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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**

**VOLUNTARY ANNOUNCEMENT**

**FORMATION OF JOINT VENTURE**

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The board (the “**Board**”) of directors (the “**Directors**”) of Novo Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 19 September 2016, Sunshine Star Group Limited (“**SSGL**”), a wholly-owned subsidiary of the Company, The Payment Cards Group Limited 交易寶有限公司 (“**TPCGP**” or the “**JV Partner**”) and The Payment Cards Global Limited 交易寶環球支付結算有限公司 (formerly known as Sunshine Star (HK) Limited 耀星香港有限公司) (“**TPCGL**” or the “**JV Company**”) entered into a subscription agreement (the “**Subscription Agreement**”) pursuant to which the parties agreed that TPCGP and SSGL would subscribe for 13,500,000 and 164,900,000 new shares in TPCGL, respectively, at a subscription price of HK\$1.00 per share (the “**Subscription**”). TPCGL is currently held as to 100% by SSGL. Upon completion of the Subscription, TPCGL will be owned as to 55% by SSGL and as to 45% by TPCGP. As at the date of this announcement, TPCGL has an issued and paid-up share capital of HK\$10,000 comprising 10,000 ordinary shares. Upon completion of the Subscription, TPCGL shall carry on the business of the provision of payment gateway services and investment holding (the “**Joint Venture**”).

After completion of the Subscription, a shareholders’ agreement will be entered into by the parties to regulate and govern the manner in which the affairs of TPCGL are to be conducted for the purposes of the Joint Venture

**REASONS FOR AND BENEFIT OF THE FORMATION OF THE JOINT VENTURE**

The Directors are optimistic about the outlook of payment gateway business and believe that there are positive opportunities for new investments for the market demand of the Maritime Silk Road.

Upon completion of the Subscription, the Group shall be responsible for the provision of certain management services, including but not limited to, providing training, management, marketing, administration and promotional support to the JV Company whereas the JV Partner shall be responsible for providing technical support and expertise for the development of the JV Company.

As disclosed in the Company’s announcement dated 29 June 2016, the Board has been exploring and seeking suitable investment opportunities in other industrial sectors (such as the internet technology sector and the financial related sector) in connection to the “one belt, one road” development strategy. Besides, the Directors believe that by leveraging on the experience and expertise of the JV Partner in the payment gateway business sector, the collaboration in the development of the payment gateway business will provide long term sustainable benefits to the Group so as to enhance shareholders’ value and lead to long term business success.

## **INVESTMENT AMOUNT AND FINANCIAL EFFECTS**

The Group, through SSGL, will subscribe for 16,490,000 new ordinary shares in TPCGL at an aggregate subscription price of HK\$1.00. The subscription will be funded through internal sources and is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Group for the current financial year ending 30 April 2017.

## **INFORMATION RELATING TO THE JV PARTNER**

The Payment Cards Group Limited 交易寶有限公司 is a company incorporated in Hong Kong with limited liability. TPCGP is principally engaged in user-friendly e-payment services with highest security standards set by Visa and MasterCard. TPCGP is also the Recommended Partner of Alipay in Hong Kong.

## **INFORMATION RELATING TO SSGL**

Sunshine Star Group Limited is a company incorporated in the British Virgin Islands with limited liability. SSGL is principally engaged in investment holding.

## **INFORMATION RELATING TO TPCGL**

The Payment Cards Global Limited 交易寶環球支付結算有限公司 (formerly known as Sunshine Star (HK) Limited 耀星香港有限公司) is a company incorporated in Hong Kong with limited liability. TPCGL has not commenced business since its incorporation. For details, please refer to the Company's announcement dated 4 July 2016 for information.

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

*Executive Chairman and Executive Director*

Hong Kong, 19 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*