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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 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 in its unaudited consolidated quarterly results of the Group for the first quarter ended 31 July 2011 as compared to the corresponding period in 2010 mainly due to the global demand of steel and related products having been negatively affected by the rising uncertainties in the global economy as a result of the sovereign debt problems of the United States and European economies. The Group has strived to improve its performance during the quarter.

The information contained in this announcement is based on a preliminary assessment by the Board with reference to the information currently available, including the consolidated management accounts of the Group for the first quarter ended 31 July 2011, which have not yet been confirmed or reviewed by the Company’s auditors and have not been finalised as at the date of this announcement. The detailed financial information will be published in the forthcoming unaudited quarterly results announcement of the Group for the first quarter ended 31 July 2011.

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
Executive Chairman

Hong Kong, 5 September 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. Tang Chi Loong, Mr. Foo Teck Leong and Mr. Tse To Chung, Lawrence.

* *For identification purpose only*