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## **NOVA Group Holdings Limited**

**諾發集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1360)**

### **PROFIT GUARANTEE IN RELATION TO THE MAJOR ACQUISITION OF CHEER SINO INVESTMENT HOLDINGS LIMITED**

Reference is made to the announcement and the circular of NOVA Group Holdings Limited (the “**Company**”) respectively dated 24 November 2017 (the “**Announcement**”) and 19 January 2018 (the “**Circular**”) in relation to the major acquisition of the entire issued share capital of Cheer Sino Investment Holdings Limited. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

As disclosed in the Announcement and the Circular, pursuant to the Sale and Purchase Agreement, the Vendor guarantees to the Purchaser that the Net Profit of the Target Group for the year ended 31 December 2018 (the “**First Relevant Period**”), the two years ended 31 December 2019 (the “**Second Relevant Period**”) and the three years ending 31 December 2020 (the “**Third Relevant Period**”) shall not be less than HK\$27,000,000, HK\$73,000,000 and HK\$133,000,000, respectively.

The First CNs Certificate shall be released and delivered to the Vendor within 14 Business Days after the issue of the consolidated audited accounts of the Target Group for the First Relevant Period if, and only if, the Net Profit of the Target Group for the First Relevant Period is not less than the Guaranteed Profit for the First Relevant Period. In the event that the First CNs Certificate has been previously released and delivered, the Second CNs Certificate shall be released and delivered to the Vendor within 14 Business Days after the issue of the consolidated audited accounts of the Target Group for the year ended 31 December 2019 if, and only if, the Net Profit of the Target Group for the Second Relevant Period is not less than the Guaranteed Profit for the Second Relevant Period. In the event that the First CNs Certificate and the Second CNs Certificate have been previously released and delivered, the Third CNs Certificate shall be released and delivered to the Vendor within 14 Business Days after the issue of the consolidated audited accounts of the Target Group for the year ended 31 December 2020 if, and only if, the Net Profit of the Target Group for the Third Relevant Period is not less than the Guaranteed Profit for the Third Relevant Period.

In the event that the actual Net Profit of the Target Group for the Third Relevant Period shall, in aggregate, be less than the Guaranteed Profit for the Third Relevant Period, the Consideration shall be adjusted downward as per the Sale and Purchase Agreement and such downward adjustment of the Consideration shall be effected (at the sole and absolute discretion of the Company) by: (i) reducing the principal amount of the CNs whose certificate(s) remain(s) to be held by the Company in escrow and not having been released to the Vendor; and/or (ii) reimbursement and compensation by the Vendor to the Company in cash, as the case may be. Please refer to the Announcement and the Circular for further details.

As the Guaranteed Profits for the First Relevant Period and Second Relevant Period were previously met, the First CNs Certificate and Second CNs Certificate were released and delivered to the Vendor within 14 Business Days after the issue of the relevant consolidated audited accounts.

The Board is pleased to announce that the consolidated audited accounts of Cheer Sino Investment Holdings Limited for the Third Relevant Period indicated that the Net Profit of the Target Group for the Third Relevant Period had exceeded HK\$133,000,000. Therefore, the Guaranteed Profit of the Target Group for the Third Relevant Period has been met. Accordingly, the Third CNs Certificates will be released and delivered to the Vendor within 14 Business Days after the issue of the said consolidated audited accounts.

By Order of the Board  
**NOVA Group Holdings Limited**  
**Deng Zhonglin**  
*Chairman*

Hong Kong, 7 May 2021

*As at the date of this announcement, the Board comprises Mr. Deng Zhonglin, Mr. Xu Feng and Mr. Wong Yuk Lun Alan as executive Directors; Ms. Huang Chian Sandy as non-executive Director; and Mr. Choi Hung Fai, Mr. Tsang Wing Ki, Dr. Wong Kong Tin, JP and Mr. Qiu Peiyuan as independent non-executive Directors.*