is subject to the satisfaction of the conditions precedent to the Subscription Agreement. 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:

“2017 AGM”	the annual general meeting of the Company held on 25 September 2017
“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
“BVI”	the British Virgin Islands
“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)
“Completion Date”	the first Business Day (or such other date as the parties to the Subscription Agreement may agree in writing) after all conditions to be satisfied pursuant to the Subscription Agreement have been satisfied or waived (as the case may be), being the date on which completion of the Subscription shall take place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the 2017 AGM, pursuant to which a maximum of 91,106,398 new Shares may fall to be allotted and issued as at the date of this announcement
“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
“Long Stop Date”	8 December 2017
“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
“Subscriber”	Seasons Apparel International Inc., a company incorporated in the BVI with limited liability
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement under the General Mandate
“Subscription Agreement”	the subscription agreement relating to the Subscription of Shares to be entered into between the Company and the Subscriber on 27 November 2017
“Subscription Price”	the subscription price of HK\$3.71 per Subscription Share
“Subscription Shares”	10,164,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, 27 November 2017

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 are Dr. Zhang Lihui and Mr. Chu Kingston Chun Ho; and the independent non-executive Directors are Mr. Lo Chun Chiu, Adrian, Dr. Tong Ka Lok and Mr. Choy Wai Shek, Raymond, MH, JP.