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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

**COMPLETION OF PLACING OF NEW SHARES
UNDER GENERAL MANDATE**

Placing Agent



富強證券有限公司
FORTUNE (HK) SECURITIES LIMITED
(中國富強金融集團有限公司成員)
(Member of China Fortune Financial Group Limited)

The Board is pleased to announce that the condition precedent set out in the Placing Agreement had been fulfilled, and completion of the Placing took place on 1 August 2016 in accordance with the terms and conditions of the Placing Agreement.

An aggregate of 20,680,000 Placing Shares, which represent approximately 10.80% of the issued share capital of the Company immediately after completion of the Placing, have been successfully placed to not less than six Placees, at the Placing Price of HK\$2.32 per Placing Share.

The net proceeds from the Placing (after deduction of commission and other expenses of the Placing) are approximately HK\$46.86 million which will be utilised for the purpose of funding potential business expansion or development when opportunities arise. Alternatively, the Company may use the net proceeds from the Placing for general working capital purposes.

Reference is made to the announcements of Novo Group Ltd. (“**Company**”) dated 5 July 2016 and 25 July 2016 (collectively the “**Announcements**”) in relation to the Placing under the General Mandate. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcements unless otherwise stated.

The Board is pleased to announce that on 21 July 2016, the Stock Exchange granted the listing of, and permission to deal in, the Placing Shares on the Main Board of the Stock Exchange and on 25 July 2016, the SGX-ST granted the in-principle approval for the listing and quotation of the Placing Shares on the Main Board of the SGX-ST. The SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the Placing, the Placing Shares, the Company and/or its subsidiaries.

* For identification purpose only

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The Placing Shares will rank pari passu in all respects with and carry all rights similar to the existing issued Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of the Placees is not any person in the categories set out in Rule 812(1) of the Listing Manual and each of the Placees and where appropriate, their respective ultimate beneficial owners, is an Independent Third Party; and (ii) none of the Placees has become a substantial shareholder (within the meaning of the Listing Rules, the Companies Act (Chapter 50) of Singapore, or the Listing Manual) of the Company upon completion of the Placing.

The net proceeds from the Placing (after deduction of commission and other expenses of the Placing) are approximately HK\$46.86 million which will be utilised for the purpose of funding potential business expansion or development when opportunities arise. Alternatively, the Company may use the net proceeds from the Placing for general working capital purposes.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the changes to the shareholding structure of the Company as a result of completion of the Placing:

Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Golden Star Group Limited (<i>Note 1</i>)	126,803,668	74.24	126,803,668	66.22
Mr. Zhu Jun (<i>Note 1</i>)	700,000	0.41	700,000	0.37
Directors of the Group's operating subsidiary	597,750	0.35	597,750	0.31
Placees (<i>Note 2</i>)	1,547,000	0.91	22,227,000	11.61
Other public shareholders	41,155,851	24.10	41,155,851	21.49
Total	<u>170,804,269</u>	<u>100.00</u>	<u>191,484,269</u>	<u>100.00</u>

Notes:

1. Golden Star Group Limited is the beneficial owner of 126,803,668 Shares and is wholly owned by Mr. Zhu Jun, the executive chairman and an executive Director of the Company. Mr. Zhu Jun personally owns 700,000 Shares.
2. It is a term of the Placing Agreement that none of the Placees shall become a substantial Shareholder (within the meaning of the Listing Rules, the Companies Act (Chapter 50) of Singapore, or the Listing Manual) upon completion of the Placing. Accordingly, the shareholding held by the Placees is regarded as held by the public.
3. The aggregate percentage may not add up to 100% due to rounding.

In this announcement, amounts denominated in S\$ have been converted to HK\$ at the rate of S\$1 = HK\$5.7920. Such exchange rate is for illustration purpose only and does not constitute representations that any amount in HK\$ or S\$ has been, could have been or may be converted at such rate.

By Order of the Board

Novo Group Ltd.

Zhu Jun

Executive Chairman and Executive Director

Hong Kong, 1 August 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.