

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