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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

**DELAY IN DESPATCH OF THE ANNUAL REPORT 2016
AND
APPLICATION FOR EXTENSION OF TIME
(I) FOR CONVENING THE COMPANY'S ANNUAL GENERAL MEETING
AND
(II) TO ANNOUNCE THE GROUP'S UNAUDITED FINANCIAL
STATEMENTS FOR THE FIRST QUARTER
OF THE FINANCIAL PERIOD ENDED
31 JULY 2016 ("1QFY2017 RESULTS")**

Unless otherwise specified, all capitalised terms shall have the same meaning ascribed to them in the announcement dated 2 August 2016 (the "Announcement").

1. GRANT OF EXTENSION OF TIME

Further to the Announcement, the Board of Directors of Novo Group Ltd. (the "**Company**") wishes to announce that the SGX-ST had on 23 August 2016, informed that based on the information provided to the SGX-ST, it has no objection to grant (i) an extension of time of 2 months for the Company to hold its AGM for the financial year ended 30 April 2016 ("**FY2016**") by 31 October 2016 (from the deadline of 31 August 2016); and (ii) an extension of time of 11 weeks for the Company to release its 1QFY2017 Results by 30 November 2016 (from the deadline of 14 September 2016), subject to:

- (a) The Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107;

- (b) Submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the constitution of the Company;
- (c) Submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company; and
- (d) The Company convening the AGM by 31 October 2016 subject to approval of the same from the Accounting & Corporate Regulatory Authority.

2. REASONS FOR SEEKING THE EXTENSION OF TIME

The Company had sought an extension of time for the convening of the AGM and the release of the 1QFY2017 Results for the following reasons:

- (a) The Group's audit had not been completed by the auditors as at 2 August 2016 as the operating subsidiaries of the Company are located in various countries such as Singapore, the British Virgin Islands, Hong Kong and China, and the auditors will need more time to complete the audit work before the Company can issue the audited consolidated financial statements for FY2016. Further, the Company is in the course of addressing certain audit issues in order to facilitate the audit work to be undertaken by the auditors and as such the Company and the Company's auditors require additional time to finalise the audit for FY2016. The 2016 Annual Report (including the audit for FY2016) is expected to be finalised by 31 August 2016;
- (b) The Company has had some recent changes in its finance team and hence needs additional time to address certain audit issues in order to facilitate the audit work to be undertaken by the auditors and to co-ordinate with the auditors on the audit and its finalisation;
- (c) Pending the finalisation of the audit for the financial results of FY2016, the Company will not be in a position to announce the 1QFY2017 Results by 14 September 2016 and will only be able to announce the 1QFY2017 Results after the audited accounts in respect of FY2016 has been finalised and issued.

3. APPLICATION TO ACRA

The Board wishes to inform the shareholders that the Company has, on 5 August 2016, submitted an application to ACRA for an extension of time till 31 October 2016 to hold its AGM. The Company will make an announcement of the results of the application to ACRA in due course.

By Order of the Board

Novo Group Ltd.

Zhu Jun

Executive Chairman and Executive Director

Hong Kong, 23 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.

* *For identification purpose only*