

**NOVO GROUP LTD.**

Registration No. 198902648H

Incorporated in the Republic of Singapore

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**APPLICATION TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) FOR EXTENSION OF TIME TO MEET THE REQUIREMENTS UNDER RULE 1314 OF THE LISTING MANUAL OF THE SGX-ST FOR REMOVAL FROM THE WATCH-LIST (“WATCH-LIST”)**

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The board of directors (“**Board**”) of Novo Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 2 September 2014, pursuant to which it was announced that the Company has been placed on the Watch-List with effect from 3 September 2014 (the “**Announcement**”) and would have to fulfill the requirements under Rule 1314 of the Listing Manual for its removal from the Watch-List within 24 months from 3 September 2014 (the “**Cure Period**”).

The Board wishes to update the shareholders that the Company has on 2 August 2016 submitted an application to the SGX-ST for an extension of a further twelve (12) months to the Cure Period to apply for its removal from the Watch-List (the “**Extension Application**”).

The rationale of the Extension Application is as follows:-

1. The Company’s market capitalisation as at 1 August 2016 is approximately S\$68,321,708 and the average daily market capitalisation has been at least S\$40 million for the last 6 months, hence meeting one of the requirements under Rule 1314(1) of the Listing Manual; and
2. Based on the unaudited consolidated financial statements for the financial year ended 30 April 2016, which was announced on 29 June 2016, the Group’s net cash generated from operating activities of continuing operations was US\$23,634,000 and the net cash used in operating activities of discontinuing operations was US\$36,645,000.

The Company will update shareholders of the outcome of the Extension Application in due course.

**The Company would like to remind all shareholders that there is no assurance that the SGX-ST will approve the Extension Application. As such, shareholders of the Company are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. Persons who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.**

**BY ORDER OF THE BOARD**

Zhu Jun

Executive Chairman and Executive Director

2 August 2016