

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in NOVA Group Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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NOVA Group Holdings Limited

諾發集團控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1360)

PROPOSALS INVOLVING (1) RE-ELECTION OF DIRECTORS; AND (2) GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (the “AGM”) of NOVA Group Holdings Limited to be held at Room Soho 1, 6/F, IBIS Hong Kong Central and Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Friday, 3 December 2021 at 11:00 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use by the shareholders of the Company at the AGM is enclosed herein.

Whether or not you intend to attend the AGM, you are advised to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereon should you so wish.

18 October 2021

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Room Soho 1, 6/F, IBIS Hong Kong Central and Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Friday, 3 December 2021 at 11:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 15 to 19 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company;
“Audit Committee”	the audit committee of the Board;
“Board”	the board of Directors;
“Close Associates”	has the same meaning as defined under the Listing Rules;
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Company”	NOVA Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange (Stock code: 1360);
“Core Connected Person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company from time to time;
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate;
“Group”	the Company and its subsidiaries (within the meaning of the Companies Ordinance and/or the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants) for the time being and from time to time;

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	the general and unconditional mandate proposed to be granted at the AGM to the Directors to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the aggregate number of Shares in issue as at the date of passing the resolution approving such mandate;
“Latest Practicable Date”	8 October 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;
“Nomination Committee”	the nomination committee of the Board;
“PRC”	the People’s Republic of China, for the purpose of this circular, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“Remuneration Committee”	the remuneration committee of the Board;
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to enable the Directors to repurchase Shares on the Stock Exchange not exceeding 10% of the aggregate number of Shares in issue as at the date of passing the resolution approving such mandate;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time;
“Share(s)”	fully paid ordinary share(s) of HK\$0.002 each in the share capital of the Company;
“Shareholder(s)”	holder of the Share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as amended from time to time; and
“%”	per cent.

NOVA Group Holdings Limited

諾發集團控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1360)

Executive Directors:

Mr. Deng Zhonglin

(Chairman and Chief Executive Officer)

Mr. Wong Yuk Lun Alan

Non-executive Director:

Ms. Huang Chian Sandy

Independent non-executive Directors:

Mr. Choi Hung Fai

Mr. Tsang Wing Ki

Dr. Wong Kong Tin, *JP*

Mr. Qiu Peiyuan

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

*Head Office and Principal place
of business in Hong Kong:*

Room 2102, 21/F.

Tower One

Lippo Centre

89 Queensway

Hong Kong

18 October 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING
(1) RE-ELECTION OF DIRECTORS; AND
(2) GENERAL MANDATES TO ISSUE
AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with requisite information regarding the resolutions to be proposed at the AGM and to provide the notice of the AGM. The resolutions to be proposed at the AGM include ordinary resolutions on the proposed (i) re-election of Directors; and (ii) the grant of each of the Issue Mandate, Repurchase Mandate and Extension Mandate.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

The Board currently comprises seven Directors, of which two are executive Directors, namely, Mr. Deng Zhonglin and Mr. Wong Yuk Lun Alan; one is non-executive Director, namely Ms. Huang Chian Sandy; and four are independent non-executive Directors, namely Mr. Choi Hung Fai, Mr. Tsang Wing Ki, Dr. Wong Kong Tin, *JP* and Mr. Qiu Peiyuan.

In accordance with Article 105(A) of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest but not less than one-third) shall retire from office by rotation. Mr. Deng Zhonglin, Ms. Huang Chian Sandy and Mr. Tsang Wing Ki will retire by rotation and, being eligible, offer themselves for re-election at the AGM.

For the proposed re-election of Mr. Tsang Wing Ki as an independent non-executive Director, the Board and the Nomination Committee have considered the board diversity policy and corporate strategy of the Company, taking into account the skills and experience required for the overall operation of the Board, the background and other factors of Mr. Tsang Wing Ki. The Board and the Nomination Committee are of the view that, Mr. Tsang Wing Ki has the basic knowledge of the operation of a listed company with valuable business experience, knowledge, professionalism and work experience necessary to perform the duties of an independent non-executive Director, and have the ability to provide independent, fair and objective opinions on corporate affairs. Mr. Tsang Wing Ki will also promote diversity of the Board in a number of aspects, including age, cultural and educational background, professional experience, skills and knowledge. Mr. Tsang Wing Ki has confirmed his independence to the Company in accordance with Rule 3.13 of the Listing Rules. The Board has assessed and reviewed his independence and believes that he has satisfied the independence requirements. Therefore, his re-election as an independent non-executive Director is in the best interests of the Company and the Shareholders as a whole.

The biographical and other details of the Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

It will be proposed at the AGM to grant to the Directors (i) a general mandate to allot, issue and deal with Shares up to a limit equal to 20% of the aggregate number of Shares in issue as at the date of passing the relevant resolution and adding to such general mandate so granted to the Directors any Shares representing to an aggregate number of Shares repurchased by the Company under the Repurchase Mandate and (ii) a Repurchase Mandate to purchase Shares not exceeding 10% of the aggregate number of Shares in issue as at the date of passing the relevant resolution.

LETTER FROM THE BOARD

As at the Latest Practicable Date, a total of 1,855,903,277 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company prior to the AGM, the Company would be allowed under the Issue Mandate to issue a maximum of 371,180,655 Shares representing 20% of the aggregate number of the issued Shares as at the date of the AGM. Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to purchase a maximum of 185,590,327 Shares representing 10% of the aggregate number of issued Shares as at the date of the AGM.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the AGM to authorise the increase in the total number of new Shares which may be allotted and issued under the Issue Mandate (if the grant of which is approved by the Shareholders at the AGM) by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate (if the grant of which is approved by the Shareholders at the AGM).

Subject to the approval of the above proposals by the Shareholders at the AGM, the Issue Mandate, Repurchase Mandate and Extension Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or by any applicable laws to be held; or (c) the passing of ordinary resolution(s) by Shareholders in a general meeting revoking or varying the authority given to the Directors.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the proposed grant of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix II to this circular.

RE-APPOINTMENT OF AUDITOR

The financial statements of the Group for the year ended 30 June 2021 were audited by HLM CPA Limited whose term of office will expire upon the AGM.

The Board proposes to re-appoint HLM CPA Limited as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

LETTER FROM THE BOARD

VOTING BY POLL AT THE AGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except for purely procedural or administrative matters. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll. The chairman of the AGM will explain the detailed procedures for conducting a poll at the commencement of the AGM.

After the conclusion of the AGM, the poll results will be published on the website of the Stock Exchange and the website of the Company in the manner prescribed by Rule 13.39(5) of the Listing Rules.

ACTIONS TO BE TAKEN

A notice of the AGM is set out on pages 15 to 19 of this circular. A form of proxy for use at the AGM is also enclosed herewith. They are also published on the website of the Stock Exchange and the website of the Company.

At the AGM, ordinary resolutions will be proposed to approve, among other matters, the grant of the Issue Mandate, Repurchase Mandate and Extension Mandate and the re-election of Directors. Whether or not you intend to attend the AGM in person, you are advised to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof to the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there is no other matter the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Board is of the opinion that the re-election of Directors and the granting of each of the Issue Mandate, Repurchase Mandate and Extension Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully
By Order of the Board
NOVA Group Holdings Limited
Deng Zhonglin
Chairman and Chief Executive Officer

EXECUTIVE DIRECTOR

Mr. Deng Zhonglin (“**Mr. Deng**”), aged 47, was appointed as an executive Director on 14 October 2016. Mr. Deng is currently the chairman of the Board and the chief executive officer of the Company and is also the chairman of the Nomination Committee and a member of the Remuneration Committee. Mr. Deng holds directorships in several subsidiaries within the Group including 福瑞達融資租賃(深圳)有限公司 (transliterated as Furuida Financial Leasing (Shenzhen) Co., Ltd.) and 上海守信商業保理有限公司 (transliterated as Shanghai Shouxin Commercial Factoring Co., Ltd.), etc.

Mr. Deng has over 21 years of experience in corporate management and strategic planning. He is familiar with the exhibition industry and the operation of advertising business. Mr. Deng graduated from Shenzhen University in 1995. From 1999 to 2003, Mr. Deng served as an assistant to the general manager of 上海萬舟航運有限公司 (transliterated as Shanghai Wanzhou Shipping Co., Ltd.). From 2004 to 2009, he was the managing director of 永安商船海運有限公司 (transliterated as Ever Maru Shipping Co., Ltd.). From 2010 to 2017, he served as the general manager of 上海覽眾廣告傳播有限公司 (transliterated as Shanghai Public Advertising Communications Co., Ltd.), which was mainly engaged in advertising, display and exhibition services as well as conference services.

Pursuant to the service agreement dated 14 October 2016 (supplemented by a supplemental service contract dated 14 October 2019) entered into between the Company and Mr. Deng, Mr. Deng holds office for an initial term of three years commencing on 14 October 2016 and renewable automatically on expiry for successive terms of three years, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. His appointment may be terminated by either party giving the other not less than three months’ notice in writing. The annual basic salary of Mr. Deng is HK\$600,000. Mr. Deng is also entitled to a discretionary bonus to be determined at the discretion of the Board or, if so delegated, the Remuneration Committee.

The remuneration of Mr. Deng was determined and recommended by the Remuneration Committee and approved by the Board based on his qualifications, experience, levels of responsibilities undertaken and prevailing market conditions. The remuneration of Mr. Deng will be subject to annual review by the Remuneration Committee and the Board.

Mr. Deng is interested in 12,000,000 underlying Shares in respect of the options granted by the Company on 1 June 2018 under the share option scheme adopted on 18 October 2013, representing approximately 0.64% of the issued ordinary share capital of the Company.

Save as disclosed above, Mr. Deng (i) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders; (ii) does not have and is not deemed to have any interest in the Shares within the meaning of Part XV of the SFO; (iii) has not held any other directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; and (iv) does not hold any other positions in the Company and its subsidiaries as at the Latest Practicable Date.

NON-EXECUTIVE DIRECTOR

Ms. Huang Chian Sandy (“**Ms. Huang**”), aged 49, was appointed as a non-executive Director on 15 July 2020. Ms. Huang graduated from Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) with a diploma in design. Ms. Huang has over 21 years of experience in managing real estate agency business and real estate credit fund in the PRC.

Ms. Huang has been the founder of 上海夢騰房地產信息有限公司 (transliterated as Shanghai Mengteng Real Estate Information Company Limited) since December 2018. She served as the chief executive officer and the regional director of 上海創拓房地產經紀發展有限公司 (transliterated as Keller Williams Greater Shanghai Company Limited) from July 2016 to November 2018. She also founded and served as the chief executive officer of 上海毅達投資管理諮詢有限公司 (transliterated as Yida Investments Management & Consultancy (Shanghai) Company Limited), and served as the chief investment officer of BRJ Asset Management Limited from August 2011 to July 2016. She also served as the chief operating officer of 上海嘉奈苾服飾貿易有限公司 (transliterated as Carnaby (Shanghai) Company Limited) from July 2009 to July 2011. From October 2006 to November 2008, Ms. Huang served as the general manager of 上海銳豐房地產投資顧問有限公司 (transliterated as Shanghai Ruifeng Real Estate Investment Consultants Company Limited). From December 2002 to October 2006, Ms. Huang founded and served as the general manager of 上海搏邦地產投資顧問有限公司 (transliterated as Bonity Property Group (Shanghai) Limited).

Pursuant to an appointment letter entered into between Ms. Huang and the Company dated 15 July 2020, Ms. Huang holds office for an initial term of one year, renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then current term of her appointment, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Ms. Huang is entitled to receive a remuneration of HK\$20,000 per month. The remuneration of Ms. Huang was determined and recommended by the Remuneration Committee and approved by the Board based on her qualifications, experience, levels of responsibilities undertaken and prevailing market conditions. Ms. Huang’s remuneration will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, Ms. Huang (i) does not have any relationship with any directors, senior management, substantial Shareholders or controlling Shareholders; (ii) does not have and is not deemed to have any interest in the Shares within the meaning of Part XV of the SFO; (iii) has not held any other directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years; and (iv) does not hold any other positions in the Company and its subsidiaries as at the Latest Practicable Date.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Tsang Wing Ki (“**Mr. Tsang**”), aged 59, was appointed as an independent non-executive Director on 9 March 2017. Mr. Tsang is currently the chairman of the Audit Committee and a member of the Remuneration Committee. Mr. Tsang has over 26 years of experience in finance, accounting and auditing. Mr. Tsang obtained a professional diploma in accountancy from Hong Kong Polytechnic (currently known as the Hong Kong Polytechnic University) in November 1987 and a master of professional accounting from the Hong Kong Polytechnic University in November 2000. Mr. Tsang is a fellow member of the Hong Kong Institute of Certified Public Accountants (FCPA) and a fellow member of the Chartered Association of Certified Accountants (FCCA).

Mr. Tsang was a chief financial officer of Xin Dau Ji Membership Management Limited from July 2015 to September 2019. He was an independent non-executive director of VBG International Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8365) from May 2017 to December 2017. He was an independent non-executive director of ICube Technology Holdings Limited (currently known as Central Wealth Group Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 139) from November 2014 to July 2016. He was an independent non-executive director of Unity Investments Holdings Limited (currently known as Harbour Digital Asset Capital Limited), a company listed on the Main Board of the Stock Exchange (stock code: 913) from September 2004 to October 2014. He was an executive director from August 2008 to December 2011 of Noble Jewelry Holdings Limited (currently known as Central Development Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 475).

Pursuant to an appointment letter entered into between Mr. Tsang and the Company dated 9 March 2017, Mr. Tsang holds office for an initial term of one year, renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then current term of his appointment, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Tsang is entitled to receive a remuneration of HK\$20,000 per month. The remuneration of Mr. Tsang was determined and recommended by the Remuneration Committee and approved by the Board based on his qualifications, experience, levels of responsibilities undertaken and prevailing market conditions. Mr. Tsang’s remuneration will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, Mr. Tsang (i) does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company; (ii) does not have and is not deemed to have any interest in the Shares within the meaning of Part XV of the SFO; (iii) has not held any other directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years; and (iv) does not hold any other positions in the Company and its subsidiaries as at the Latest Practicable Date.

Mr. Tsang has met the independent guidelines set out in Rule 3.13 of Listing Rules.

GENERAL

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of each of Mr. Deng, Ms. Huang and Mr. Tsang and there is no information which is discloseable nor is/was Mr. Deng, Ms. Huang and Mr. Tsang involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to Shareholders for their consideration of the proposed Repurchase Mandate.

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

REASONS FOR REPURCHASE MANDATE

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the mandate granted to them if the ordinary resolution numbered 6 set out in the notice of AGM is passed would be beneficial to the Company and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when Shares are being traded at a discount to their underlying value, the ability of the Company to repurchase Shares can be beneficial to those Shareholders who retain their investment in the Company since this may, depending on the circumstances, result in increases to the fully diluted net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

SHARE CAPITAL

As at the Latest Practicable Date, the total issued share capital of the Company is 1,855,903,277 fully paid-up ordinary Shares of HK\$0.002 each.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 185,590,327 Shares.

SOURCE OF FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds entirely from the Company's available cash flow or working capital facilities, which will be funded legally available for such purpose in accordance with its Articles of Association and the applicable laws of the Cayman Islands. Such funds include but are not limited to the Company's profits available for distribution.

IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated accounts contained in the annual report of the Company for the year ended 30 June 2021) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. Such proposed repurchase period means the period from the passing of the ordinary resolution until whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date on which the authority sets out in the ordinary resolution is revoked or varied by an ordinary resolution of the Shareholders in a general meeting; and (iii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the laws of the Cayman Islands or the Articles of Association.

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirement of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to Repurchase Mandate in accordance with the Listing Rules and the laws of the Cayman Islands and in accordance with the regulations set out in the Articles of Association of the Company.

DIRECTORS, CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their Close Associates, presently intend to sell any Shares to the Company under the Repurchase Mandate in the event that the latter is granted by the Shareholders.

The Company has not been notified by any Core Connected Persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that Repurchase Mandate is granted by the Shareholders.

TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If as a result of share repurchase by the Company, a Shareholder's proportionate interest in voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date and to the best of knowledge and belief of the Company, Mr. Chen Chao is interested in 163,835,000 Shares, representing approximately 8.83% of the issued share capital of the Company.

Assuming that the issued share capital of the Company remains unchanged up to the date of the AGM and in the event that the Repurchase Mandate is exercised in full, the shareholding of Mr. Chen Chao will be increased to approximately 9.81%. In the opinion of the Directors, such increase will not give rise to any obligation to make a mandatory offer under Rule 26.1 of the Takeovers Code.

The Directors have no intention to exercise the power to repurchase the Shares pursuant to the Repurchase Mandate to such extent as would result in the level of shareholdings in the Company held by the public falling below 25%.

Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.

MARKET PRICE

The highest and lowest traded market prices for Shares recorded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
October	0.138	0.125
November	0.117	0.100
December	0.105	0.090
2021		
January	0.133	0.091
February	0.134	0.100
March	0.180	0.106
April	0.127	0.110
May	0.130	0.110
June	0.138	0.113
July	0.153	0.103
August	0.162	0.104
September	0.185	0.142
October (up to the Latest Practicable Date)	0.159	0.138

SHARES REPURCHASES MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING

NOVA Group Holdings Limited

諾發集團控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1360)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of NOVA Group Holdings Limited (the “**Company**”) will be held at Room Soho 1, 6/F, IBIS Hong Kong Central and Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Friday, 3 December 2021 at 11:00 a.m. for the following purposes:

1. to receive and approve the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and the auditor of the Company for the year ended 30 June 2021;
2. (a) to re-elect each of following retiring Directors by way of a separate resolution:
 - (i) Mr. Deng Zhonglin
 - (ii) Ms. Huang Chian Sandy
 - (iii) Mr. Tsang Wing Ki
- (b) to authorise the board (the “**Board**”) of Directors to fix (which authority may be further delegated to its duly authorised committee) the remuneration of the Directors;
3. to re-appoint HLM CPA Limited as the auditor and to authorise the Board to fix their remuneration;
4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as amended from time to time, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;

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(c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below) or (ii) an issue of shares upon the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to senior officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the articles of association of the Company from time to time, shall not exceed the aggregate of:

(aa) 20% of the aggregate number of shares of the Company in issue on the date of the passing of this resolution; and

(bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of shares of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate number of shares of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or by any applicable laws to be held; or

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having

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regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to repurchase securities of the Company on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company repurchased by the Company pursuant to paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of shares of the Company in issue as at the date of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purpose of this resolution, **“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or by any applicable laws to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

6. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 4 above be and is hereby extended by the addition to the aggregate number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with

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such general mandate of an amount representing the aggregate number of shares of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

By Order of the Board
NOVA Group Holdings Limited
Deng Zhonglin
Chairman and Chief Executive Officer

Hong Kong, 18 October 2021

Notes:

1. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting.
3. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the AGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto. If more than one of such joint holders are present at the AGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. In compliance with Rule 13.39(4) of the Listing Rules, voting on all proposed resolutions set out in this notice will be decided by way of a poll.
6. The register of members of the Company will be closed from Tuesday, 30 November 2021 to Friday, 3 December 2021, both days inclusive, during which period no share transfer will be effected. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 29 November 2021.

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PRECAUTIONARY MEASURES FOR THE AGM

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the AGM of the Company:

- (1) Compulsory temperature screening/checks
- (2) Submission of Health Declaration Form
- (3) Wearing of surgical face mask
- (4) No provision of refreshments or drinks, and no handing out of corporate gifts or gift coupons

The Company would like to remind attendees that they should carefully consider the risks of attending the AGM, taking into account their own personal circumstances. Attendees who do not comply with the precautionary measures referred to in (1) to (3) above may be denied entry to the AGM venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the AGM by appointing the chairman of the AGM as their proxy and to return their proxy forms by the time specified above, instead of attending the AGM in person.

The Company will keep the evolving COVID-19 situation under review and may implement and/or announce additional measures before the date of the AGM.

As at the date of this notice, the Board comprises Mr. Deng Zhonglin 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.