

NOVO GROUP LTD.

Registration No. 198902648H

Incorporated in the Republic of Singapore

REPLY TO SGX QUERY

In response to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") in its email dated 22 September 2015, the Board of Directors ("Directors") of Novo Group Ltd. (the "Company" and together with its subsidiaries, the "Group") would like to provide the following disclosures:-

SGX's Query:-

We note that the Group is in a negative working capital position as at 31 July 2015 and has negative cash flows used in operating activities of US\$1,755,000 for 3 months period ended 31 July 2015. In this regard, please explain whether the Group is able to meet its short-term obligations as and when they fall due, and to provide reasons for your views.

The Company's responses:

The Directors believe that the Group is able to monitor and meet its short term obligations as and when they fall due because the Directors are satisfied that:

- (i) The continuing financial support from the immediate and ultimate holding company, New Page Investments Limited to procure the necessary finance and support for a period of not less than twelve months from the end of the reporting period;
- (ii) The banking facilities from its bankers for its working capital requirements for the next twelve months will be available as and when required; and
- (iii) The Group is able to generate sufficient cash flows from its operations to meet its current and future obligations.

BY ORDER OF THE BOARD

Yu Wing Keung, Dicky
Executive Chairman
22 September 2015