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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2024

The board (the "**Board**") of directors (the "**Directors**") of NOVA Group Holdings Limited (the "**Company**") presents the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 30 June 2024 (the "**Reporting Year**") together with corresponding figures for the year ended 30 June 2023 (the "**Prior Year**" or "**2023**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

		2024	2023
	Notes	***HK$'000***	*HK$'000*
CONTINUING OPERATIONS			
Revenue	*5*		
Contract with customers		**31,561**	9,918
Interest under effective interest method		**—**	31,301
Total revenue		**31,561**	41,219
Cost of sales		**(21,778)**	(5,628)

	Notes	**2024**	2023
		HK$'000	*HK$'000*
Gross profit		**9,783**	35,591
Other income		**374**	953
Other gains and losses		**(1,548)**	(3,573)
Impairment loss on goodwill		**—**	(129,032)
Impairment loss on property, plant and equipment		**(6,043)**	—
Impairment loss on right-of-use assets		**(5,162)**	(970)
Impairment loss on intangible assets		**—**	(730)
Provision for impairment losses under expected credit loss ("**ECL**") model and write-off of receivables, net of reversal	*7*	**(174,570)**	(359,493)
Selling expenses		**(1,763)**	(5,156)
Administrative expenses		**(25,574)**	(23,681)
Operating loss from continuing operations		**(204,503)**	(486,091)
Finance costs		**(5,433)**	(4,009)
Loss before tax from continuing operations	*6*	**(209,936)**	(490,100)
Taxation	*8*	**(102)**	(16,009)
Loss for the year from continuing operations		**(210,038)**	(506,109)
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation		**—**	(388)
Loss for the year		**(210,038)**	(506,497)
Other comprehensive expenses for the year			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(1,202)**	(28,023)
Other comprehensive expenses for the year		**(1,202)**	(28,023)
Total comprehensive expenses for the year		**(211,240)**	(534,520)

	Notes	**2024** **HK$'000**	2023 HK$'000
Loss for the year attributable to:			
Owners of Company		**(200,549)**	(506,497)
Non-controlling interests		**(9,489)**	—
		(210,038)	(506,497)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(201,751)**	(534,520)
Non-controlling interests		**(9,489)**	—
		(211,240)	(534,520)
Loss per share:	*10*		
From continuing operations and a discontinued operation:			
Basic *(HK cents)*		**(9.76)**	(26.06)
Diluted *(HK cents)*		**(9.76)**	(26.06)
From continuing operations:			
Basic *(HK cents)*		**(9.76)**	(26.04)
Diluted *(HK cents)*		**(9.76)**	(26.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment		**3,060**	195
Right-of-use assets		**—**	–
Intangible assets		**—**	–
Deferred tax assets		**—**	21
		3,060	216
Current assets			
Inventories		**21,271**	–
Trade receivables	*11*	**168**	4,975
Factoring receivables	*12*	**—**	168,313
Lease receivables	*13*	**—**	2,225
Loan receivables	*14*	**—**	431
Prepayments, deposits and other receivables		**2,363**	3,449
Income tax receivables		**—**	1,112
Cash and bank balances		**2,737**	2,400
		26,539	182,905

	Notes	2024 HK$'000	2023 HK$'000
Current liabilities			
Trade payables	*15*	**22,751**	2,573
Contract liabilities		**801**	895
Accruals and other payables		**26,826**	8,356
Lease liabilities		**3,515**	1,155
Borrowings		**10,449**	3,235
Corporate bonds		**10,125**	40,671
Income tax payables		**202**	1,236
		74,669	58,121
Net current (liabilities)/assets		**(48,130)**	124,784
Total assets less current liabilities		**(45,070)**	125,000
Non-current liabilities			
Lease liabilities		**3,331**	–
Corporate bonds		**37,839**	–
		41,170	–
Net (liabilities)/assets		**(86,240)**	125,000
Capital and reserve			
Share capital	*16*	**4,108**	4,108
Reserves		**(80,859)**	120,892
(Deficit)/equity attributable to owners of the Company		**(76,751)**	125,000
Non-controlling interests		**(9,489)**	–
(Captital deficiency)/total equity		**(86,240)**	125,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of Cayman Islands and is listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company in Hong Kong has changed from Room 2102, 21/F., Tower One, Lippo Centre, 89 Queensway, Hong Kong to Unit E2, 8/F., Kingston International Centre, 19 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong effected on 28 October 2024.

The Company is an investment holding company. The principal activities of the Group are (i) organization and sponsorship of exhibitions and events ("**Exhibitions and events**"); (ii) operation of cultural and entertainment comprehensive services platform ("**Cultural and entertainment**") and (iii) provision of loan and financing services ("**Financing**"). During the year ended 30 June 2023, operation in the Exhibitions and events business segment has been ceased and classified as a discontinued operation.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate. All values are rounded to the nearest thousand, unless otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on 1 July 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts and the related Amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules Single Transaction

The application of the new and amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendment to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 16	Lease Liability in Sale and Leaseback[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 7 and HKFRS 9	Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11[3]
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after 1 January 2024.

2 Effective for annual periods beginning on or after 1 January 2025.

3 Effective for annual periods beginning on or after 1 January 2026.

4 Effective for annual periods beginning on or after 1 January 2027.

5 Effective for annual periods beginning on or after a date to be determined.

Except for the new HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and the disclosure requirements of the Hong Kong Companies Ordinance.

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern assumption

The Group reported a loss attributable to the owners of the Company of HK$200,549,000 and operating cash outflow of HK$3,610,000 for the financial year ended 30 June 2024. The Group's current liabilities exceeded its current assets by HK$48,130,000 and its total liabilities exceeded its total assets by HK$86,240,000 as at 30 June 2024 and, as of that date, the Group's cash and bank balances amounted to HK$2,737,000 while the Group's current and non-current borrowings of approximately HK$10,449,000 and corporate bond of HK$47,964,000. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to relieve the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

1) The Directors have been actively looking for additional sources of financing; and

2) The Directors will implement appropriate cost-leadership measures to cope with all operational costs.

Taking into account the Group's cash flow forecast prepared by management which covered a period of not less than twelve months from the date of this announcement, and assuming the success of the above measures, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

1) Successfully obtaining additional new sources of financing when needed; and

2) Whether the Group can successfully improve its operation to generate sufficient operating cash inflow.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the financial statements to write down the values of the assets to their net realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of such adjustments has not yet been reflected in the consolidated financial statements.

4. SEGMENT INFORMATION

Business segments

Information reported to the management of the Group, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performances focuses on types of services provided.

The operating and reportable segments are as follows:

Continuing operations

Cultural and entertainment	Operation of cultural and entertainment comprehensive services platform, including brand management, solution and consulting services, contracting services and entertainment equipment solution, trading of goods, products promotion services, sales and distribution of goods, and club and entertainment business
Financing	Provision of money lending, finance leasing and credit factoring services

Discontinued operation

Exhibitions and events	Organisation and sponsorship of trade shows, exhibitions and events, provision of event planning, sub-contracting, management and ancillary services

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 30 June

	Continuing operations						Discontinued operation			
	Cultural and entertainment		Financing		Total for Continuing operations		Exhibitions and events		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue										
Revenue from external customers	**31,561**	9,918	**–**	31,301	**31,561**	41,219	**–**	–	**31,561**	41,219
Results										
Segment results	**(25,001)**	(155,675)	**(170,667)**	(315,626)	**(195,668)**	(471,301)	**–**	(371)	**(195,668)**	(471,672)
Unallocated net loss on financial assets at FVTPL									**–**	(830)
Unallocated impairment loss on right-of-use assets									**–**	(970)
Unallocated income and other gains and losses									**(1,948)**	(746)
Unallocated corporate expenses									**(7,464)**	(12,339)
Finance costs									**(4,856)**	(3,914)
Loss before tax									**(209,936)**	(490,471)
Taxation									**(102)**	(16,026)
Loss for the year									**(210,038)**	(506,497)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

As at 30 June

	Cultural and entertainment		Financing		Total	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets						
Segment assets	**28,381**	6,629	**96**	172,428	**28,477**	179,057
Assets of a discontinued operation					**–**	324
Unallocated corporate assets					**1,122**	3,740
Total reportable segment assets					**29,599**	183,121
Liabilities						
Segment liabilities	**53,272**	13,109	**1,092**	1,824	**54,364**	14,933
Liabilities of a discontinued operation					**–**	53
Unallocated corporate liabilities					**61,475**	43,135
Total reportable segment liabilities					**115,839**	58,121

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than corporate assets; and
- all liabilities are allocated to reportable segments other than corporate liabilities.

5. REVENUE

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
Brand management	**73**	1,699
Promotion and consulting services	**–**	2,498
Trading of goods	**285**	5,721
Sales and distribution of goods	**18,153**	–
Club and entertainment business	**13,050**	–
	31,561	9,918
Interest under effective interest method:		
Financing income		
Credit factoring services	**–**	30,302
Finance leasing services	**–**	660
Money lending services	**–**	339
	–	31,301
Total	**31,561**	41,219

6. LOSS BEFORE TAX

Loss before tax from continuing operations has been arrived at after charging:

	2024	2023
	HK$'000	*HK$'000*
Staff costs:		
Employee benefits expenses (including directors' emoluments)		
– Salaries, allowance and other benefit	**11,670**	11,596
– Retirement benefit scheme contributions	**716**	1,390
	12,386	12,986
Other items:		
Amortisation of intangible assets	**–**	265
Depreciation of:		
– property, plant and equipment	**2,396**	123
– right-of-use assets	**1,985**	1,163
Auditor's remuneration		
– Audit services	**800**	800
– Non-audit services	**170**	240
Cost of inventories recognised in cost of sales	**21,670**	5,394
Lease expenses on short-term leases	**593**	831

7. PROVISION FOR IMPAIRMENT LOSSES UNDER ECL MODEL AND WRITE-OFF OF RECEIVABLES, NET OF REVERSAL

	2024	2023
	HK$'000	*HK$'000*
Impairment losses recognised on:		
– Trade receivables *(Note 11)*	**1**	17,600
– Factoring receivables *(Note 12)*	**–**	327,344
– Lease receivables *(Note 13)*	**–**	13,452
– Loan receivables *(Note 14)*	**–**	1,097
Total impairment losses under ECL model	**1**	359,493
Write-off of:		
– Trade receivables	**4,936**	–
– Factoring receivables	**166,994**	–
– Lease receivables	**2,208**	–
– Loan receivables	**431**	–
Total write-off of receivables	**174,569**	–
Total	**174,570**	359,493

8. TAXATION

	2024	2023
	HK$'000	*HK$'000*
Current tax:		
– People's Republic of China (the "**PRC**") Enterprise Income Tax	**6**	1,844
Underprovision in prior years:		
– PRC Enterprise Income Tax	**–**	3,041
– Hong Kong Profits Tax	**75**	–
Deferred tax expense:		
– Current year	**21**	11,124
Income tax expense from continuing operations	**102**	16,009
Income tax expense from a discontinued operation	**–**	17
Total income tax expense	**102**	16,026

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit. No provision for Hong Kong Profits Tax has been made since the Group had no estimated assessable profits for the years ended 30 June 2024 and 2023.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries of the Group in the PRC is 25% for the years ended 30 June 2024 and 2023.

9. DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2024 (2023: HK$Nil).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2024	2023
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company		
From continuing operations	**200,549**	506,109
From a discontinued operation	**–**	388
	200,549	506,497

	2024	2023
	'000	*'000*
Number of shares		
Number of/weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,054,153**	1,943,894

For the years ended 30 June 2024 and 2023, the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise prices of the share options were higher than the average market price of the shares of the Company. The basic and diluted loss per share were the same for the years ended 30 June 2024 and 2023.

11. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables from contracts with customers	**169**	34,934
Less: impairment allowance	**(1)**	(29,959)
	168	4,975

The Group has a policy of allowing trade customers with credit terms of normally within 90 days except for trading of goods which credit terms are normally 1 to 6 months. Settlement is made in accordance with the terms specified in the contracts governing the relevant transactions. The Group does not hold any collateral or other credit enhancement over its trade receivables balances. The ageing analysis of trade receivables net of impairment allowance as at the end of reporting period, based on dates on which services rendered/ invoice dates, is as follows:

	2024	2023
	HK$'000	*HK$'000*
0-30 days	**168**	144
31-60 days	**–**	147
61-90 days	**–**	175
91-180 days	**–**	1,021
181-365 days	**–**	1,527
Over 1 year	**–**	1,961
	168	4,975

The ageing analysis of the trade receivables which are past due but not yet impaired is as follows:

	2024	2023
	HK$'000	*HK$'000*
0-30 days	**–**	1,129
31-60 days	**–**	155
61-90 days	**–**	168
91-180 days	**–**	822
181-365 days	**–**	1,723
Over 1 year	**–**	964
	–	4,961

The movements in impairment allowance on trade receivables are as follows:

	2024	2023
	HK$'000	*HK$'000*
At the beginning of the year	**29,959**	14,243
Amounts recognised during the year, net	**1**	17,600
Amounts written off	**(29,724)**	–
Exchange realignment	**(235)**	(1,884)
At the end of the year	**1**	29,959

12. FACTORING RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Factoring receivables	**–**	489,383
Interest receivables from factoring receivables	**–**	16,824
Less: impairment allowance	**–**	(337,894)
	–	168,313

At the end of the Reporting Year, the ageing analysis of factoring receivables, net of impairment allowance, based on the maturity dates of the contracts, is as follows:

	2024	2023
	HK$'000	*HK$'000*
0-30 days	**–**	–
31-90 days	**–**	–
91-365 days	**–**	–
Overdue	**–**	168,313
	–	168,313

The factoring receivables granted to customers are measured at amortised cost and generally for a period of 6 months to 3 years. The effective interest rates of factoring receivables as at 30 June 2023 ranged from 2.11% to 5.72% per annum.

The movements in impairment allowance on factoring receivables are as follows:

	2024	2023
	HK$'000	*HK$'000*
At the beginning of the year	**337,894**	26,663
Amounts recognised during the year, net	**–**	327,344
Amounts written off	**(335,246)**	–
Exchange realignment	**(2,648)**	(16,113)
At the end of the year	**–**	337,894

13. LEASE RECEIVABLES

	2024	**2023**
	HK$'000	*HK$'000*
Lease receivables from sale-leaseback transactions	**–**	18,179
Less: impairment allowance	**–**	(15,954)
	–	2,225

At the end of the Reporting Year, the ageing analysis of lease receivables from sale-leaseback transactions, net of impairment allowance, based on the maturity date of the contracts, is as follows:

	2024	2023
	HK$'000	*HK$'000*
0-30 days	**–**	–
31-90 days	**–**	–
91-365 days	**–**	–
Overdue	**–**	2,225
	–	2,225

All leases are denominated in RMB. Lease receivables from sale-leaseback transactions are measured at amortised cost and generally for periods of 3 years. The effective interest rate of the lease receivables from sale-leaseback transactions as at 30 June 2023 was 2.78% per annum.

The movements in impairment allowance on lease receivables from sale-leaseback transactions are as follows:

	2024	2023
	HK$'000	*HK$'000*
At the beginning of the year	**15,954**	3,343
Amounts recognised during the year, net	**–**	13,452
Amounts written off	**(15,829)**	–
Exchange realignment	**(125)**	(841)
At the end of the year	**–**	15,954

14. LOAN RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Loan receivables	**–**	1,500
Interest receivables from loan receivables	**–**	48
Less: impairment allowance	**–**	(1,117)
	–	431

At the end of the Reporting Year, the ageing analysis of loan receivables, net of impairment allowance, based on the maturity date in contracts, is as follows:

	2024	2023
	HK$'000	*HK$'000*
0–30 days	**–**	–
31–90 days	**–**	–
91–365 days	**–**	–
Overdue	**–**	431
	–	431

Loan receivables granted to customers are measured at amortised cost and generally for 12 months. The loan receivables were unsecured with an effective interest rate at 2.22% per annum as at 30 June 2023.

The movements in impairment allowance on loan receivables are as follows:

	2024	2023
	HK$'000	*HK$'000*
At the beginning of the year	**1,117**	20
Amounts recognised during the year, net	**–**	1,097
Amounts written off	**(1,117)**	–
At the end of the year	**–**	1,117

15. TRADE PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**22,751**	2,573

The following is an ageing analysis of trade payables presented on the basis of the dates of the invoices at the end of Reporting Year:

	2024	2023
	HK$'000	*HK$'000*
0–30 days	**19,689**	20
31–60 days	**63**	–
61–90 days	**101**	–
91–180 days	**365**	–
181–365 days	**–**	744
Over 1 year	**2,533**	1,809
	22,751	2,573

The average credit period ranged from 0-180 days.

16. SHARE CAPITAL

	Par value	Number of ordinary shares	Nominal value of ordinary shares
	HK$		*HK$'000*
Authorised:			
At 1 July 2022, 30 June 2023, 1 July 2023 and 30 June 2024	**0.002**	**5,000,000,000**	**10,000**
Issued and fully paid:			
At 1 July 2022	0.002	1,855,903,277	3,712
Placing of shares *(Note)*	**0.002**	**198,250,000**	**396**
At 30 June 2023, 1 July 2023 and 30 June 2024	**0.002**	**2,054,153,277**	**4,108**

Note:

On 30 December 2022, the Company entered into a placing agreement (the "**Placing Agreement**") with a placing agent pursuant to which the Company had conditionally agreed to place, through the placing agent on a best effort basis, up to 371,180,000 ordinary shares (the "**Placing Share(s)**") of the Company at a placing price of HK$0.073 per Placing Share to not less than six placees who are professional, institutional or other investors that are third parties independent of the Company and its connected persons. The Placing Shares were allotted and issued pursuant to the general mandate approved by the shareholders of the Company at the annual general meeting of the Company held on 2 December 2022. On 20 January 2023, a total of 198,250,000 Placing Shares were successfully placed and issued pursuant to the terms and conditions of the Placing Agreement.

17. EVENTS AFTER THE REPORTING PERIOD

There is no significant event affecting the Company that have occurred since the end of the Reporting Year.

EXTRACTS FROM THE INDEPENDENT AUDITOR'S REPORT

The below sections set out an extract of the report by the independent auditor of the Company (the "**Auditor**"), regarding the consolidated financial statements of the Group for the year ended 30 June 2024.

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion section" of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OPINION

A) MATERIAL UNCERTAINTIES RELATING TO GOING CONCERN

As described in note 3 to the consolidated financial statements, the Group reported a loss attributable to the owners of the Company of approximately HK$200,549,000 and operating cash outflow of approximately HK$3,610,000 for the financial year ended 30 June 2024. The Group's current liabilities exceeded its current assets by HK$48,130,000 and its total liabilities exceeded its total assets by HK$86,240,000 as at 30 June 2024 and, as of that date, the Group's cash and bank balances amounted to approximately HK$2,737,000 while the Group's current and non-current borrowings of approximately HK$10,449,000 and corporate bond of approximately HK$47,964,000. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have carried out a detailed review of the cash flow forecast of the Group for the next twelve months from the date of this report and have undertaken to carry out a number of measures to improve the Group's liquidity and financial position which are set out in note 3 to the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of the following measures, which are subject to multiple uncertainties, including (i) the Group can obtain additional sources of financing as and when needed; and (ii) the Group can successfully improve its operation to generate sufficient operating cash inflow. The consolidated financial statements do not include any adjustments that would result from the failure to obtain additional sources of financing to improve its financial positions, to provide liquidity and cash flows.

We consider that the going concern basis of preparation of the consolidated financial statements has been adequately disclosed in the consolidated financial statements, and we also consider that the material uncertainty relating to the Group's going concern has been adequately disclosed in the consolidated financial statements. However, in view of the extent of the multiple uncertainties relating to the maintaining of sufficient operation to generate operating cash inflow and the obtaining of additional sources of financing, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in note 3 to the consolidated financial statements, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their respective net realisable amounts, and to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

B) OPENING BALANCE AND CORRESPONDING FIGURES AND WRITE-OFF OF RECEIVABLES

The consolidated financial statements of the Company for the year ended 30 June 2023 were audited by other auditors (the "**Predecessor Auditors**"), who expressed a disclaimer opinion on 29 September 2023. The Predecessor Auditors were unable to satisfy themselves about the recoverability of factoring receivables, finance lease receivables and trade receivables at 30 June 2023. The carrying amount of factoring receivables, finance lease receivables and trade receivables amounted to approximately HK$168,313,000, HK$2,225,000 and HK$4,975,000 respectively as at 30 June 2023.

The Predecessor Auditors were unable to obtain sufficient appropriate audit evidence relating to the financial status of these debtors and lack of information to ascertain the uncertainty on the enforcement actions taken to recover the aforesaid balances, therefore the Predecessor Auditors were unable to assess the recoverability of the factoring receivables, finance lease receivables and trade receivables as at 30 June 2023, and unable to determine whether any adjustments to the impairment loss recognised during the year ended 30 June 2023 in respect of the factoring receivables, finance lease receivables and trade receivables were necessary, which might have a significant impact on the Group's financial position as at 30 June 2023, and its financial performance and the elements making up the consolidated statement of cash flows for the year ended 30 June 2023 and related disclosures in the consolidated financial statements.

The directors of the Company determined to write-off the factoring receivables, finance lease receivables and trade receivables, as there is no realistic prospect of recovery after taken into account: (a) an independent review of the possibility and viability of taking legal proceedings against all factoring debtors for recovering the outstanding debts, which was conducted by an independent professional law firm in the PRC indicating all factoring debtors were in financial difficulties; (b) no recovery from legal proceedings against the finance lease debtors since year 2022; and (c) the respective outstanding amounts of trade receivables are past due. The write-off of factoring receivables, finance lease receivables and trade receivables of HK$166,994,000, HK$2,208,000 and HK$4,936,000 respectively is recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024.

However, in view of the lack of information relating to the financial status for the factoring receivables, finance lease receivables and trade receivables, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves about those management judgment, assumptions and estimation techniques adopted in such impairment assessment for the factoring receivables, finance lease receivables and trade receivables that fully written off. Our opinion on the current period's consolidated financial statements is also disclaimed because of the possible effects of these matters on the comparability of the current period's figures and corresponding figures. The closing balances as at 30 June 2023 of these receivables of the Group are brought forward as the opening balances as at 1 July 2023 and hence entered into the determination of the financial performance and cashflows of the Group for the current year ended 30 June 2024. Any adjustments that might have been found to be necessary in respect of the above may have consequential significant effects on the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cashflows, and related disclosures in the notes to the consolidated financial statements for the year ended 30 June 2024. Accordingly, we were unable to determine whether adjustments might have been necessary in respect of the performance and cashflows of the Group reported in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the year ended 30 June 2024.

THE MANAGEMENT'S POSITION, VIEW AND ASSESSMENT ON THE DISCLAIMER OF OPINION AND ACTIONS TO BE TAKEN BY THE GROUP

The following sets for the management's position, view and assessment on the disclaimer of opinion and where appropriate, actions to be taken by the Group to address the disclaimer of opinion ("**Disclaimer of Opinion**") included in the auditor's report of Confucius International CPA Limited ("**Confucius**") in relation to the consolidated financial statements of the Group:

Basis A: Matters relating to material uncertainties relating to going concern

As described in note 3 to the consolidated financial statements, the Group reported a loss attributable to the owners of the Company of approximately HK$200,549,000 and operating cash outflow of approximately HK$3,610,000 for the financial year ended 30 June 2024. The Group's current liabilities exceeded its current assets by HK$48,130,000 and its total liabilities exceeded its total assets by HK$86,240,000 as at 30 June 2024 and, as of that date, the Group's cash and bank balances amounted to approximately HK$2,737,000 while the Group's current and non-current borrowings of approximately HK$10,449,000 and corporate bond of approximately HK$47,964,000. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. Although the directors of the Company have carried out a detailed review of the cash flow forecast of the Group for the next twelve months from the date of this report and have undertaken to carry out a number of measures to improve the Group's liquidity and financial position. However, in view of the extent of the multiple uncertainties relating to the maintaining of sufficient operation to generate operating cash inflow and the obtaining of additional sources of financing, Confucius disclaim their opinion in respect of the material uncertainty relating to the going concern basis.

The basis set out under Basis A giving rise to the Disclaimer of Opinion on the financial statements for the year ended 30 June 2024 ("**2023/24 Financial Statements**") was developed on should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in note 3 to the 2023/24 Financial Statements, it might not be able to operate as a going concern.

Having considered that based on the latest preliminary management account of the sales and distribution business of the Group, the total revenue for the sales and distribution business is satisfied. The expansion of sales and distribution business and growth in revenue mitigate the Group's liquidity pressure and improve its cash flow. Therefore, subject to the implementation of the fundraising activities, the directors of the Company believe the going concern Issue will be solved. In accordingly, such basis for the Disclaimer of Opinion on 2023/24 Financial Statements will be removed on the consolidated financial statements of the Company for the year ended 30 June 2025.

Basis B: Opening balances and corresponding figures and write-off

The predecessor auditors were unable to obtain sufficient appropriate audit evidence relating to the financial status of these debtors and lack of information to ascertain the uncertainty on the enforcement actions taken to recover the aforesaid balances, therefore the predecessor auditors were unable to assess the recoverability of the factoring receivables, finance lease receivables and trade receivables as at 30 June 2023, and unable to determine whether any adjustments to the impairment loss recognised during the year ended 30 June 2023 in respect of the factoring receivables, finance lease receivables and trade receivables were necessary, which might have a significant impact on the Group's financial position as at 30 June 2023, and its financial performance and the elements making up the consolidated statement of cash flows for the year ended 30 June 2023 and related disclosures in the consolidated financial statements. Although the directors of the Company determined to fully write-off the factoring receivables, finance lease receivables and trade receivables for the year ended 30 June 2024, after considered several factors, as there is no realistic prospect of recovery. However, in view of the lack of information relating to the financial status for the factoring receivables, finance lease receivables and trade receivables, Confucius was unable to obtain sufficient appropriate audit evidence to satisfy ourselves about those management judgment, assumptions and estimation techniques adopted in such impairment assessment for the factoring receivables, finance lease receivables and trade receivables that fully written off. As a result, Confucius disclaim their opinion in respect of the opening balances and corresponding figures and write-off.

The Company is of the view that, the matters which were the subject matters of the scope limitation referred to above no longer have possible effects on the figures presented in the consolidated statement of financial position of the Group as at 30 June 2024, and it shall not have carried forward effect to consolidated financial statements of the year ending 30 June 2025, except the effect of comparability of the relevant financial information presented as comparative figures, barring unforeseen circumstances which may arise after the date hereof over the relevant items, such basis set out under Basis B giving rise to the Disclaimer of Opinion on the 2023/24 Financial Statements will be removed in the consolidated financial statements of the Company for the year ended 30 June 2025.

Based on the above, the Company is of the view that it will be able to address the basis for the Disclaimer of Opinion expressed by Confucius on the 2023/24 Financial Statements, and the relevant basis for the Disclaimer of Opinion on the 2023/24 Financial Statements will be removed in the consolidated financial statements of the Company for the year ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

NOVA Group Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") are principally engaged in the operation of cultural and entertainment comprehensive services platform and provision of loan and financing services. The Group has discontinued its business in the organisation and sponsorship of exhibitions and events for the year ended 30 June 2023.

Revenue and segment results of the Group for the year ended 30 June 2024 (the "**Reporting Year**") and for the year ended 30 June 2023 (the "**Prior Year**" or "**2023**") are set out as follows:

	For the year ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
Revenue		
Exhibitions and events	**–**	–
Cultural and entertainment	**31,561**	9,918
Financing	**–**	31,301
	31,561	41,219
Segment loss from		
Exhibitions and events	**–**	(371)
Cultural and entertainment	**(25,001)**	(155,675)
Financing	**(170,667)**	(315,626)
	(195,668)	(471,672)

Exhibitions and Events Business

As reported in the annual report of the Company for the year ended 30 June 2023 ("**2022/23 Annual Report**"), we had discontinued operation of the exhibitions and events business segment, and hence no revenue from such business segment was recorded for the Reporting Year.

Cultural and Entertainment Business

During the Reporting Year, revenue from our cultural and entertainment business contributed to approximately HK$31.6 million, which represent 100.0% of the Group's revenue. The Group's revenue mainly comprised of approximately HK$13.1 million, or approximately 41.3% and HK$18.2 million, or approximately 57.5% from clubbing and entertainment operation and sales and distribution business respectively.

As disclosed in the 2022/23 Annual Report and the interim report of the Company for the six months ended 31 December 2023, the outbreak of the COVID-19 pandemic, coupled with the subsequent economics downturn in the People's Republic of China ("**PRC**"), has had a significant adverse impact on the Group's business. In response to these challenges, the Group launched a new income stream by opening a night club in Central, Hong Kong in November 2023 (the "**Clubbing and Entertainment Operation**"). The night club primarily targeting customers on entertainment and wine, and also holds various events designed to customers. However, due to the changed of consumer habits, the continued emigration of middle-to high-income individuals and the trend of consumption shifting north that generally faced by the Hong Kong catering and entertainment industry, the revenue of the Clubbing and Entertainment Operation was suffered and recorded loss-making position. In light of the weak performance of the Clubbing and Entertainment Operation, the Group has devoted tremendous management time and efforts on the Clubbing and Entertainment Operation with the hope to turnaround its performance. Despite various cost control measures and strategies have been implemented, no significant improvements were noted and the Group decided to cease operation in February 2025.

Taking into account the persistent financial losses of the Clubbing and Entertainment Operation, it was vital for the Group to reassess its business strategy concerning the Cultural and Entertainment Operation. Given that the liquor business is one of the Group's primary activities, after considering the policy developments favourable to the Chinese liquor industry, the growing influence of younger consumers on the Chinese liquor consumption, increasing international demand and strong cultural support for the Chinese liquor and leveraging Hong Kong's trade advantages as well as exhibitions and promotions activities, the Group has decided to redeploy its internal resources toward the sales and distribution of Chinese liquors, which commenced in May 2024 (the "**Sales and Distribution Business**").

The Sales and Distribution Business recorded a revenue of approximately HK$18.2 million and a profitable financial position from the commencement date to the year ended date 30 June 2024. The Sales and Distribution Business of the Group primarily involves the wholesale and retail of the Chinese liquors both oversea and/or in Hong Kong. The Group classifies (i) sales to merchants and other customers whose business operations involve the resale of the products as wholesale; and (ii) sales to corporate and individual customers who purchase the products for their own consumption or collection as retail.

The Group offers a diverse and extensive selection of Chinese liquors, effectively catering to both wholesale and retail customers. Its strategic partnership with the authorised distributors allows the Group to offer the famous Chinese liquors. In addition, as the exclusive general agent for a famous Chinese brandy in Hong Kong, the Group is well-positioned to capture growing segment of consumers interested in premium liquors. The products are sourced from renowned brand known for its superior quality and craftsmanship, making them highly appealing to both local and international consumers. This focus on quality and variety helps the Group differentiate itself in a competitive market.

In addition, the Group also benefits from an efficient operational framework and a robust distribution network. Therefore, the Group's ability to adapt to market trends and consumer behaviors is also a significant competitive strength. By staying attuned to industry developments and leveraging data analytics, the Group can identify emerging opportunities and tailor its offerings accordingly. This strategic vision positions the Group to capitalise on the growing global interest in Chinese liquors, particularly among younger consumers seeking authentic and premium experiences.

On the other hand, as disclosed in the 2022/23 Annual Report, the outbreak of the COVID-19 pandemic and the implementation of a four-month long lockdown in Shanghai in 2022 had curtailed almost all consumerist businesses thereat, thereby turning what was once a boom into a bust. Suffice to say, the subsequent economic downturn in the PRC has hit hard in many walks of trade, and our Group was no exception, in particular our cultural and entertainment, and financing businesses. In the meantime, the economic downturn in the PRC has yet to show any marked abatement, and, as such, our cultural and entertainment business had been continuously held back. Some of the Group's NOD Union members, customers in brand management and/or long-term relationship customers have either temporarily suspended or chosen to close down their operations. In spite of the revocation of the COVID-19 social distancing measures, the economic scars lasting from them have impacted consumer confidence by far, the continual lackluster consumerism did not have any positive impact on the Group during the Reporting Year. As a result, except for the revenue generated from the Clubbing and Entertainment Operation and Sales and Distribution Business, our revenue from other businesses in this business segment contributed an insignificant amount of approximately HK$0.3 million of the Group's revenue.

The cultural and entertainment comprehensive services platform is currently divided into the following components:

	For the year ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
Brand management	**73**	1,699
Promotion and consulting services	**–**	2,498
Trading of goods	**285**	5,721
Sales and distribution of goods	**18,153**	–
Club and entertainment business	**13,050**	–
	31,561	9,918

Financing Business

The financing business of the Group is divided into credit factoring, finance leasing and money lending. No revenue was generated from our financing business during the Reporting Year as compared to approximately HK$31.3 million for the Prior Year. For the recovery of the factoring receivables, finance lease receivables and loan receivables, please refer to the below section of "Impairment and amounts written off" for details.

Impairment and amounts written off

As disclosed in the 2022/23 Annual Report, the factoring receivables, finance lease receivables and loan receivables in relation to the financing business amounted to approximately HK$168.3 million, HK$2.2 million and HK$0.4 million, respectively, net of impairment allowances of approximately HK$337.9 million, HK$16.0 million and HK$1.1 million, respectively as at 30 June 2023, among which impairment allowances of approximately HK$327.3 million, HK$13.5 million and HK$1.1 million, respectively, were charged to profit or loss for the year ended 30 June 2023.

For the Reporting Year, the factoring receivables, finance lease receivables and loan receivables amounted to approximately HK$167.0 million, HK$2.2 million and HK$0.4 million, respectively net of impairment allowances of approximately HK$335.2 million, HK$15.9 million and HK$1.1 million, respectively as at 30 June 2024 which were fully written off and charged to profit or loss for the year ended 30 June 2024. The impairment allowances after exchange realignment of approximately HK$335.2 million, HK$15.9 million and HK$1.1 million, respectively brought forward from 30 June 2023 which were fully written off during the Reporting Year.

As disclosed in the 2022/23 Annual Report, the trade receivables amounted to approximately HK$5.0 million net of impairment allowances of approximately HK$30.0 million as at 30 June 2023, among which impairment allowances of approximately HK$17.6 million was charged to profit or loss for the year ended 30 June 2023.

For the Reporting Year, the trade receivables amounted to approximately HK$4.9 million net of impairment allowances of approximately HK$29.7 million as at 30 June 2024 which were fully written off and charged to profit or loss for the year ended 30 June 2024. The impairment allowances after exchange realignment of approximately HK$29.7 million brought forward from 30 June 2023 which was fully written off during the Reporting Year.

The deterioration of such impairment allowance recognised for the Prior Year was arising from the uncertainty of the recoverability of the factoring receivables, which was mainly due to the outbreak of the COVID-19 pandemic and the ensuing implementation of lockdown measures in Shanghai as previously mentioned in the 2022/23 Annual Report. Following the relaxation of travel measures in February 2023, it had not given the Group any positive impact or even a dust of vitality. In any event, we have no sense to predict whatever the momentum of the global economic downturn will be, how the businesses become worse resulting from this crisis, or how long it will take for the global market to recover. During the Reporting Year, we have tried to recover the debts in the best possible way and attempted to communicate with our customers in several ways, such as through site visits, sending out demand letters, and/or phone calls, as well as by consulting an independent law firm in the PRC about the possibility of taking legal action against our customers for the recovery of debts. Unfortunately, there was no significant progress on the recovery of debts.

During the Reporting Year, for the purpose to evaluate the recoverability of the outstanding debts from both legal and financial perspectives and whether the impairment of debtors to be made is appropriate, the Group has engaged a PRC legal adviser to conduct due diligence on the outstanding receivables (the "**Receivables**") with an aggregate outstanding amount of approximately RMB469 million which represented most of the Group's receivables before impairment allowances for the year ended 30 June 2024. This due diligence process includes desktop searches and site visits conducted by the PRC legal adviser.

Based on the opinion form the PRC legal adviser, it is noted that (i) the Receivables are no longer in operation; and (ii) regarding the financial positions of the Receivables, their respective shareholders and the debtors of the Receivables that are subject to various issues, including but not limited to high-limit restrictions, dishonored debtors, litigation, seizure and freezing of assets, outstanding tax payments, and registered and paid-in capital that is too low relative to the scale of the factoring fund. The PRC legal adviser has advised that litigation costs of taking legal proceedings against the Receivables for recovering the outstanding debts far exceed the actual benefits gained from the lawsuit. In addition, the PRC legal adviser also stated that the recovery rate for debts overdue by more than three years seemed to be remote, according to research and operational conditions of the PRC companies involved in the disposal of non-performing assets.

After taking into account of the legal opinion provided by the PRC legal adviser, the Group believes that it is reasonable for the Group to impair the Receivables and there is a high possibility of encountering the dilemma of winning the lawsuit but facing difficulties in enforcement if the Company chooses to pursue recovery through legal actions, given (a) the Receivables being out of operation; (b) most of the Receivables having poor financial conditions based on latest information available, resulting in a loss of repayment ability; (c) shareholders of the Receivables being heavily indebted; and (d) shareholders of the Receivables being liable only to the extent of the registered capital, which is below RMB 1 million.

After considering the aftermath impact of COVID-19 pandemic on the macroeconomic environment and the legal opinion provided by the PRC legal adviser, the board of directors of the Company believes it is reasonable for the Group to fully write off the long outstanding factoring receivables, finance lease receivables, loan receivables and trade receivables for the year ended 30 June 2024.

FINANCIAL REVIEW

During the Reporting Year, the Group had recorded approximately HK$31.6 million in revenue, representing a decrease of approximately 23.4% as compared with that in the Prior Year of approximately HK$41.2 million. Operating loss from continuing operations for the Reporting Year was approximately HK$204.5 million as compared with an operating loss from continuing operations of approximately HK$486.1 million for the Prior Year. Net loss for the Reporting Year was approximately HK$210.0 million, representing an decrease of approximately 58.5% as compared with the net loss in the Prior Year of approximately HK$506.5 million. The decrease in net loss was mainly attributable to (i) decrease in recognition of impairment losses under expected credit loss model and write-off of receivable in Reporting Year, net of reversal of approximately of HK$174.6 million compared to Prior Year, approximately HK$359.5 million; and (ii) no recognition of impairment losses on goodwill in the Reporting Year compared to approximately HK$129.0 million was recognised in the Prior Year.

The following table sets forth a summary of the performance of the Group for the Reporting Year with comparative figures for the Prior Year as follows:

	For the year ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
		(Restated)
Revenue	**31,561**	41,219
Gross profit	**9,783**	35,591
Operating loss	**(204,503)**	(486,091)
Operating loss margin (%)	**(647.96%)**	(1,179.29%)
Net loss on financial assets at FVTPL	**–**	(830)
Impairment loss on goodwill	**–**	(129,032)
Impairment loss on property, plant and equipment	**(6,043)**	–
Impairment loss on right-of-use assets	**(5,162)**	(970)
Impairment loss on intangible assets	**–**	(730)
Provision for impairment losses under ECL model and write-off of receivable, net of reversal	**(174,570)**	(359,493)
Loss for the year	**(210,038)**	(506,497)

Revenue

The revenue had decreased by approximately HK$9.6 million, or approximately 23.4%, from approximately HK$41.2 million for the Prior Year to approximately HK$31.6 million for the Reporting Year. The decrease was mainly the result of no revenue was recognised from the financing segment in the Reporting Year, compared to approximately HK$31.3 million in the Prior Year.

Other Gains and Losses

The other losses had decreased by approximately HK$2.1 million, or approximately 56.68%, from net other losses of approximately HK$3.6 million for the Prior Year to net other losses of approximately HK$1.5 million for the Reporting Year.

Impairment Loss on Goodwill

The Group had not recognised impairment loss on goodwill in the Reporting Year. During the Prior Year, the Group recognised impairment loss on goodwill of approximately HK$129.03 million, of which approximately HK$126.51 million was for Cheer Sino Group cash-generating unit ("**CGU(s)**"), approximately HK$2.09 million was for Fortune Selection Group CGU, approximately HK$0.33 million and approximately HK$0.10 million were for CIS CGU and Hanahal CGU, respectively.

Provision for Impairment Losses under ECL Model and Write-off of Receivable, Net of Reversal

During the Reporting Year, the Group recognised impairment losses under expected credit loss ("**ECL**") model and write-off of receivable, net of reversal of approximately HK$174.6million. The impairment assessment under ECL model is performed individually or based on a provision matrix. The credit risk has increased significantly as there is a higher risk that a prolonged pandemic could lead to increased credit default rates. However, such credit default rates had not dropped after relaxation of social distancing measures as our customers are still suffering from ripple effect of the COVID-19 pandemic. In particular, enterprises, shops and restaurants remain adversely impacted resulting in temporary suspension or even close-down of their operations. The ECLs are estimated based on the probability of default and loss given default and are adjusted for forward-looking information that is reasonable and supportable available without undue costs or effort.

Selling and Administrative Expenses

The Group's selling expenses had decreased by approximately 65.8%, from approximately HK$5.2 million for the Prior Year to approximately HK$1.8 million for the Reporting Year. Such decrease was primarily affected by the decrease in revenue.

The Group's administrative expenses for the Reporting Year had increased to approximately HK$25.6 million (2023: approximately HK$23.7 million).

Operating Loss from Continuing Operations and Operating Loss Margin

As a result of the foregoing, the Group's operating loss from continuing operations for the Reporting Year was approximately HK$204.5 million, as compared with an operating loss from continuing operations of approximately HK$486.1 million for the Prior Year. The Group had an operating loss margin of approximately 647.96% for the Reporting Year, as compared with an operating loss margin of approximately 1,179.29% for the Prior Year. The significant decrease in operating loss was mainly due to the decrease in impairment loss on goodwill and impairment losses under ECL model and write-off of receivable, net of reversal led after considering the recoverability of the outstanding receivable.

Finance Costs

The Group's finance costs had increased by approximately HK$1.4 million, or approximately 35.5%, from approximately HK$4.0 million for the Prior Year to approximately HK$5.4 million for the Reporting Year.

Loss for the Year Attributable to the Owners of the Company

The Group's loss for the year attributable to the owners of the Company had decreased by approximately HK$305.9 million, from approximately HK$506.5 million for the Prior Year to approximately HK$200.5 million for the Reporting Year.

SIGNIFICANT INVESTMENTS

Save as disclosed in this announcement, the Group did not hold any significant investments during the Reporting Year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL RESOURCES

As at 30 June 2024, the Group's total current assets and current liabilities were approximately HK$26.5 million (2023: approximately HK$182.9 million) and approximately HK$74.7 million (2023: approximately HK$58.1 million), respectively, while the current ratio was about 0.36 times (2023: about 3.15 times).

As at 30 June 2024, the Group maintained cash and bank balances of approximately HK$2.7 million (2023: approximately HK$2.4 million). The cash and bank balances of the Group as at 30 June 2024 were mainly denominated in Hong Kong dollars ("**HK$**") and Renminbi ("**RMB**").

Contingent Liabilities

As at 30 June 2024 and 2023, the Group did not have any material contingent liabilities.

Capital Commitments

As at 30 June 2024 and 2023, the Group had no material capital commitments contracted but not provided for.

Capital Structure

As at 30 June 2024, the Company's issued share capital was approximately HK$4.11 million (2023: approximately HK$4.11 million) with 2,054,153,277 (2023: 2,054,153,277) ordinary shares of HK$0.002 each in issue.

Borrowing and Corporate Bonds

In the foreseeable future, the Group expects to fund its capital expenditures, working capital and other capital requirements from the internal resources and other financing means which the Company may from time to time consider appropriate. As at 30 June 2024, the Group's borrowing and corporate bonds were approximately HK$58.4 million (2023: approximately HK$43.9 million).

	As at 30 June	
	2024	2023
	HK$'000	*HK$'000*
Borrowing and corporate bonds		
Within 1 year	**20,574**	43,906
Over 1 year and within 5 years	**37,839**	–
Total	**58,413**	43,906

The Group manages its capital to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders of the Company through maintaining the equity and debt in a balanced position.

As at 30 June 2023, the corporate bonds of approximately HK$48.0 million were unsecured and fixed rate interest bearing debt securities.

The gearing ratio is the ratio of total debt divided by total assets. As at 30 June 2024, the gearing ratio was approximately 197.35% (2023: approximately 23.98%).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 30 June 2024.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures during the Reporting Year.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the Reporting Year (2023: Nil).

EVENT AFTER THE REPORTING YEAR

The Group has no significant event after the end of the Reporting Year up to the date of this announcement.

FUTURE PLANS AND PROSPECTS

The past few years after the COVID-19 were so eventful that most enterprises experienced unprecedented challenges. Multiple unexpected factors gave rise to a tough time for the Group to keep a stable development and its normal operations. Although the COVID-19 pandemic has subsided and both the PRC and Hong Kong governments have relaxed anti-pandemic measures, it still takes time for businesses to resume under the sluggish global economy.

Faced with such market pressures and challenges, the Group constantly reviews and consolidates insights. We understand that remaining stagnant would only lag itself behind its peers. Therefore, after prudent consideration, the Group and its management decided to cease its Clubbing and Entertainment Operation in order to allocate its resources more efficiently on existing and potential business projects. Going forward, the Group will continue strengthen its Sales and Distribution Business in a proactive manner, the Group is confident that its strategic initiatives will not only enhance its market position but also contribute significantly to long-term growth and profitability. We will also consider various ways to enhance our strength with an aim to improve the overall performance.

The Group and its management recognise the importance of diversity of income streams under the adverse market condition. Except for seeking various channels for fund raising, the Group will prudently monitor the potential business opportunities and make full use of our existing resources to strive for more diversified business opportunities, so as to diversify our business risk and income stream as well as to maximise shareholders' value as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, there was no other equity fund raising activity of the Company during the last 12 months prior to the date of this announcement:

Date of announcements	Fund raising activity	Approximate net proceeds	Intended use of proceeds	Actual use of proceeds
30 December 2022 and 20 January 2023	Placing of ordinary shares (the "**Placing**")	HK$13.50 million	(i) Approximately 22.22% towards the repayment of debts of the Group; (ii) Approximately 18.52% towards potential investments when opportunities arise; and (iii) Remaining amount towards replenishment of working capital of the Group to support its business operations	Fully used as intended

During the Reporting Year, with view to bringing in additional capital to the Company and strengthening the cash flow position of the Group, a total of 198,250,000 ordinary shares of the Company have been issued under general mandate through a placing agent to not less than six independent placees at HK$0.073 per placing share (net price per placing share: approximately HK$0.068; closing price of shares on 30 December 2022: HK$0.09 per share) pursuant to the terms and conditions of the placing agreement dated 30 December 2022. For other details of the Placing, please refer to the announcements of the Company respectively dated 30 December 2022 and 20 January 2023.

FOREIGN EXCHANGE EXPOSURE

The Group manages or operates its business in Hong Kong and the PRC and is exposed to foreign exchange risk arising financial instruments for hedging purpose.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had a total of 20 full-time employees in Hong Kong and the PRC (2023: 23 full-time employees). The remuneration payable to its employees included salaries, discretionary bonus and commissions. Remuneration packages were generally structured according to market situations and individual performance. Apart from the mandatory provident fund and statutory retirement benefits, the Group also provided medical benefits and trainings to its employees. The Company has also adopted a share option scheme as incentive to eligible employees.

Furthermore, the remuneration committee of the Board will review and give recommendations to the Board as to the remuneration packages of the Directors and senior management of the Group with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management of the Group.

The total remuneration paid to employees, including the Directors, for the Reporting Year was approximately HK$12.4 million (2023: approximately HK$13.2 million). Remuneration was determined with reference to market terms and the performance, qualification and experience of each individual employee.

CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and adopted all code provisions, where applicable, as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance.

The Company reviews its corporate governance practices regularly to ensure compliance with the CG Code. During the Reporting Year, the Company has applied the principles and complied with all applicable code provisions as set out in the CG Code except for the following deviations:

- Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The chairman provides leadership for the board and ensures that the board works effectively and performs its responsibilities whilst the chief executive officer has overall chief executive responsibilities for business development and day-to-day management generally.

- Ms. Woo Lan Ying was appointed as the chairman of the Board (the "**Chairman**") on 9 January 2025. During the Reporting Year, the Company does not have any officer with the title "**Chief Executive Officer**", but such duties are shared by the members of the Board. In addition, under the supervision of the Board which is comprised of three executive Directors and three independent non-executive Directors, the Board is appropriately structured with a balance of power to provide sufficient checks and supervision to protect the interests of the Company and its shareholders. The Company may seek to re-comply with code provision C.2.1 by identifying and appointing a suitable and qualified candidate to the position of the CEO in due course by considering the business needs and developments of the Group.

Except for the above deviation from the CG Code, the Board is of the view that the Company has complied with the CG Code for the Reporting Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the Directors. In response to the specific enquiries made by the Company, each of the Directors confirmed that he/she had complied with the Model Code during the Reporting Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the Reporting Year.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Board (the "**Audit Committee**") comprises three independent non-executive Directors, namely Mr. Tsang Wing Ki (chairman), Dr. Wong Kong Tin, *JP* and Mr. To Chun Wai. The Audit Committee has reviewed, with the management and the Auditor, the annual results of the Group for the Reporting Year.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT

This announcement is published on the website of the Company at www.novahldg.com and the website of the Stock Exchange at www.hkexnews.hk.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 3 October 2023 and will remain suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
NOVA Group Holdings Limited
Woo Lan Ying
Chairman and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Ms. Woo Lan Ying, Mr. Deng Zhonglin and Mr. Wong Ka Shing as executive Directors; and Mr. Tsang Wing Ki, Dr. Wong Kong Tin, JP and Mr. To Chun Wai as independent non-executive Directors.