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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 DISCLOSEABLE AND CONNECTED TRANSACTION SETTLEMENT AGREEMENT IN RELATION TO 51% OF THE ISSUED SHARE CAPITAL IN CLEAR INDUSTRY COMPANY LIMITED

Reference is made to the announcements (the “Announcements”) of the Company dated 28 May 2020, 29 July 2020, 5 November 2020 and 1 December 2020, in relation to, among others, the Settlement Agreement entered into among the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor, the Warrantor and the Target Company on 28 May 2020 (as amended and supplemented by the first supplemental agreement (the “First Supplemental Agreement”) dated 5 November 2020 and the second supplemental agreement (the “Second Supplemental Agreement”) dated 1 December 2020). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

The Board hereby announces that on 7 May 2021, the parties to the Settlement Agreement entered into the third supplemental agreement (the “Third Supplemental Agreement”), pursuant to which the parties agreed to amend the Settlement Agreement as follows:

(I) EXTENSION FOR THE 4TH INSTALLMENT

As disclosed in the announcement dated 29 July 2020, pursuant to the Settlement Agreement, the Vendor was obliged to, among others, pay to the Purchaser a cash refund of RMB36,000,000 by 5 installments, among which the 4th installment of RMB10,000,000 (the “4th Installment”) shall be paid within 12 months from the date of the Settlement Agreement (i.e. on or before 28 May 2021). Recently, the Vendor and the Guarantor notified the Purchaser that they require more time to finance the

payment of the 4th Installment and would like to re-arrange the time and payment manner of the 4th Installment. Accordingly, the parties agreed the payment of the 4th Installment shall be re-arranged as follows:

- (i) RMB1,000,000 (interest free) shall be paid on or before 28 May 2021;
- (ii) RMB3,200,000 (interest free) shall be paid on or before 22 June 2021;
- (iii) RMB1,450,000 (interest free) shall be paid on or before 28 July 2021;
- (iv) RMB1,450,000 (together with an interest of 0.03% per day calculated from 22 June 2021) shall be paid on or before 28 August 2021;
- (v) RMB1,450,000 (together with an interest of 0.03% per day calculated from 22 June 2021) shall be paid on or before 28 September 2021; and
- (vi) RMB1,450,000 (together with an interest of 0.03% per day calculated from 22 June 2021) shall be paid on or before 28 October 2021.

In the event the Vendor and/or the Guarantor fail to pay any of the aforesaid installments on time, they shall be further liable for an additional interest of 0.03% per day calculated from 28 May 2021 on the full amount of the 4th Installment.

(II) EXTENSION OF DISPOSAL PERIOD OF THE CONSIDERATION SHARES

Pursuant to the Settlement Agreement (as supplemented by the First Supplemental Agreement), the Vendor is obliged to, among others, within 12 months from the date of the Settlement Agreement (the “Disposal Period”) (or other dates as agreed by the parties in writing), dispose the Consideration Shares to any transferee(s) who is not the Company, the Purchaser or any of their connected persons, and arrange the transferee(s) to deposit the relevant proceeds to the bank account designated by the Purchaser. Pursuant to the Third Supplemental Agreement, the parties agreed to further extend the Disposal Period to 30 November 2021 as additional time is required to seek for potential buyer for the Consideration Shares.

Save as disclosed above, all the other terms and conditions of the Settlement Agreement (as amended and supplemented by the First Supplemental Agreement and Second Supplemental Agreement) shall remain unchanged and continue in full force and effect.

THE BOARD'S VIEWS ON THE THIRD SUPPLEMENTAL AGREEMENT

As disclosed in the announcement dated 1 December 2020, the parties entered into the Second Supplemental Agreement and agreed to breakdown the payment of the 3rd installment of RMB36,000,000 payable by the Vendor under the Settlement Agreement into 5 installments upon the request of the Vendor. The said 3rd installment had been fully settled. Having considered (i) the Vendor had honoured its obligations paid the 1st, 2nd and 3rd installments in accordance with the Settlement Agreement (as amended and supplemented by the Second Supplemental Agreement); and (ii) the payment period of the 4th Installment as extended by the Third Supplemental Agreement is relatively short and not material; the Board is of the view that the extension of the payment period of the 4th Installment is fair and reasonable, on normal commercial term and does not have any material adverse impact on the Group.

Since the signing of the Settlement Agreement, the parties have been seeking potential investor(s) to acquire the Consideration Shares. However, since the Consideration Shares were originally kept in paper certificate format, it was difficult for the parties to solicit potential investor(s) since they are generally less reluctant to acquire shares in paper certificate form as the transferal procedure takes longer time as compare to electronic form and thus increase the uncertainty or possible fluctuation between the share price on the buying date and the transfer completion date. Therefore, the Company had arranged to transform the Consideration Shares back into electronic form after the signing of the First Supplemental Agreement and such transformation was completed recently. Having considered the extension of the Disposal Period was proposed by the Company with an aim to increase the chance of selling the Consideration Shares at an optimal price which is in the benefit of the Company, the Board is of the view that the extension of the Disposal Period is fair and reasonable, on normal commercial term and does not have any material adverse impact on the Group.

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

Hong Kong, 7 May 2021

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 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.