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Novacon Technology Group Limited
連成科技集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8635)

**SECOND SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORTS
FOR THE YEARS ENDED 31 MARCH 2020 AND 31 MARCH 2021**

References are made to the Annual Reports and the First Supplemental Announcement. Unless otherwise stated, capitalised terms used in this announcement have the same meanings as those defined in the Annual Reports.

(1) SUPPLEMENTAL INFORMATION TO THE ANNUAL REPORTS

In addition to the information provided in the Annual Reports, the Board would like to provide the following additional information in relation to the paragraph headed “Share Option Scheme” under the section headed “Directors’ Report” in the Annual Reports.

The closing price of the Shares immediately before the following dates on which the share options were granted are set out below:

	Options granted on 15 August 2019	Options granted on 3 November 2020
Closing price immediately before the date of grant	HK\$0.158	HK\$0.091

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which any member of the Group holds any equity interest (the “**Invested Entity**”).

Our Directors shall, in accordance with the provisions of the Share Option Scheme and the GEM Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the date of the adoption of the Share Option Scheme (i.e. 29 March 2019) to make an offer to any person belonging to the following classes:

- (i) any employee (whether full time or part time, including our Directors (including any non-executive Director and independent non-executive Director)), any of our subsidiaries (within the meaning of Companies Ordinance, Cap. 622 of the Laws of Hong Kong) or any Invested Entity (an “**eligible employee**”);
- (ii) any supplier of goods or services to any member of our Group or any Invested Entity;
- (iii) any customer of any member of our Group or any Invested Entity;
- (iv) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (v) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (vi) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of our Directors has contributed or will contribute to the growth and development of our Group; and
- (vii) any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group, and, for the purpose of the Share Option Scheme, the offer for the grant of an option may be made to any company wholly-owned by one or more eligible participants.

Maximum number of Shares

- (i) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by our Group shall not exceed 30% of the share capital of our Company in issue from time to time, being options for 120,000,000 Shares as of the dates of the Annual Reports. No options may be granted under the Share Option Scheme or any other share option schemes adopted by our Group if the grant of such options will result in the limit referred herein being exceeded.
- (ii) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Group) to be granted under the Share Option Scheme and any other share option schemes of our Group shall not in aggregate exceed 10% of the share capital of our Company in issue as at the Listing Date, being 40,000,000 Shares (“**General Scheme Limit**”).

- (iii) Subject to (i) above and without prejudice to (iv) below, our Company may seek approval of our Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Group shall not exceed 10% of the share capital of our Company in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of our Group) previously granted under the Share Option Scheme and any other share option schemes of our Group will not be counted.
- (iv) Subject to (i) above and without prejudice to (iii) above, our Company may seek separate Shareholders' approval in general meeting to grant options under the Share Option Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in (iii) above to eligible participants specifically identified by our Company before such approval is sought.

As at the dates of the 2020 Annual Report (i.e. 12 June 2020) and 2021 Annual Report (i.e. 18 June 2021), the total number of Shares available for issue under the Share Option Scheme was 40,000,000 Shares (representing 10% of the total issued Shares on those dates).

Cancelled and lapsed options

During the year ended 31 March 2021, no share option was cancelled (2020: same) and lapsed (2020: 4,000,000). For details, please refer to Note 20 to the consolidated financial statements.

Maximum entitlement of each participant

The maximum entitlement of each eligible participant is disclosed in the First Supplemental Announcement.

Period within which the securities must be taken up under an option

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned (and by no other person) for a period of up to 21 days from the date, which shall be a Business Day, on which the offer is made to the eligible participant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to the grantee thereof, and in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of (i) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (ii) the date falling 10 years from the offer date of that option.

Amount payable on application/acceptance of the option

An offer shall have been accepted by an eligible participant in respect of all Shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date).

Basis of determining exercise price

The subscription price in respect of any option shall, subject to any adjustments made, be at the discretion of our Directors, provided that it shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the offer date;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the offer date; and
- (iii) the nominal value of a Share.

Minimum period for which an option must be held before it can be exercised

Unless otherwise determined by our Directors and stated in the offer to a grantee, a grantee is not required to hold an option for any minimum period nor achieve any performance targets before the exercise of an option granted to him.

Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on 29 March 2019. As at 31 March 2020 and 2021, the remaining life of the Share Option Scheme was respectively approximately 9 years and 8 years (i.e. until 28 March 2029).

(2) DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meaning:

“Annual Reports”	annual reports of the Company for the years respectively ended 31 March 2020 and 31 March 2021 which were published on the website of the Stock Exchange on 18 June 2020 and 25 June 2021 respectively
“Business Days”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“First Supplemental Announcement”	supplemental announcement relating to the Annual Reports dated 24 September 2021
“2020 Annual Report”	annual report of the Company for the year ended 31 March 2020 which was published on the website of the Stock Exchange on 18 June 2020
“2021 Annual Report”	annual report of the Company for the year ended 31 March 2021 which was published on the website of the Stock Exchange on 25 June 2021

Save as disclosed above, all other information in the Annual Reports shall remain unchanged. This announcement is supplemental to and should be read in conjunction with the Annual Reports and in that connection the existing English and Chinese versions of the Annual Reports (except as supplemented above and in the First Supplemental Announcement) in the form as they are now in will continue to be valid.

By Order of the Board
Novacon Technology Group Limited
Wei Ming
Chairman and non-executive Director

Hong Kong, 7 January 2022

As at the date of this announcement, the Board comprises Mr. Chung Chau Kan as an executive Director and the chief executive officer and Mr. Wong Wing Hoi as an executive Director, Mr. Wei Ming as the chairman of the Board and a non-executive Director, and Mr. Moo Kai Pong, Mr. Lo Chi Wang and Mr. Wu Kin San Alfred as the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. 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 “Latest Listed Company Information” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and will also be published on the Company’s website at www.novacontechgroup.com.