

*Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and the Singapore Exchange Securities Trading Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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**

**RECEIPT OF DEMAND LETTER FROM CHINA CITIC BANK  
INTERNATIONAL LIMITED**

This announcement is made by Novo Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to announce that China CITIC Bank International Limited (the “**Bank**”) as lender, which has made available certain banking facilities (“**Banking Facilities**”) to Novowell ETP Limited (“**Novowell ETP**”), an indirect subsidiary of the Company (in which the Group holds 95% shareholding) as borrower, has, through their solicitors, issued a demand letter (the “**Letter**”) to Novowell ETP. The Letter was received by the Group on 6 September 2016, pursuant to which the Bank is claiming for immediate repayment of an aggregate amount of US\$14,308,991.72, which includes the outstanding principal and accrued interests, in respect of the Banking Facilities.

Notice is also given in the Letter that, unless the aggregate amount of US\$14,308,991.72 is paid to the Bank by 12 September 2016, the Bank may take further legal actions as it deems necessary to safeguard its interests.

As disclosed in the Company’s announcement dated 29 June 2016 and the Company’s annual report 2016, the Bank had executed a deed of release of the guarantee dated 8 December 2015 in favour of the Company. Following the said release, the Bank Facilities are no longer secured by any corporate guarantee by the Company.

Furthermore, given that the Company and Novowell ETP are separate legal entities, and Novowell ETP does not have a material contribution to the operations of the Group, the Board believes that any potential default in payment by Novowell ETP will not have a direct material impact on the cash flow or in turn, operations of the Company.

Notwithstanding the above, Novowell ETP and the Bank are in discussions to resolve the alleged default in relation to the Banking Facilities and the Company will keep its shareholders updated on any material developments.

**Shareholders and potential investors are advised to read and consider this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

By order of the Board  
**NOVO GROUP LTD.**  
**Zhu Jun**

*Executive Chairman and Executive Director*

Hong Kong, 6 September 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*