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CHINA NEW CONSUMPTION GROUP LIMITED

中國新消費集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8275)

RESULTS OF THE RIGHTS ISSUES ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

Reference is made to the prospectus (the “**Prospectus**”) of China New Consumption Group limited (the “**Company**”) dated 11 July 2023 and the announcement of the Company dated 26 July 2023 (the “**Announcement**”), in relation to, among other things, the Rights Issue and the Placing. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE VALID ACCEPTANCES OF THE RIGHTS SHARES

As disclosed in the Announcement, as at 4:00 p.m. on Tuesday, 25 July 2023, being the Latest Time for Acceptance, the Company had received one (1) valid acceptances for a total of 202,703,043 Rights Shares provisionally allotted under the Rights Issue (representing approximately 84.5% of the total number of Rights Shares offered under the Rights Issue). Accordingly, the Rights Issue was approximately 84.5% subscribed, and there were 37,299,024 Unsubscribed Rights Shares, representing approximately 15.5% of the total number of Rights Shares offered under the Rights Issue, which were subject to the Compensatory Arrangements.

THE COMPENSATORY ARRANGEMENTS

The Board wishes to announce that, as at 4:00 p.m. on Monday, 31 July 2023, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, all the 37,299,024 Unsubscribed Rights Shares were successfully placed at the price of HK\$0.147 per Share, which is equal to the Subscription Price, under the Placing. Therefore, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangements. Based on the acceptance results of the Rights Issue and the placing results of the Compensatory Arrangements, the Rights Shares to be allotted and issued amounted to 240,002,067 Rights Shares, representing 100% of the total number of Rights Shares offered for subscription under the Rights Issue. To the best of the Directors’ knowledge, information

and belief after having made all reasonable enquiries, (i) each of the placees and where appropriate, their respective ultimate beneficial owner(s), is independent of and not connected with the Company and its connected persons and not a connected person of the Company; and (ii) none of the placees has become a substantial shareholder of the Company (as defined under the GEM Listing Rules) upon completion of the Placing. As all the conditions with respect to the Rights Issue as set out in the Prospectus have been fulfilled, the Rights Issue became unconditional on Tuesday, 1 August 2023. Accordingly, the gross proceeds raised from the Rights Issue (including the Compensatory Arrangements) were approximately HK\$35.28 million and the net proceeds (after deducting all relevant expenses) from the Rights Issue were approximately HK\$33.48 million. The Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 55.26% (or approximately HK\$18.50 million) will be used for the expansion of the foundation business capacity of the Group; (ii) approximately 22.40% (or approximately HK\$7.50 million) will be used for the development of the AI business, including but not limited to AI translation; and (iii) approximately 22.34% (or approximately HK\$7.48 million) will be used as the general working capital of the Group as disclosed in the Prospectus.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after the completion of the Rights Issue:

	(i) Immediately before completion of the Rights Issue		(ii) Immediately after completion of the Rights Issue	
	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
Mr. Lam Yu Chor (<i>Note 1</i>)	33,098,750	20.69	54,098,750	13.52
Ms. Wong Fei Heung Terbe (<i>Note 2 and 3</i>)	21,790,000	13.62	37,115,000	9.28
public Shareholders	105,112,628	65.69	271,490,671	67.87
Independent placees	–	–	37,299,024	9.33
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Total	<u>160,001,378</u>	<u>100.00</u>	<u>400,003,445</u>	<u>100.00</u>

Notes:

1. Mr. Lam Yu Chor (“**Mr. Lam**”) legally and beneficially owns the entire issued share capital of Goldstone Wealth Management Limited (“**Goldstone**”), which is the general partner of Goldstone 1 LPF. Therefore, Mr. Lam is deemed, or taken to be, interested in all Shares held by Goldstone for the purpose of the SFO. Mr. Lam is the director of Goldstone.
2. Ms. Wong Fei Heung Terbe (“**Ms. Wong**”) legally and beneficially owns the entire issued share capital of Success Run International Limited (“**Success Run**”). Therefore, Ms. Wong is deemed, or taken to be, interested in all the 33,675,000 Shares held by Success Run for the purpose of the SFO. Ms. Wong is the sole director of Success Run.
3. Ms. Wong legally and beneficially owns the entire issued share capital of Lion Spring Enterprises Limited (“**Lion Spring**”). Therefore, Ms. Wong is deemed, or taken to be, interested in all the 3,440,000 Shares held by Lion Spring for the purpose of the SFO. Ms. Wong is the director of Lion Spring.

DESPATCH OF SHARE CERTIFICATES FOR RIGHTS SHARES

Share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risks on Thursday, 3 August 2023.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange on Friday, 4 August 2023.

By Order of the Board
China New Consumption Group Limited
Tang Kwai Leung Stanley
Chairman and Executive Director

Hong Kong, 2 August 2023

As at the date of this announcement, the Board comprises Mr. Tang Kwai Leung Stanley as executive Director; and Mr. He Dingding, Ms. Chan Tsz Hei Sammi and Ms. Liu Ching Man as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.beavergroup.com.hk.