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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 10 August 2015.

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

Hong Kong, 10 August 2015

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Yu Wing Keung, Dicky and Mr. Chow Kin Wa 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.

Registration No. 198902648H

Incorporated in the Republic of Singapore

REPLY TO SGX QUERY

In response to query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") in its email dated 5 August 2015, the Board of Directors of Novo Group Ltd. (the "Company" and together with its subsidiaries, the "Group") would like to provide the following disclosures:-

SGX's Query:-

We refer to the above and the Company's announcement of the Auditors' Report with a disclaimer of audit opinion of 31 July 2015. In this regard, the Company is required to disclose the following information in a clarification announcement via SGXNet as soon as practicable:

- a. the Board's confirmation on (i) whether all material disclosures have been provided for the trading of the Company's securities to continue in an orderly manner, and (ii) the basis for its views.

The Company's responses are as follows:-

In relation to the announcements dated 31 July 2015, the Board considers all material disclosures have been properly provided for the trading of the Company's securities to continue in an orderly manner pursuant to the Listing Manual of the SGX-ST.

The Board forms the basis of its opinion on grounds that the Management has confirmed that all material matters have been updated with the Board and the Board has also been in constant discussion with the external auditor who have disclosed the basis of their disclaimer of opinion of the accounts which have been announced. Accordingly, it is disclosed:

Suspension of a subsidiary:

It was disclosed in the Company's announcement dated 29 June 2015, Novowell ETP Limited's tinplate production has been suspended temporarily to consolidate and restructure the core product items in order to tailor for key targeted markets in South East Asia, especially Malaysia, Thailand and Philippines.

It was further disclosed on Page 13 of the Company's annual report, during the financial year ended 30 April 2015, the operations at the tinplate manufacturing plant in Jiangsu, the Republic of China has been suspended for the purposes of obtaining additional funding as well as to consolidate our product mix for the metal packaging assembly line.

Breach of financial covenants:

As was disclosed on Page 116 of the Company's annual report, the Company's bank loans are subject to covenant clauses, whereby the Group is required to meet certain key financial ratios. The Group breached the financial covenants to maintain the required minimum consolidated net worth and minimum consolidated current assets to current liabilities ratio.

As disclosed on Page 117 of the Company's annual report, the Group also defaulted on the repayment of working capital loans amounting to US\$7,854,000 on the respective due dates. The balances of these defaulted working capital loans remaining outstanding as at 30 April 2015 amounted to US\$6,542,683 and are presented as current liabilities as at 30 April 2015. Subsequent to the end of the reporting period, working capital loans of US\$3,271,342 have been repaid and the remaining balance of US\$3,271,341 are still outstanding.

Subsequent to the end of the reporting period, the Group obtained the banks' waivers in relation to the breach of financial covenants for the financial year ended 30 April 2015. The bank has also agreed not to demand immediate payment.

BY ORDER OF THE BOARD

Yu Wing Keung, Dicky
Executive Chairman
10 August 2015