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NOVO GROUP LTD.
新源控股有限公司*
(Company Registration No. 198902648H)
(Incorporated in Singapore with limited liability)
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 29 June 2016.

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

Hong Kong, 29 June 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 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 and Major Corporate Events

Please refer to the unaudited result announcement of the Company for the year ended 30 April 2016 (“**4QFY2016**”) released on 29 June 2016 for full details.

Material Development and Future Direction

The Group’s revenue decreased by approximately 55.2% from approximately US\$225.9 million for the year ended 30 April 2015 (“**4QFY2015**”) to approximately US\$101.2 million in 4QFY2016.

The Group’s gross profit for 4QFY2016 amounted to approximately US\$1.6 million, representing an increase of approximately 153% as compared with the Group’s negative gross profit approximately US\$3 million in 4QFY2015. The Group’s gross profit margin increased from continuing operations increased from negative 1.3% in 4QFY2015 to approximately 1.6% in 4QFY2016, mainly due to the Group focuses on trading of tinplate, and the suspension of manufacturing.

Following the close of the mandatory unconditional cash offer by Golden Star Group Limited for all the shares in the capital of the Company on 27 November 2015 and the consequent change in ownership of the Company, the Group has officially started a new chapter.

With respect to the financial position of the Group, the management will endeavor to overcome the challenges and adopt a prudent approach in face of the current market condition.

The Group will also consider the possibility of diversification of business to ensure long term sustainable development.

Going forward, the Group will continue to put effort to improve and enhance its existing business. At the same time, the Group will actively explore and identify any investment and other business opportunities to achieve stepping up, enhancing growth potential and maximising shareholders’ values.

Whilst the Group remains focused on developing its existing businesses, the Board is currently exploring as it considers that it should be beneficial for the Group to seek suitable investment opportunities in other industry sectors in connection to “one belt, one road”, such as the internet technology sector and/or the financial related sector, which will provide long term sustainable benefits to the Group. No specific investment targets have been identified and no definitive agreement has been entered as at the date of this announcement.

The Company will make relevant announcement(s), as and when appropriate, concerning the development of the aforesaid businesses (if any) in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Group will take active steps for its removal from Watch-List.

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 and Executive Director

29 June 2016