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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) DECISION OF THE LISTING COMMITTEE ON
CANCELLATION OF LISTING;
(2) RIGHT OF REVIEW AND REVIEW REQUEST OF THE
DECISION; 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; (ii) the annual report of the Company for the year ended 30 June 2023 published on 31 October 2023; (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; (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, 3 January 2025 and 3 April 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; and (vii) the annual results announcement of the Company for the year ended 30 June 2024 published on 28 March 2024 (collectively, the “**Announcements**”). Terms used in this announcement shall have the same respective meanings as those defined in the Announcements unless otherwise stated.

(1) DECISION OF THE LISTING COMMITTEE

On 11 April 2025, the Company received a letter (the “**Letter**”) from the Stock Exchange stating that the Listing Committee of the Stock Exchange (the “**Listing Committee**”) has decided to cancel the Company’s listing under Rule 6.01A(1) of the Listing Rules (the “**LC Decision**”).

The Listing Committee arrived at its decision for the following reasons:

1. Trading the Company’s shares has been suspended since 3 October 2023. Under Rule 6.01A(1) of the Listing Rules, the Company must resume trading by 2 April 2025, failing which the Stock Exchange has the right to delist it.
2. However, by the resumption deadline and to date, the Company had not demonstrated its fulfilment of all the resumption guidance and trading in the Company’s shares had remained suspended. Hence, the Stock Exchange was entitled to delist the Company under Rule 6.01A(1) of the Listing Rule. The Listing Committee’s analysis is set out below.

RG 2 — publish all outstanding financial results

3. The Company had not published the FY2024/25 Interim Results.

RG 4 — internal control review

4. The Company had not completed the internal control review.

RG 3 — demonstrate the Company’s compliance with Rule 13.24

5. For the following reasons, the Listing Committee did not consider that the Company had demonstrated sufficiency of operations and assets in compliance with Rule 13.24:

On operations

6. Before trading suspension, the Company was engaged in (i) the Financing Business and (ii) the Cultural and Entertainment Business. For the Financing Business, this segment did not generate any revenue during FY2023/24 with all receivables written-off as at 30 June 2024. For the Cultural and Entertainment Business, revenue generated from offering brand management, promotion and consultancy services as well as supply of wine had downsized to HK\$0.3 million for FY2023/24 after the suspension and closure of businesses by the NOD Union Platform members. There were currently no members in the platform. As a result, the Group’s original businesses had been substantially downsized and/or ceased.

7. During the remedial period, the Company commenced the Clubbing Business in November 2023, by operating one night club in Central. The night club was closed in February 2025 and the Clubbing Business was discontinued since then.
8. Now, the Company relied on the Chinese Liquors Trading Business, which was newly commenced in May 2024, to demonstrate its compliance with Rule 13.24. The Company asserted the revenue for the Chinese Liquors Trading Business for the ten months ended 28 February 2025. However, there were limited details of how the revenue was generated, the cost and profitability. Based on the forecasted profit margin submitted by the Company, even if it achieved, the gross profit did not appear to be sufficient to cover the operating expenses and finance cost recorded in the past few years.
9. In any case, for the following reasons, the Listing Committee did not consider that the Chinese Liquors Trading Business was a business to be of substance, viable and sustainable:

9.1 The Chinese Liquors Trading Business was commenced in May 2024 with a short track record of less than 1 year. The Listing Committee did not agree with the Company's view that the Chinese Liquors Trading Business was an expansion of the Wine Trading Business having noted that their business models were substantially different:

- The product type was different: the historical Wine Trading Business only traded wine and liquors. Under the Chinese Liquors Trading Business, the product focus had been shifted to Chinese liquors, which was a new type of liquors that had not been sold under the Wine Trading Business.
- The target customer was different: under the Wine Trading Business, customers were the NOD Union Platform members, including the nightclubs, bars and lounges, and the entertainment stores in the PRC. Under the Chinese Liquors Trading Business, the target customers were wholesale merchants and retail customers, which were the trading companies primarily based in Hong Kong and Singapore.

Hence, the Listing Committee considered the Chinese Liquors Trading Business was not an expansion or continuation of the historical Wine Trading Business but rather had a short operating history.

- 9.2 The Company's suppliers and customers were new and the base was small and highly concentrated. It had a limited number of suppliers and customers. The Company did not enter into any long-term supply contracts with the suppliers and the top 3 largest customers accounted for approximately 70% of the total sales. Given the small base and short relationship, it was questionable whether Company was able to ensure stable source of Chinese liquors from the suppliers and sufficient demand from the customers to sustain the business going forward.
- 9.3 It was noted that the Group currently only sourced Chinese liquors from suppliers to customers directly. Although it claimed to have provided bonded warehousing service and shipment services, the Listing Committee noted that majority of its suppliers and customers were distributors and trading companies in Hong Kong which normally did not require such services. The asserted value-added services provided by the Group were limited. Coupled with the fact that the Company was not an exclusive agent for Baijiu, the major product of the Group, it was questionable how it could sustain customer demand and the profit margin in the long run.
- 9.4 The Company had not provided details of the basis and assumption of its profit forecast. It was questionable whether the profit forecast was credible:
- The forecasted revenue was not supported by signed contracts or supportable customer demand. In particular, the Company only entered into a cooperation agreement for the supply of Koya-brandy in March 2025. It was unclear whether the Company had entered into any customer orders for Koya-brandy. The forecasted revenue and the profit margin of Koya-brandy were not supported and merely the management's estimation.
 - The forecasted profit was minimal and was arrived after substantially curtailment of the forecasted operating expenses. The forecasted selling and administrative expenses and finance costs in FY2024/25 and FY2025/26 were significantly lower than the corresponding expenses in FY2023/24. Devoid of concrete details on the forecast basis, it was also unclear whether the forecasted administrative expenses in FY2024/25 and FY2025/26 were sufficient to cover all the corporate expenses including warehouse rental, salary, director's remuneration and professional fees. It was questionable whether the forecasted profitability, albeit minimal, was credible.

In any case, given the short operating history and lack of an established business model, it was uncertain whether the Company could secure sufficient customers to generate sufficient revenue and to cover its corporate expenses and finance cost in order to sustain the business.

On assets

10. Given the matters set out in paragraphs 6 to 9 above, the Company failed to demonstrate it had sufficient assets to support the operation of a viable and sustainable business. In addition, the following factors also suggested the Company might have not sufficient assets to meet its payment obligations:

10.1 as at 30 June 2024, the Company recorded net current liabilities of HK\$48.1 million and net liabilities of HK\$86.2 million with cash of HK\$2.7 million only.

10.2 the Company's plans to reduce liability and raise capital were preliminary and devoid of concrete details. The Company had not signed any agreement with bondholders on the settlement terms. It was also unclear whether the Company had identified the investees and negotiated the proposed fundraising terms.

10.3 under the existing business model of the Chinese Liquors Trading Business, the Company had to first pay to the supplier for purchasing Chinese liquors prior to collecting any payments from customers. It was unclear whether the Company would possess sufficient working capital to support its operation.

11. Therefore, the Listing Committee was not satisfied that the Company had sufficient assets to meet Rule 13.24.

RG 6 — disclose material information

12. Fulfilment of this resumption guidance was to be assessed after the Company had met all the other resumption guidance. For the reasons mentioned above, this resumption guidance had not been fulfilled.

(2) RIGHT OF REVIEW AND REVIEW REQUEST OF THE DECISION

Under Chapter 2B of the Listing Rules, the Company has the right to have the LC Decision referred to the Listing Review Committee of the Stock Exchange (the “**Listing Review Committee**”) for review within seven business days of the issue of the LC Decision (i.e. 24 April 2025) (the “**LRC Review**”). It is indicated in the Letter that unless the Company applies for the LRC Review, the last day of listing of the shares of the Company will be on 29 April 2025 and the listing of the shares of the Company will be cancelled with effect from 9:00 a.m. on 30 April 2025.

On 24 April 2025, the Company made a request for the review of the LC Decision by the Listing Review Committee.

(3) 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, 24 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.