

**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)**

8 April 2025

*To the Independent Shareholders*

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER  
BY GOLDLINK SECURITIES LIMITED  
FOR AND ON BEHALF OF EVER PERSIST HOLDINGS LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
NOVACON TECHNOLOGY GROUP LIMITED  
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED  
TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN  
CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Joint Announcement.

On 13 March 2025 (before trading hours), the Offeror (as purchaser) entered into the Sale and Purchase Agreement with the Selling Shareholders (as vendors) for the acquisition of an aggregate of 300,000,000 Shares, representing 75% of the total issued share capital of the Company as at the Latest Practicable Date, from the Selling Shareholders at a total Consideration of HK\$45,000,000 (equivalent to Consideration of HK\$0.15 per Share). The Consideration was discussed between the Selling Shareholders and the Offeror and was determined after arm's length negotiations between the parties, taking into account (i) the business and the historical financial performance and financial

position of the Group. It was noted that the Group recorded a decreasing trend in net profit since the year ended 31 March 2021, and further recorded audited net loss of approximately HK\$23.0 million for the year ended 31 March 2024 and the audited consolidated net assets per Share was approximately HK\$0.266 as at 31 March 2024 and the unaudited consolidated net assets per Share as at 30 September 2024 was approximately HK\$0.247. It is noted that majority of closing prices of Shares were below the audited consolidated net assets per Share as at 31 March 2024 and the unaudited consolidated net assets per Share as at 30 September 2024 during the 12-month period prior to and up to the Last Trading Day; and (ii) the Company's historical liquidity and share prices performance traded on the Stock Exchange. During the 12-month period prior to the Last Trading Day, the closing price of the Shares on the Stock Exchange ranged from HK\$0.066 per Share to HK\$0.590 per Share, with an average closing price of the Shares of approximately HK\$0.113 per Share, and the trading volume of the Shares was thin with the average daily trading volume of the Shares ranged from approximately 0.0002% to approximately 1.0418% of the total issued Shares for each of the respective month during the 12-month period prior to the Last Trading Day. It is noted that majority of prices of Shares were closed below the Offer Price during the 12-month period prior to and up to the Last Trading Day. Considering the recent market sentiment and the Offeror is willing to acquire all the Sale Shares in one tranche, the Selling Shareholders agreed to sell the Sale Shares to the Offeror at a discount price to the recent market price and net assets per Share. The total Consideration was fully settled on 13 March 2025 and Completion took place on the same day.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) the information relating to the Group, the Offeror and parties acting in concert with it; (ii) the letter from Goldlink Securities containing, among others, the details of the Offer; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer.

Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising all of the three independent non-executive Directors, namely Mr. Moo Kai Pong, Mr. Lo Chi Wang and Ms. Ho Sze Man Kristie, has been established to advise the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and to give a recommendation as to acceptance of the Offer. Mr. Wei, a non-executive Director, is the ultimate beneficial owner of Essential Strategy, one of the Selling Shareholders, and he is therefore not considered independent to be a member of the Independent Board Committee and has declared his interest to the Board accordingly.

Dakin Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer and in particular as to whether the Offer is, or is not, fair and

reasonable and as to their acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

You are advised to read the "Letter from the Independent Board Committee" to the Independent Shareholders, the "Letter from the Independent Financial Adviser" and the additional information contained in the appendices to this Composite Document before taking any action in respect of the Offer.

## THE OFFER

Goldlink Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

**For each Offer Share . . . . . HK\$0.15 in cash**

The Offer Price of HK\$0.15 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the 300,000,000 Sale Shares under the Sale and Purchase Agreement.

The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer will be fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The Offer is unconditional in all respects when made and is not conditional upon acceptances being received in respect of a minimum number of Offer Shares.

The Offeror confirms that the Offer Price is final and will not be increased.

Immediately following Completion and as at the Latest Practicable Date, the Company had 400,000,000 Shares in issue, of which 300,000,000 Shares were held by the Offeror and parties acting in concert with it (representing 75% of the total issued share capital of the Company). As at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue other than the Shares. As disclosed in the announcement of the Company dated 10 February 2025, the Board has resolved to declare an interim dividend of HK\$0.0625 per Share (the "Interim Dividend"), which amounts to HK\$25 million in total and would be payable out of the retained earnings of the Company. The Interim Dividend has been paid on 17 March 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on 24 February 2025. The Board confirms that, as at the Latest Practicable Date, (i) the Company had not declared any dividend or other distribution which remained unpaid; and (ii) it did not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offer. If, after the date of despatch of this Composite Document, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Offer Price by an amount equal to the gross amount of such dividend or other

distribution received or receivable by the Shareholders pursuant to Note 3 to Rule 26.3 and Note 11 to Rule 23.1 of the Takeovers Code.

Further details regarding the Offer, including the terms and procedures for acceptance of the Offer are set out in the “Letter from Goldlink Securities” and Appendix I to this Composite Document and the accompanying Form of Acceptance.

#### INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information of the Offeror” in the “Letter from Goldlink Securities” in this Composite Document for information on the Offeror.

#### INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands on 7 February 2018 as an exempted company with limited liability. The Group is principally engaged in (i) development and provision of financial trading solutions; (ii) development and supply of resource allocation, planning, scheduling and management of software and services; and (iii) provision of bullion trading services.

Set out below is a summary of the financial information of the Group for (i) the years ended 31 March 2022, 2023 and 2024 as extracted from the annual reports of the Company for the years ended 31 March 2022, 2023 and 2024; and (ii) the six months ended 30 September 2023 and 2024 as extracted from the interim reports of the Company for the six months ended 30 September 2023 and 2024:

	For the year ended 31 March			For the six months ended 30 September	
	2022 (HK\$'000) (Audited)	2023 (HK\$'000) (Audited)	2024 (HK\$'000) (Audited)	2023 (HK\$'000) (Unaudited)	2024 (HK\$'000) (Unaudited)
Revenue	50,035	52,577	22,791	14,223	9,209
Profit/(loss) and total comprehensive income/(loss) for the year/period	11,221	5,710	(22,987)	(12,944)	(6,686)

As disclosed in the interim report of the Company for the six months ended 30 September 2024, the unaudited consolidated net assets of the Company as at 30 September 2024 was approximately HK\$98.8 million.

Your attention is also drawn to Appendices II and III to this Composite Document which contain further financial and general information of the Group.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately upon Completion and as at the Latest Practicable Date.

	Immediately before Completion		Immediately upon Completion and as at the Latest Practicable Date	
	<i>Approximate Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Approximate Number of Shares</i>	<i>Approximate % of issued Shares</i>
<b>The Offeror and parties acting in concert with it</b>				
– The Offeror ( <i>Note 1</i> )	–	–	300,000,000	75.0
<b>Selling Shareholders</b>				
– Essential Strategy ( <i>Note 2</i> )	210,000,000	52.5	–	–
– Expert Wisdom ( <i>Note 3</i> )	90,000,000	22.5	–	–
<b>Sub-total</b>	<b>300,000,000</b>	<b>75.0</b>		
Public Shareholders	100,000,000	25.0	100,000,000	25.0
<b>Total</b>	<b>400,000,000</b>	<b>100.0</b>	<b>400,000,000</b>	<b>100.0</b>

*Notes:*

1. The Offeror is legally, beneficially and wholly owned by Ms. Di.
2. Essential Strategy, a company incorporated in the British Virgin Islands, is legally, beneficially and wholly owned by Mr. Wei. Mr. Wei is a non-executive Director and the chairman of the Board.
3. Expert Wisdom, a company incorporated in the British Virgin Islands, is legally, beneficially and wholly owned by Mr. Chung. Mr. Chung is an executive Director and the chief executive officer of the Company.
4. Save for Mr. Wei and Mr. Chung, who beneficially owned in aggregate 300,000,000 Shares immediately before Completion, none of the Directors held any Shares immediately before and following Completion and as at the Latest Practicable Date.
5. Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “The Offeror’s Intention on the Group” in the “Letter from Goldlink Securities” in this Composite Document. The Board is pleased to note that, as at the Latest Practicable Date, it is the intention of the Offeror that the Group will continue with its existing principal business for long-term purposes. The Offeror does not intend to introduce any major changes to the existing operations and

business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business.

Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be conducted in compliance with the GEM Listing Rules.

As at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

The Offeror intends to nominate new Directors to the Board and such appointments will not take effect earlier than the earliest time permitted under the Takeovers Code. It is currently intended that Ms. Di will be appointed as a Director, and the Offeror is in the course of identifying additional candidates for the Board. Any changes to the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules. Further announcement(s) (including the biographies of the new Directors) will be made immediately after the appointments.

Save for the above, as at the Latest Practicable Date, the Offeror had no intention to make material changes to the employment of employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group. Any changes to the members of the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules and further announcement(s) will be made as and when appropriate in accordance with the GEM Listing Rules.

#### **PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY**

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules in case less than 25% of

the issued share capital of the Company will be held by the public upon the close of the Offer. Appropriate steps will be taken to ensure public float will be restored as soon as possible after the close of the Offer. The steps that the Offeror may take include but not limited to placing down or selling sufficient number of accepted Shares it acquired from the Offer to selected independent third parties or in the market. No arrangements had been confirmed or put in place as at the Latest Practicable Date. Further announcement(s) will be made in accordance with the requirements of the GEM Listing Rules and the Takeovers Code as and when appropriate. Further announcement(s) regarding the restoration of public float will be made by the Company as and when appropriate.

The Offeror intends the Company to remain listed on the Stock Exchange. Ms. Di (as the sole director of the Offeror and a new director to be appointed to the Board (subject to the nomination and appointment procedures of the Company)) has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

#### **RECOMMENDATION**

Your attention is drawn to (i) the "Letter from the Independent Board Committee" as set out on page 28 to page 29 of this Composite Document which contains its recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to their acceptance of the Offer; and (ii) the "Letter from the Independent Financial Adviser" as set out on pages IFA-1 to IFA-34 of this Composite Document which contains its advice to the Independent Board Committee in connection with the Offer and the principal factors considered by it in arriving at its advice.

#### **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information contained in the appendices to the Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I "Further Terms and Procedures of Acceptance of the Offer" to the Composite Document and the accompanying Form of Acceptance.

In considering what action to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your professional advisers.

By order of the Board of  
**Novacon Technology Group Limited**



**Wei Ming**  
*Chairman and non-executive Director*