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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)**

### **UPDATE ON THE PERFORMANCE COMMITMENT IN RELATION TO THE ACQUISITION OF 51% OF THE ENTIRE ISSUED SHARE CAPITAL OF CLEAR INDUSTRY COMPANY LIMITED**

Reference is made to the announcements (the “**Announcements**”) of the Company dated 2 November 2016, 29 June 2017 and 29 March 2018 in relation to, among others, the Acquisition Agreement entered into among the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Warrantor, pursuant to which the Purchaser agreed to acquire the Sell Shares at the Consideration of RMB87,975,000. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

#### **BACKGROUND**

Pursuant to the Acquisition Agreement, the Vendor undertook that the audited net profits after tax and attributable to shareholders of Suzhou Clear Industry (deducting the Exceeded Amount if required) for each of the financial years ended 31 March 2017, 2018 and 2019 (“**FY 2017**”, “**FY 2018**” and “**FY 2019**”, respectively) shall be RMB20 million, RMB30 million and RMB40 million (the “**Profit Guarantee**”).

#### **PERFORMANCE OF SUZHOU CLEAR INDUSTRY**

Based on Suzhou Clear Industry’s unaudited consolidated management accounts for the FY2017, FY2018 and FY2019 (excluding the profit attributable to the business contracted by the other members of the Group to the Clear EPC Group), it is expected that the Profit Guarantee could not be met.

Pursuant to the Acquisition Agreement, if the Profit Guarantee cannot be met, the Vendor and its guarantor shall, subject to the compensation amount is ascertained after the special audit on Suzhou Clear Industry pursuant to the Acquisition Agreement, compensate the entire consideration of approximately RMB87,975,000 (approximately to HK\$100,990,000) to the Group. With reference to the latest information available, the fair value of the contingent consideration asset is approximately HK\$37.2 million (approximately RMB32.1 million), being the aggregate market value of the Consideration Shares issued by the Company and certain outstanding payable to the Vendor. The special audit on Suzhou Clear Industry has not yet commenced as at the date of this announcement.

## **COMPENSATION PROPOSAL**

The Company has commenced negotiation with the Vendor on the proposal of the compensation. The Board will make further announcement when the parties reach an agreement on the compensation proposal.

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

Hong Kong, 24 June 2019

*As at the date of this announcement, the executive Directors are Mr. Zhu Yongjun, Ms. Qin Shulan, Mr. Cai Jianwen and Mr. Lee Tsi Fun, Nicholas; 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.*