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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 UNLISTED WARRANTS UNDER GENERAL MANDATE

The Board is pleased to announce that on 27 February 2017 (after trading hours of the Stock Exchange), the Company entered into the Warrants Subscription Agreement with the Subscriber, pursuant to which, the Company conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for 4,000,000 Warrants at the issue price of HK\$0.33 per Warrant. Each Warrant carries the right to subscribe for one Warrant Share at the exercise price of HK\$3.33 per Warrant Share.

No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges, but the Company will apply to the Listing Committee for the listing of, and permission to deal in, the Warrant Share(s) which may fall to be issued upon exercise of the subscription rights attaching to the Warrants.

The Warrant Shares will be issued under the General Mandate. Accordingly, the issue of the Warrant Shares will not be subject to the approval of the Shareholders.

Shareholders and potential investors should note that the issue of Warrants is subject to the fulfillment of the conditions under the Warrants Subscription Agreement and they are reminded to exercise caution when dealing in the Shares.

WARRANTS SUBSCRIPTION AGREEMENT

The principal terms of the Warrants Subscription Agreement are set out as below:

Date of issue: 27 February 2017

Parties: (i) the Company, as Issuer; and
(ii) a senior corporate consultant of the Company, as Subscriber.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Securities to be issued:	Subject to the fulfillment of the conditions to the Warrants Subscription Agreement, the Company agreed to issue, and the Subscriber agreed to subscribe for, an aggregate of 4,000,000 Warrants at the issue price of HK\$0.33 per Warrant. Each Warrant carries the right to subscribe for one Warrant Share at the exercise price set out below.
Issue price:	HK\$0.33 per Warrant
Exercise price:	HK\$3.33 per Share (representing the higher of: (i) the closing price of HK\$3.33 per Share as quoted on the Stock Exchange on the date of the Warrants Subscription Agreement; and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive full trading days immediately prior to the date of the Warrants Subscription Agreement)
Number of Warrant to be issued:	4,000,000
Validity period of Warrant:	2 years from 27 February 2017, being the Date of Issue, to 26 February 2019 (both days inclusive)
The aggregate of the Issue price and the Exercise price aforementioned of HK\$3.66:	represents: <ul style="list-style-type: none"> (i) a premium of approximately 10% to the closing price of HK\$3.33 per Share as quoted on the Stock Exchange on the date of the Warrants Subscription Agreement; (ii) a premium of approximately 12.55% to the average of the closing price of Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date immediately preceding the date of the Warrants Subscription Agreement of approximately HK\$3.252; and (iii) a premium approximately 13.14% to the average of the closing price of Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date immediately preceding the date of the Warrants Subscription Agreement of approximately HK\$3.235.

Both the issue price and the exercise price aforementioned were determined after arm's length negotiations between the Company and the Subscriber, taking into account of, among other things, the Company's past performance, the prevailing market price of the Shares, the recent market conditions and an indicative valuation of Warrants conducted by an independent valuer on 24 February 2017. The Directors are of the opinion that the issue price together with the exercise price (which is at a premium) are fair and reasonable and in the best interest of the Company.

Transferability: The Warrants are not transferable.

Ranking: The Warrant Shares to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants will rank *pari passu* in all respects with the Shares in issue except that they will not be entitled to any rights for which the record date of the said rights precedes the date of the holders' name being registered in the register of members of the Company.

WARRANT SHARES

Upon exercise in full of the subscription rights attaching to 4,000,000 Warrants, a maximum of 4,000,000 Warrant Shares with an aggregate nominal value of HK\$400,000 will be allotted and issued, representing approximately 0.80% of the issued share capital of the Company as at the date of this announcement and approximately 0.79% of the issued share capital of the Company as enlarged by the Warrant Shares.

The Warrant Shares will be issued under the General Mandate. Accordingly, the issue of the Warrant Shares will not be subject to the approval of the Shareholders. Under the General Mandate, the Directors were authorised to issue up to 80,000,000 new Shares. As at the date of this announcement, 18,982,992 Shares have been issued under the General Mandate.

CONDITIONS PRECEDENT

Completion of the subscription of the Warrants is conditional upon, among others, the fulfilment or waiver (as the case may be) of the following conditions:

1. the Stock Exchange having granted permission for the listing of and permission to deal in the Shares arising on exercise of the Warrants on the Stock Exchange subject to such conditions as the Stock Exchange may impose;
2. the Subscriber remaining as a senior corporate consultant of the Company;
3. all necessary internal procedures and approvals from the regulatory bodies in relation to the completion of the Warrants Subscription Agreement and the transactions contemplated hereby being completed and obtained; and
4. all representations and warranties given by the Subscriber under Warrants Subscription Agreement remaining true, accurate and complete in all respect.

COMPLETION

Completion shall take place on 31 March 2017 or such other date as the parties to the Warrants Subscription Agreement mutually agree in writing after fulfilment or waiver (as the case may be) of the conditions under the Warrants Subscription Agreement but shall not be later than on the Long Stop Date.

REASONS FOR THE ISSUE OF WARRANTS

The Group is principally engaged in the businesses of foundation works, civil engineering works, general building works and environmental protection.

The Group adopted a share option scheme pursuant to the written resolutions passed by the sole shareholder of the Company on 26 August 2014, for the purpose of attracting and retaining the best available personnel, and to provide additional incentive to employees (full-

time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the business of our Group.

The number of share options granted were fully utilised on 24 October 2016 and the number of share options to be granted is subject to the refreshment in upcoming annual general meeting. As such, the Warrants are to be issued to order to provide incentive to the senior corporate consultant.

The Directors (including independent non-executive Directors) consider that the terms of Warrants Subscription Agreement and the transactions contemplated thereunder (including the issue price and the exercise price) are on normal commercial terms and are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 498,982,992 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the full exercise of the subscription rights attaching to the Warrants (assuming that there will be no further changes in the total number of Shares in issue prior to such exercise and no adjustment to the Subscription Price) are as follows:

Shareholders	As at the date of this announcement		Immediately after the full exercise of the subscription rights attaching to the Warrants	
	Number of shares	% of shareholdings (Approximately)	Number of shares	% of shareholdings (Approximately)
Jumbo Grand Enterprise Development Limited (<i>Note 1</i>)	77,000,000	15.43	77,000,000	15.31
Prosper Power Group Limited (<i>Note 2</i>)	76,500,000	15.33	76,500,000	15.21
Simple Gain International Limited (<i>Note 3</i>)	40,000,000	8.01	40,000,000	7.96
CEF Concept Holdings Limited (<i>Note 4</i>)	55,400,000	11.10	55,400,000	11.01
Go Million International Limited (<i>Note 5</i>)	24,600,000	4.93	24,600,000	4.89
The Subscriber	—	—	4,000,000	0.79
Dr. Zhang Lihui (<i>Note 6</i>)	48,000	0.01	48,000	0.01
Other public Shareholders	<u>225,434,992</u>	<u>45.19</u>	<u>225,434,992</u>	<u>44.82</u>
Total	<u>498,982,992</u>	<u>100.00</u>	<u>502,982,992</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 and 25% by Mr. Kwan Man Hay.

3. 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.
4. 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.
5. As at the date of this announcement, Go Million International Limited is wholly-owned by Mr. Chu Kingston Chun Ho (a non-executive Director).
6. Dr. Zhang Lihui is a non-executive Director.
7. The percentage figures included in this table are subject to rounding adjustment.

GENERAL

Shareholders and potential investors should note that the issue of Warrants is subject to the fulfillment of the conditions under the Warrants Subscription Agreements and they are reminded to exercise caution when dealing in the Shares.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued on exercise of the Warrants must not, when aggregated with all other equity securities remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the total number of Shares in issue at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As at the date of this announcement, the Company does not have any securities with subscription rights other than share options outstanding and not yet exercised. Assuming (i) full exercise of the subscription rights attaching to the Warrants; and (ii) no Shares are further issued and repurchased, an aggregate of 4,000,000 Shares will be issued, which represent (a) approximately 0.80% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 0.79% of the total number of Shares in issue as enlarged by the issue of the Warrant Shares. Accordingly, the issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

DEFINITION

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

“Board”	the Board of Directors
“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”	completion of the Warrants Subscription pursuant to the terms and conditions of the Warrants Subscription Agreement
“Conditions”	the conditions precedent of the Warrants Subscription Agreement

“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 granted to the Directors by the Shareholders at the annual general meeting of the Company held on 15 August 2016 to allot, issue and deal with up to 80,000,000 new Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2017 or such later date as the parties to the Warrants Subscription Agreement may agree in writing
“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”	Mr. Henrik Melinder, a Swedish citizen, being a senior corporate consultant of the Company
“Warrant(s)”	a total of 4,000,000 unlisted warrants conferring rights to subscribe for 4,000,000 Warrant Shares at the exercise price of HK\$3.33, at any time during the validity period of the warrants
“Warrant Share(s)”	the new Shares to be issued by the Company upon the exercise of the subscription rights attaching to the Warrants
“Warrants Subscription”	the subscription of the Warrants by the Subscriber pursuant to the Warrants Subscription Agreement under the General Mandate
“Warrants Subscription Agreement”	the warrants subscription agreement dated 27 February 2017 and entered into among the Company and the Subscriber in relation to the Warrants Subscription

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

Hong Kong, 27 February 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 Directors 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.