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NOVO GROUP LTD.
新源控股有限公司*
(Company Registration No. 198902648H)
(Incorporated in Singapore with limited liability)
Hong Kong Stock Code: 1048
Singapore Stock Code: MR8

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is a reproduction of the announcement made by Novo Group Ltd. (the “**Company**”) for compliance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Please refer to the attached announcement on the next page issued on the Singapore Exchange Securities Trading Limited on 29 June 2015.

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

Hong Kong, 29 June 2015

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Yu Wing Keung, Dicky, Mr. Chow Kin Wa and 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*

NOVO GROUP LTD.

(Company Registration No. 198902648H)

(Incorporated in Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

Novo Group Ltd. (the “**Company**”, and, together with its subsidiaries, the “**Group**”) was placed on the Watch-List (the “**Watch-List**”) pursuant to Rule 1311 of the Listing Manual (the “**Listing Manual**”) of the SGX-ST on 3 September 2014.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “**Board**”) wishes to provide the following quarterly update:

Update on Financial Position

Please refer to the unaudited result announcement of the Company for the year ended 30 April 2015 (“**4QFY2015**”) released on 25 June 2015 for full details.

Material Development and Future Direction

The Group’s revenue decreased by approximately 8.8% from approximately US\$273.0 million for the year ended 30 April 2014 (“**4QFY2014**”) to approximately US\$249.0 million for 4QFY2015.

The Group’s gross profit for 4QFY2015 declined sharply to negative figure around US\$1.5 million, representing a decrease of approximately 185.11% as compared with approximately US\$4.7 million for 4QFY2014. The Group’s gross profit margin decreased from approximately 1.7% for FY2014 to approximately negative (0.6%) for FY2015.

Other income decreased from approximately US\$3.3 million for FY2014 to approximately US\$2.2 million for FY2015, due to a decrease in government grant and subsidies by approximately US\$0.8 million, which is the balance payment for FY2015.

Under the challenging market conditions, the Group has adopted a conservative and prudent approach to manage its businesses, in order to improve operating efficiency, maintain a sound financial and liquidity position, the Group continuing effective cost control and rigorous inventory control policy.

The Group is aware of the deadline given by the SGX-ST for its removal from the Watch-List.

BY ORDER OF THE BOARD

Yu Wing Keung, Dicky

Executive Chairman

29 June 2015