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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

UPDATE ON PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



富強證券有限公司
FORTUNE (HK) SECURITIES LIMITED
(中國富強金融集團有限公司成員)
(Member of China Fortune Financial Group Limited)

The Board of Directors (the “**Board**”) of Novo Group Ltd. (the “**Company**”) refers to the announcement dated 5 July 2016 (“**Announcement**”) on the Placing.

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Announcement.

As advised by the Placing Agent, the Placing was under-subscribed by 13,480,000 Placing Shares. An aggregate of 20,680,000 Placing Shares were placed to not less than six Placees at the Placing Price of HK\$2.32 per Placing Share.

On 21 July 2016, the Stock Exchange granted the listing approval for the listing of, and permission to deal in, 20,680,000 Placing Shares, being the total number of Placing Shares subscribed by not less than six Placees, on the Main Board of the Stock Exchange.

The Board also wishes to announce that the SGX-ST has granted its in-principle approval for the listing and quotation of up to 34,160,000 Placing Shares.

The SGX-ST’s in-principle approval is subject to the following conditions:–

- (1) Compliance with the SGX-ST’s listing requirements;
- (2) Submission of the following documents:–
 - (i) A written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) in relation to the use of the proceeds from the Placing and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;

* For identification purposes only

- (ii) A written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;
- (iii) A written undertaking from the Placing Agent that it will ensure that the Company will comply with Rule 803 of the Listing Manual;
- (iv) A written confirmation from the Company that it will not issue the Placing Shares to persons prohibited under Rule 812(1) of the Listing Manual;
- (v) A written confirmation from the Placing Agent that the Placing Shares will not be placed out to persons under Rule 812(1) of the Listing Manual;
- (vi) A written confirmation from the Company that it has received written confirmation from each of the Placee(s) that the Placee has been informed of the following:
 - (a) Deadline for the Company to meet the requirements to be removed from the Watch-list;
 - (b) That the SGX-ST may either remove the Company from the Official List, or suspend trading of the Company's shares with a view to removing the Company from the Official List in the event that the Company fails to submit an application pursuant to Rule 1314 of the Listing Manual by the deadline; and
 - (c) That there is no certainty that the SGX-ST may grant an extension to the deadline.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Placing, the Placing Shares, the Company and/or its subsidiaries.

Since the SGX-ST's in-principle approval is subject to the fulfilment of various conditions as set out above, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

By Order of the Board
Novo Group Ltd.
Zhu Jun
Executive Chairman and Executive Director

Hong Kong, 25 July 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.