

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Novo Group Ltd.
新源控股有限公司*
(Registration No. 198902648H)
(Incorporated in Singapore with limited liability)
Stock Code: 1048

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is a reproduction of the announcement made by Novo Group Ltd. (the “**Company**”) regarding the Press Release pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited. In compliance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, which requires a listed issuer to ensure that if securities of the listed issuer are also listed on other stock exchanges, The Stock Exchange of Hong Kong Limited is simultaneously informed of any information released to any of such other stock exchanges and that such information is released to the market in Hong Kong at the same time as it is released on other markets, and please refer to the attached announcement on the next page issued on the Singapore Exchange Securities Trading Limited on 20 June 2011.

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

Hong Kong, 20 June 2011

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

* *for identification purpose only*

NOVO

NOVO GROUP LTD.

Registration No.: 198902648H
Room 1108-09, 11/F, China Merchants Tower
Shun Tak Centre, 168 Connaught Road
Central, Hong Kong
Tel: (852) 2517 7989 / Fax: (852) 2915 5122
www.novogroupltd.com

FOR IMMEDIATE RELEASE

Novo Group announces its final results for FY2011

- *Group posted net profit of US\$ 4.5 million in FY2011*
- *Strong balance sheet with cash and cash equivalents of US\$35.8 million*
- *Total tonnage of steel products handled at 2.3 million tonnes*
- *Ventures into Iron ore and Coal warehousing and processing in China and Electrolytic Tin Plate manufacturing in China*

Financial Highlights for the period ended 30 April:

<i>(US\$'m)</i>	<i>FY2011 (12M)</i>	<i>FY2010 (12M)</i>	<i>% Chg</i>
Revenue	501.6	403.0	24.5
Gross profit	33.9	55.7	(39.1)
Net profit	4.5	12.0	(62.5)
EPS (US cents)	2.7	7.6	(64.5)

SINGAPORE – 20 June 2011 – Mainboard listed **Novo Group Ltd.** (“Novo” or the “Group”) (新源控股有限公司), a global steel trading and distribution company, today announce its Full Year results for the financial period ended 30 April 2011 (“FY2011”).

The Group's revenue grew by 24.5% to US\$ 501.6 million in FY2011 from US\$ 403 million in FY2010. This is on the back of strong performance from the International Trading division and the Domestic Trade and Distribution division in Hong Kong and PRC.

Revenue contribution from International trading for FY2011 jumped 20.4% to US\$ 436.1 million from US\$362.2 million in FY2010. Part of the contribution came from Coal trading which is under the International trading division, which saw its revenue improve to US\$ 14.3 million in FY2011 from US\$ 10.0 million in FY2010.

Raw materials dominated the Group's product segment as it contributed 75.2% to Group revenue in FY2011 from 59.4% contribution in FY2010. Total Raw materials revenue for FY2011 amounted to US\$377.4 million while in FY2010 it contributed US\$239.2 million in revenue to the Group. Total tonnage of Raw materials handled by the Group in FY2011 was 2.3 million tonnes, similar to tonnage handled in FY2010.

Finished product contributed 17.8% to Group revenue at US\$ 89.4 million in FY2011 from 24.3% contribution in FY2010 amounting to US\$97.8 million. Semi finished products traded for FY2011 amounted to US\$ 30.7 million, reduced from US\$60.3 million in FY2010 and Special Products contributed US\$4.2 million to Group revenue from US\$0.8 million contribution in FY2010.

Total tonnage handled by the Group decreased to approximately 2.5 million tonnes from approximately 2.6 million tonnes in FY2010.

Domestic trade and distribution in Hong Kong posted revenue of US\$ 39.3 million in FY2011 from US\$ 23.6 million in FY2010 while the Domestic and trade and distribution revenue in PRC surge 115.6% to USD26.3 million from US\$12.2 million in FY2010.

Gross profit for FY2011 decreased to US\$ 33.9 million in FY2011 from gross profit of US\$ 55.7 million in FY2010. Correspondingly, the Group saw its gross profit margin thinned from 13.8% in FY2010 to 6.8% in FY2011 due to change of trading terms in international trading and the drop in the operating profit margin of iron ore to 3% in FY 2011 from 7% in FY2010.

Distribution and selling expenses for FY2011 decreased by 39.8% to US\$ 23.8million from US\$ 39.6 million in FY2010 due to the decrease in outward freight and other charges due to change in the trading terms in the international trading division.

The Group incurred additional one-off operating expense of US\$1.3 million in FY2011 due to the professional fees and other related expenses in relation to dual listing of the Company's shares in the Stock Exchange of Hong Kong Limited.

Net profit of the Group for FY2011 dipped by 62.5% to approximately US\$4.5 million from net profit of US\$12.0 million in FY2010. Earnings per ordinary share for FY2011 also decline to US 2.65 cents from US 7.61 cents in FY2010.

As of 30 April 2011, the Group has strong balance sheet with cash and bank balances of US\$ 35.8 million.

OUTLOOK AND NEW DEVELOPMENTS

Commenting on the Group's performance and his outlook for the Group's market, Mr. Dicky Yu, Novo Group Executive Chairman says *"The Group was able to deliver a respectable set of result amidst the many uncertainties and challenges especially in the industry that we operate."* The PRC steel industry has been affected by measures implemented by the government such as on the property sector to cool down the economy, electricity control in the steel industry due to electric power crisis and monetary policies in the financial sector to reign in on inflation. *"These measures have affected the demand of steel in the PRC."* Mr Yu added. *Because of this the Group needed to deliberately lessen its business activity and pursued development cautiously during the period"* he added.

Mr. Yu said that the Group expects PRC steel demand to fluctuate in the short term but its long term growth potential remains intact. The Group is optimistic that The 12th 5- Year Plan will underpin steel demand in the PRC in the long run as the PRC government plans to spend on social housing and infrastructure development.

As part of strategic positioning in its market, Novo announced in March and May its two strategic expansions through new ventures into Electrolytic Tin plate (ETP) manufacturing, and iron ore and coal warehousing and processing in China.

In April 2011, the Group established ETP to engage in manufacturing tinsplates and sell in the PRC and international market. Tin Plates are mainly used in packaging especially in canned food and drink and chemical industries. Global demand at present is estimated to be approximately 16 million tons per annum and is expected to grow to 20 million tons per annum. During the first phase of the ETP project it is expected to produce initially 50,000 tons per annum after the completion of the project phases.

In May 2011 the Group also announced its Joint Venture with Qingdao Port Investment and Construction Group Co. Ltd, a state-owned entity, to establish a company to engage in warehousing and processing of iron ore and coal in the PRC. The JV Company will leverage on the Novo's experience in warehousing and trading arrangement of steel products and Qingdao Port Investment's experience in logistic management and related infrastructure so as to serve local demand for iron ore and coal which is growing significantly.

These new developments are expected to contribute to increase the overall profit margin of the Group.

About Novo Group Ltd. (<http://www.novogroupltd.com>)

Established in Hong Kong in 2005, Novo Group Ltd. is a global steel trading, distribution and manufacturing company that provides support services throughout the steel value-chain. These services encompass demand aggregation and disaggregation, logistics, trade financing, inspection services and shipping. Novo's stakeholders include iron ore mines, integrated steel mills and re-rolling mills, major stockists and end-users. Steel products handled by Novo include raw materials such as iron ore, scrap; semi-finished products such as billets and slab; finished products such as deformed bars, wire rods, tubes, sections, angles, channels, hot rolled coil, hot rolled plate, cold rolled coil, cold rolled sheet; as well as coated steel and special steel items. Today, Novo has successfully expanded its footprint in various sectors of the steel value chain across the world, from global trading to domestic distribution in China, Hong Kong and Macau, Shipping management with time chartering operations, steel processing and manufacturing in China and Iron ore and coal warehousing and processing in China. Novo is a public-listed company on the Mainboard of the Stock Exchange of Singapore since April 2008 and listed on Mainboard of the Hong Kong Stock Exchange on 6 December 2010.