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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

ACQUISITION OF NEW SUBSIDIARIES

The Board of Directors of NOVO GROUP LTD. (the “**Company**”, and, together with its subsidiaries, the “**Group**”) wishes to announce that on 15 August 2016, the Company has acquired 100% of the issued share capital of Red Gold Group Limited (“**RGGL**”) (together with its wholly-owned subsidiary, RED GOLD (HK) LIMITED (“**RGHL**”)) (RGGL and RGHL collectively referred to as “**RGGL Group**”) and Shining Fire Group Limited (“**SFGL**”) (together with its wholly-owned subsidiary, SHINING FIRE (HK) LIMITED 宏金香港有限公司 (“**SFHL**”)) (SFGL and SFHL collectively referred to as “**SFGL Group**”), at a consideration of US\$4,030 each. The aggregate consideration for the aforesaid transactions is US\$8,060 (the “**Aggregate Consideration**”) (collectively, the “**Acquisition**”).

Accordingly, RGGL Group and SFGL Group, all of which have not commenced business since their incorporation, would become new subsidiaries of the Company following the aforesaid transactions.

RGGL Group and SFGL Group are ultimately controlled by Mr. Zhu Jun, the executive chairman and executive director of the Company who has a personal interest of 0.37% of the issued share capital of the Company and a beneficial interest of over 50% of the issued share capital of the Company through his wholly-owned company, Golden Star Group Limited.

On completion of the Acquisition, RGGL Group and SFGL Group shall become new subsidiaries of the Company.

The Aggregate Consideration was arrived at on a willing-buyer and a willing-seller basis and after taking into account the net asset value of the RGGL Group and SFGL Group. The unaudited consolidated net asset value of each of the RGGL Group and SFGL Group as at 31 July 2016 were US\$4,030.

The details of RGGL Group are as follows:-

Registered name : Red Gold Group Limited
Registered share capital : US\$5,000
Place of incorporation : The British Virgins Islands
Date of incorporation : 21 September 2015
Registered name : RED GOLD (HK) LIMITED
Share capital : HK\$10,000
Place of incorporation : Hong Kong
Date of incorporation : 8 January 2016

The details of SFGL Group are as follows:-

Registered name : Shining Fire Group Limited
Registered share capital : US\$5,000
Place of incorporation : The British Virgins Islands
Date of incorporation : 21 September 2015
Registered name : SHINING FIRE (HK) LIMITED 宏金香港有限公司
Share capital : HK\$10,000
Place of incorporation : Hong Kong
Date of incorporation : 18 January 2016

The Acquisition was funded through internal resources and is not expected to have any significant impact on the financial position of the Company for the current financial year ending 30 April 2017.

The Acquisition does not constitute a discloseable transaction under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Acquisition amounts to an “interested person transaction” under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The Aggregate Consideration, on its own, represents approximately 0.06% of the Group’s audited consolidated net tangible assets as at 30 April 2015. The Aggregate Consideration, when aggregated with the transactions made by the Company with the same interested person for the same financial year ending 30 April 2017 represents approximately 0.1% of the Group’s audited consolidated net tangible assets as at 30 April 2015 and is less than S\$100,000. Therefore, the Company is not required to make an announcement under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Acquisition on its own and in aggregation with the transactions made with the same connected person within a 12-month period constitute de minimis transactions and therefore they are fully exempted accordingly to Rule 14A.76 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Save for the above disclosure, none of the Directors and/or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholding in the Company), relating to the Acquisition.

By order of the Board
NOVO GROUP LTD.

Zhu Jun

Executive Chairman and Executive Director

Hong Kong, 15 August 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*