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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 14 December 2015.

By order of the Board
Novo Group Ltd.
Zhu Jun
Executive Chairman

Hong Kong, 14 December 2015

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Zhu Jun, Mr. Chow Kin Wa and Ms. Wang Jianqiao and three independent non-executive Directors, being Mr. Tang Chi Loong, Mr. Foo Teck Leong and Mr. William Robert Majcher.

* *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 Singapore Exchange Securities Trading Limited (“**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 and Major Corporate Events

Please refer to the unaudited result announcement of the Company for the six months ended 31 October 2015 (“**1HFY2016**”) released on 14 December 2015 for full details.

Material Development and Future Direction

The Group’s revenue decreased by approximately 56.9% from approximately US\$158.5 million for the six months ended 31 October 2014 (“**1HFY2015**”) to approximately US\$68.3 million for 1HFY2016. The revenue drop was due to tinplate manufacture being not resumed yet.

The Group’s gross profit was approximately US\$576,000 for 1HFY2016 as compared with gross loss of approximately US\$1.1 million for 1HFY2015, which was the international steel trade business contributes to the group and the gross profit made covered the loss from the tinplate processing costs for Tianjin tinplate processing plant and production stopping for tinplate manufacturing during the reported period.

Future Prospects

During the recent months, the Group has achieved major milestones in its development. Mr. Zhu Jun has completed the acquisition of controlling interests in the Company through his wholly-owned company, Golden Star Group Limited on 5 October 2015 thereby becoming the controlling shareholder of the Group. With the general offer closed on 27 November 2015 and the new directors on board, the Group has officially started a new chapter in the development history.

Going forward, we have full confidence to maintain the steady development of our business, as we inject new ideas and momentum to the Group and chart it on a new course.

Looking ahead, the Group anticipates an improved, though very mixed, operating environment. In order to respond to the market, we aim to develop the main drivers of our group, namely international trading business and tinplate manufacturing with vigilant costs control. The Group will keep an eye on and capture any new development opportunities.

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

BY ORDER OF THE BOARD

Zhu Jun
Executive Chairman

14 December 2015