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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

PROFIT WARNING

This announcement is made by Novo Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the Group expects to report a significantly lower profit of the final results for the year ended 30 April 2011 as compared with that for the corresponding period in 2010 mainly due to the decrease in gross profit margin of raw materials for market penetration and the other operating expense of approximately US\$1.3 million which was the professional and related expenses in relation to the listing of the Company’s shares on the Stock Exchange by way of introduction which was one-off in nature. The Group has strived to improve its performance during the year.

This announcement is only based on a preliminary assessment of the consolidated management accounts of the Group for the twelve months ended 30 April 2011, which will be subjected to the final review of the Company and its auditor. The detailed financial information will be published in the forthcoming annual results announcement and annual report of the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Novo Group Ltd.
Yu Wing Keung, Dicky
Chairman

Hong Kong, 3 June 2011

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Yu Wing Keung, Dicky, Mr. Chow Kin Wa, Mr. Chow Kin San and three independent non-executive Directors, being Mr. Foo Teck Leong, Mr. Tang Chi Loong and Mr. Tse To Chung, Lawrence.

* For identification purpose only