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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

**SALE OF SHARES BY THE CONTROLLING SHAREHOLDER AND
RESTORATION OF PUBLIC FLOAT UNDER THE LISTING RULES**

References are made to (i) the offer document (the “**Offer Document**”) issued by the Offeror dated 30 October 2015; (ii) the joint announcement issued by the Offeror and the Company dated 27 November 2015 in relation to, among other things, close of the Offer, results of the Offer and status of public float; and (iii) the announcement by the Company dated 14 December 2015 in relation to the temporary waiver from strict compliance with the minimum public float requirement granted by the Stock Exchange for a period commencing from 27 November 2015 to 26 February 2016. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Offer Document.

All time and date references contained in this announcement refer to Hong Kong and Singapore times and dates.

BACKGROUND

As disclosed in the announcement issued by the Company dated 14 December 2015, immediately following the close of the Offer, the Company could not satisfy the minimum public float requirement as set out under Rule 8.08(1)(a) of the Listing Rules.

However, the Company is still in compliance with Rule 723 of the Listing Manual, which requires at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public.

DISPOSAL OF SHARES

The Company has been informed by the Offeror, the controlling shareholder of the Company, that in order to assist the Company to restore its public float in compliance with the relevant requirement under the Listing Rules, the Offeror has, subject to completion, disposed of 4,020,000 Shares (the “**Disposal**”), representing approximately 2.35% of the total issued share capital of the Company as at the date of this announcement, at HK\$2.08 per Share to an independent third party (the “**Independent Third Party**”).

To the best of the knowledge of the Company, the Independent Third Party is independent of and not connected with the Company and its connected person(s) (as defined in the Listing Rules).

RESTORATION OF PUBLIC FLOAT UNDER THE LISTING RULES

Immediately after completion of the Disposal (which is expected to take place on or around 5 February 2016), 42,702,851 Shares, representing approximately 25.00% of the total issued share capital of the Company as at the date of this announcement, will be held by the public. Accordingly, upon completion of the Disposal, the Company will restore its minimum public float of 25% of the total issued share capital of the Company as required under Rule 8.08(1)(a) of the Listing Rules.

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming no change of shareholding of any of the core connected persons (as defined in the Listing rules) from the date of this announcement until completion of the Disposal, the following table sets out the shareholding structures of the Company (i) immediately before completion of the Disposal; and (ii) immediately after completion of the Disposal:

Shareholders	Immediately before completion of the Disposal		Immediately after completion of the Disposal	
	<i>Number of Shares</i>	<i>Approximate %⁽¹⁾</i>	<i>Number of Shares</i>	<i>Approximate %⁽¹⁾</i>
Offeror	130,823,668	76.59	126,803,668	74.24
Mr. Zhu Jun ⁽²⁾	700,000	0.41	700,000	0.41
Subtotal	131,523,668	77.00	127,503,668	74.65
Directors of the Group's operating subsidiary	597,750	0.35	597,750	0.35
Public Shareholders	38,682,851	22.65	42,702,851	25.00
Total	<u>170,804,269</u>	<u>100.00</u>	<u>170,804,269</u>	<u>100.00</u>

Notes:

1. Due to rounding of the percentages, the accumulated percentage is slightly different from 100%.
2. Mr. Zhu Jun, being a director and sole shareholder of the Offeror, has a deemed interest in the Shares held by the Offeror.

On behalf of the Board
Novo Group Ltd.
Zhu Jun
Executive Chairman

Hong Kong, 3 February 2016

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 purposes only