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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)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**金鵬證券**

WINGS SECURITIES  
since 1992

#### **PLACING OF NEW SHARES UNDER THE GENERAL MANDATE**

The Board announced that on 16 November 2022, after trading hours, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Placing Shares. Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to place up to 98,330,026 new Shares, to not less than 6 independent Places, at a price of HK\$0.385 per Placing Share.

The 98,330,026 Placing Shares under the Placing represents 7.75% of the existing issued share capital of the Company of 1,269,394,134 Shares as at the date of this announcement and approximately 7.19% of the issued share capital of 1,367,724,160 Shares as enlarged by the Placing Shares.

The Placing Price of HK\$0.385 represents (i) a discount of approximately 19.79% to the closing price of the Shares of HK\$0.48 quoted on the Stock Exchange on 16 November 2022, being the date of the Placing Agreement and (ii) a discount of approximately 13.87% to the average closing price of the Shares of approximately HK\$0.447 quoted on the Stock Exchange for the last 5 consecutive trading days immediately preceding to the date of the Placing Agreement.

The gross proceeds and net proceeds from the Placing will be approximately HK\$37.86 million and HK\$37.10 million respectively, which are intended to be applied as to (i) approximately HK\$35.3 million as for initial investment cost for potential kitchen waste treatment and other environmental protection related projects; and (ii) approximately HK\$1.8 million as general working capital for the Group.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The Placing Shares are to be issued and allotted under the General Mandate.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

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

## **THE PLACING AGREEMENT**

On 16 November 2022 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with Wings Securities, the principal terms of which are set out below:

Date: 16 November 2022

Parties: (i) the Company; and  
(ii) Wings Securities

### **The Placing**

Wings Securities has agreed to act as an exclusive placing agent for the Company, on best effort basis, to procure not less than 6 places for the Placing of not more than 98,330,026 Placing Shares at the Placing Price.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, neither Wings Securities nor its ultimate beneficial owner(s) is a connected person of the Company.

## **Placing Price**

The Placing Price of HK\$0.385 per Placing Share represents:

- (i) a discount of approximately 19.79% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the date of the Placing Agreement); and
- (ii) a discount of approximately 13.87% to the average closing price of approximately HK\$0.447 per Share as quoted on the Stock Exchange for the last 5 trading days prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and Wings Securities with reference to the market price of the Shares.

## **Placing Shares**

The maximum number of 98,330,026 Placing Shares under the Placing represents (i) 7.75% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the completion of the Placing and the Placing Shares are placed in full). The aggregate nominal value of the Placing Shares under the Placing will be HK\$9,833,002.60.

The Placing Shares, when allotted and issued, will be free from all encumbrances and rank *pari passu* in all respects with the existing Shares in issue as at the date of the Placing Agreement.

## **Placee(s)**

Pursuant to the Placing Agreement, Wings Securities will procure the Placing Shares to be placed to not less than 6 placees, who/which shall be individual(s), corporate(s), professional, institutional investor(s) or other investors procured by or on behalf of Wings Securities on a best effort basis.

Wings Securities will base on its best knowledge, information and belief and after due and careful enquiries, ensure the independent of and not acting in concert with or connected with each other, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them or any other shareholders of the Company.

## **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 Placing Shares.

## **Conditions of the Placing Agreement**

Completion is conditional upon (a) the Placing Agreement and the transactions contemplated thereunder being approved by the Board; (b) the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange; (c) the Placing Agreement not having been terminated in accordance with its terms.

The Company and the Placing Agent shall use their respective best endeavours to procure the fulfilment of the conditions and in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other and/or the Stock Exchange and/or the SFC in connection with the fulfilment of the conditions.

If the conditions are not fulfilled on or prior to 7 December 2022 or such later date to be agreed between the Company and the Placing Agent in writing, the Placing Agreement and all the obligations thereunder will cease and terminate and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

## **Placing Commission**

The Company will pay a placing commission of 2% of the amount equal to the Placing Price multiplied by the number of Placing Shares actually placed by Wings Securities.

The Placing commission was negotiated on an arm's length basis between the Company and Wings Securities.

## **Termination of the Placing**

If at any time between the date of the Placing Agreement and at or before 10:00 a.m. on the completion date of the Placing, there occurs:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations (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 Company or is materially adverse in the context of the Placing; or
- (b) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances 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 Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which in the reasonable opinion of the Placing Agent materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (d) 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; or
- (e) the Company commits any material breach of or omits to observe any of its obligations or undertakings under the Placing Agreement; or
- (f) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any respect or would in any respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or the prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may, upon giving notice to the Company, terminate the Placing Agreement any time prior to the completion date with immediate effect. If the Placing Agreement shall be terminated, the obligations of the Placing Agent shall cease and the Company shall not be liable to pay any commission. The Placing Agreement shall forthwith cease and determine and no Party shall have any claim against the other Party for compensation, costs, damages or otherwise.

### **Completion of the Placing**

Completion of the Placing shall take place within 3rd business day following the date on which the conditions precedent are satisfied (or such other date as the Company and Placing Agent may agree in writing).

## CHANGES TO THE COMPANY'S SHAREHOLDING STRUCTURE AS A RESULT OF THE PLACING

The indicative shareholding structure of the Company (i) as at the date of the Placing Agreement and (ii) immediately after completion of the Placing (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the completion of the Placing and the Placing Shares are placed in full) are as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	% of shareholding (approximately)	Number of Shares	% of shareholding (approximately)
Hong Kong Toprich Investment Limited (Note 1)	156,740,000	12.35	156,740,000	11.46
Jumbo Grand Enterprise Development Limited (Note 2)	77,000,000	6.07	77,000,000	5.63
Prosper Power Group Limited (Note 3)	76,500,000	6.03	76,500,000	5.59
Mr. Zhu Yongjun (Note 4)	4,900,000	0.39	4,900,000	0.36
Mr. Sui Guangyi (Note 4)	16,204,000	1.28	16,204,000	1.18
Dr. Zhang Lihui (Note 4)	96,000	0.01	96,000	0.01
Mr. Choy Wai Shek, Raymond, MH. JP (Note 4)	700,000	0.06	700,000	0.05
Dr. Tong Ka Kok (Note 4)	480,000	0.04	480,000	0.04
The Placees	—	—	98,330,026	7.19
Other public shareholders	936,774,134	73.77	936,774,134	68.49
	<u>1,269,394,134</u>	<u>100.00</u>	<u>1,367,724,160</u>	<u>100.00</u>

Notes:

- Hong Kong Toprich Investment Limited is indirectly wholly-owned by China Investment Fund Company Limited, a company incorporated in the Cayman Islands with limited liability with its shares listed on the Stock Exchange (Stock code: 612).
- Jumbo Grand Enterprise Development Limited is wholly-owned by Mr. Zhu Yongjun (Chairman of the Board and an executive Director).
- Prosper Power Group Limited is owned as to 75% by Mr. Chu Shu Cheong, the founder of the Group and the director of the Company's major subsidiary, New Concepts Foundation Limited.
- Directors of the Company.
- The percentage figures included in this table are subject to rounding adjustment.

## REASONS FOR AND BENEFITS OF THE PLACING

The Directors consider that 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.

The Directors (including the independent non-executive Directors) consider the terms of the Placing Agreement to be fair and reasonable under the current market conditions, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

Date of announcement	Fund-raising activities	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
28 March 2022	Issue of 185,748,000 new shares to 6 subscribers at HK\$0.40 per share. The closing price of the Company's share on 28 March 2022, being the date of the subscription agreements, was HK\$0.49. Such issue of shares was completed in April 2022.	Approximately HK\$74.3 million	(i) approximately HK\$32.92 million as the initial investment cost for the kitchen waste treatment project in Dunhua;  (ii) approximately HK\$39.0 million as for initial investment cost for potential kitchen waste treatment and other environmental protection related projects; and  (iii) approximately HK\$2.28 million as general working capital.	(i) The proposed initial investment cost of HK\$32.92 million is yet to apply up to the date of this announcement. It is expected to be applied during the year ending 31 March 2023;  (ii) approximately HK\$39.0 million has been fully applied as for initial registered capital for production and research and development base project in Yixing, details of which are set out in the Company's announcement dated 12 April 2022; and  (iii) approximately HK\$2.28 million as general working capital fully applied.



<b>Date of announcement</b>	<b>Fund-raising activities</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
19 October 2022	Issue of 129,624,000 new shares to a subscriber at HK\$0.27 per share. The closing price of the Company's share on 19 October 2022, being the date of the subscription agreement, was HK\$0.285. Such issue of shares was completed in 28 October 2022	Approximately HK\$35.0 million	General working capital	approximately HK\$3.2 million has been applied

Save for the aforesaid, the Company did not raise funds on any issue of equity securities raising activities during the past 12 months immediately preceding the date of this announcement.

### **INTENDED USE OF PROCEEDS**

The gross proceeds from the Placing, assuming all the Placing Shares are fully placed, will be approximately HK\$37.86 million. The net proceeds from the Placement will be approximately HK\$37.1 million. The net Placing Price per Placing Share after deducting placing commission, fee and expenses is approximately HK\$0.377 per Share. The funds to be raised under the Placing are intended to be applied as to (i) approximately HK\$35.3 million as for initial investment cost for potential kitchen waste treatment and other environmental protection related projects; and (ii) approximately HK\$1.8 million as general working capital for the Group.

### **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be allotted and issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares will not be subject to approval of the Shareholders. Under the General Mandate, the Company is authorised to allot and issue up to 227,954,026 Shares. After taking into account of the issue of the 129,624,000 subscription shares under the General Mandate as announced by the Company on 19 October 2022, approximately 56.86% of the General Mandate was utilised and only 98,330,026 Shares may be further allotted and issued under the General Mandate.

Completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement. As the Placing 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:

“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)
“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 227,954,026 new Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 16 August 2022
“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 the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 16 November 2022 entered into between the Company and Wings Securities in respect of the Placing
“Placing Price”	HK\$0.385 per Placing Share
“Placing Shares”	not more than 98,330,026 new Shares to be placed by Wings Securities pursuant to the Placing Agreement
“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

“Wings Securities” Wings Securities (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities within the meaning of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

By Order of the Board  
**New Concepts Holdings Limited**  
**Zhu Yongjun**  
*Chairman and Executive Director*

Hong Kong, 16 November 2022

*As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun, Mr. Pan Yimin and Mr. Lee Tsi Fun Nicholas; the non-executive Directors are Mr. Sui Guangyi, Dr. Ge Xiaolin and 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.*