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NOVO GROUP LTD.
新源控股有限公司*
(Incorporated in Singapore with limited liability)
(Company Registration No. 198902648H)
Hong Kong Stock Code: 1048
Singapore Stock Code: MR8

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is a reproduction of the announcement made by Novo Group Ltd. (the “**Company**”) for compliance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Please refer to the attached announcement on the next page issued on the Singapore Exchange Securities Trading Limited on 17 March 2015.

By order of the Board
Novo Group Ltd.
Yu Wing Keung, Dicky
Executive Chairman

Hong Kong, 17 March 2015

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Yu Wing Keung, Dicky, Mr. Chow Kin Wa, Mr. Chow Kin San and three independent non-executive Directors, being Mr. Tang Chi Loong, Mr. Foo Teck Leong and Mr. Tse To Chung, Lawrence.

* *For identification purpose only*

NOVO GROUP LTD.

(Company Registration No. 198902648H)
(Incorporated in Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

Novo Group Ltd. (the “**Company**”, and, together with its subsidiaries, the “**Group**”) was placed on the Watch-List (the “**Watch-List**”) pursuant to Rule 1311 of the Listing Manual (the “**Listing Manual**”) of the SGX-ST on 3 September 2014.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “**Board**”) wishes to provide the following quarterly update:

Update on Financial Position

Please refer to the unaudited result announcement of the Company for the third quarter ended 31 January 2015 (“**3QFY2015**”) released on 17 March 2015 for full details.

Material Development and Future Direction

The Group’s revenue decreased by approximately 18.1% from approximately US\$83.3 million for the third quarter ended 31 January 2014 (“**3QFY2014**”) to approximately US\$68.2 million for 3QFY2015.

The Group’s gross profit for 3QFY2015 amounted to approximately US\$4.2 million, representing an increase of approximately 96.0% as compared with approximately US\$2.1 million in 3QFY2014. The Group’s gross profit margin increased from approximately 2.6% in 3QFY2014 to approximately 6.2% in 3QFY2015.

The tinsplate manufacturing plant in Jiangsu has stabilised production quality. Throughout the years, the Group has successfully widened business base to include food and beverage corporations in China and overseas markets, and customer base includes certain world-renowned packaging corporations from Europe, Middle East, South East Asia, South America and North America, in particular, the Group has established a positive reputation among metal packaging suppliers. In the long run, the Group will endeavor to:

- ✧ place a considerable emphasis on developing business opportunities in the said potentially growing markets;
- ✧ implement cost reduction program and adjust product profile in order to keep evolving along with the market; and
- ✧ improve profit margins and revenue contribution with a view to achieve long term sustainable and competitive advantage of the Group.

The Group is aware of the deadline given by the SGX-ST for its removal from the Watch-List.

BY ORDER OF THE BOARD

Yu Wing Keung, Dicky
Executive Chairman

17 March 2015