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NOVA Group Holdings Limited

諾發集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1360)

(1) RESUMPTION GUIDANCE; (2) QUARTERLY UPDATE ON RESUMPTION PROGRESS; AND (3) CONTINUED SUSPENSION OF TRADING

This announcement is made by NOVA Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the annual results announcement of the Company for the year ended 30 June 2023 published on 29 September 2023 (the “**2023 Annual Results Announcement**”); (ii) the annual report of the Company for the year ended 30 June 2023 published on 31 October 2023 (the “**2023 Annual Report**”); (iii) the announcement of the Company dated 3 October 2023 in relation to the trading suspension of the Company’s shares on the Stock Exchange under Rule 13.50A of the Listing Rules; (iv) the announcement of the Company dated 19 December 2023 in relation to, among others, the resumption guidance issued to the Company by the Stock Exchange (the “**Initial Resumption Guidance**”); (v) the announcements of the Company in relation to, among others, quarterly update on resumption progress dated 2 January 2024, 2 April 2024, 2 July 2024, 14 October 2024 and 3 January 2025 respectively; (vi) the announcements of the Company dated 2 April 2024 and 11 February 2025 in relation to, among others, the additional resumption guidance issued to the Company by the Stock Exchange (together with the Initial Resumption Guidance, the “**Resumption Guidance**”); and (vii) the annual results announcement of the Company for the year ended 30 June 2024 published on 28 March 2024 (the “**2024 Annual Results Announcement**”) (collectively, the “**Announcements**”). Terms used in this announcement shall have the same respective meanings as those defined in the Announcements unless otherwise stated.

BUSINESS OPERATIONS

The Company is an investment holding company and the Group is principally engaged in the operation of cultural and entertainment comprehensive services platform and provision of loan and financing services.

As disclosed in the 2023 Annual Report, the outbreak of the COVID-19 pandemic and the implementation of a four-month long lock-down in Shanghai in 2022 had curtailed almost all consumerist businesses thereat, thus turning what was once a boom into a bust. Suffice it to say, the subsequent economic downturn in the PRC has hit hard in many walks of trade and the Group is no exception, in particular its loan business. In the meantime, the economic downturn in the PRC has yet to show any marked abatement and, as such, the Group's cultural and entertainment businesses are continually being 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 it have impacted consumer confidence by far. Even though the lockdown is now over, the continual lackluster consumerism did not bring any positive impact to the Group during the second half of 2023. The Group reckons that it is going to take time to make consumption habits finally rekindle themselves.

In November 2023, the Group, in tandem with HKSARG's endeavour to revive the local consumerist economy, commenced new clubbing operations in Central, Hong Kong, targeting customers on entertainment and wine. As disclosed in the 2024 Annual Results Announcement, 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.

As further disclosed in the 2024 Annual Results Announcement, 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 clubbing 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.

Save as disclosed in this announcement, the Group is carrying on its business operations as usual in all material respects notwithstanding the suspension of trading in the shares of the Company.

UPDATE ON RESUMPTION PROGRESS

As disclosed in the 2023 Annual Results Announcement and the 2023 Annual Report, the Independent Auditor did not express an opinion on the consolidated financial statements of the Group for the year ended 30 June 2023 (“**2023 Disclaimer of Opinion**”). The basis for the 2023 Disclaimer of Opinion being (a) Material Uncertainties Relating to Going Concern; (b) Recoverability of Factoring Receivables, Finance Lease Receivables and Trade Receivables; and (c) Receipts from Several Independent Third Parties, the details of which are set out on pages 144 to 150 of the 2023 Annual Report.

As disclosed in the 2024 Annual Results Announcement, the Independent Auditor did not express an opinion on the consolidated financial statements of the Group for the year ended 30 June 2024 (“**2024 Disclaimer of Opinion**”). The basis for the 2024 Disclaimer of Opinion being (a) Material Uncertainties Relating to Going Concern; and (b) opening balances and corresponding figures and write-off of Factoring Receivables, Finance Lease Receivables and Trade Receivables, the details of which are set out on pages 28 to 31 of the 2024 Annual Results Announcement.

As set out under the Resumption Guidance, the Company shall (i) address the issues giving rise to the Disclaimer of Opinion, provide comfort that the Disclaimer of Opinion would no longer be required and disclose sufficient information to enable investors to make an informed assessment of its financial positions as required under Rule 13.50A of the Listing Rules; (ii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules; and (iii) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position; (iv) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules; and (v) re-comply with Rule 13.92 of the Listing Rules.

With respect to the above, the Company wishes to provide updates as follows:

- (a) the Company is of the view that it has provided legal opinions as supporting documents to address the concerns expressed by Independent Auditor on the financial statements for the year ended 30 June 2024, 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, the details of which are set out on pages 32 to 34 of the 2024 Annual Results Announcement;
- (b) the Company has engaged BTCGL as an independent professional firm for conducting an independent internal control review. The Company has been working closely with BTCGL since its engagement, and as at the date of this announcement, its review work has yet been completed. The expected timeframe to announce the results of the independent internal control review and the remedial actions that need to be taken by the Company is subject to further assessment by the Board, to which the Board will endeavour to do as soon as practicable;
- (c) the Company was successful in identifying a suitable candidate for the Company so as to fulfil and satisfy the requirement under Rule 13.92 of the Listing Rules regarding the diversity of Board members in respect of gender in January 2025. Details of the appointment of the Director are set out in the announcement of the Company dated 9 January 2025;
- (d) the Company is in the process of preparing the interim result for the six months ended 31 December 2024, which will be published as soon as practicable; and
- (e) the Group commenced the Sales and Distribution Business in May 2024, and the Board believes this business will demonstrate the Company's compliance with Rule 13.24 of the Listing Rules. The Company will make further announcement(s) as and when appropriate and as required by the Listing Rules.

The Board will use its best endeavours to publish all outstanding financial results required under the Listing Rules as soon as possible. The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status and development of the Company as and when appropriate, as well as announce quarterly updates pursuant to Rule 13.24A of the Listing Rules.

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

Hong Kong, 3 April 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.