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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

**LEGAL PROCEEDINGS INVOLVING A SUBSIDIARY
AND
RESUMPTION OF TRADING**

This announcement is made by Novo Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and Rule 703 (1) of the Listing Manual of the mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that on 18 March 2016, Novo Commodities Limited (the “**Novo Commodities**”), a wholly-owned subsidiary of the Company, has received a writ of summons under an action commenced in the High Court of Hong Kong (the “**Legal Proceedings**”) issued on 18 March 2016 (the “**Writ of Summons**”). The Writ of Summons was issued against Novo Commodities as the defendant by Minmetals, Inc. (“**Minmetals**”) as the plaintiff.

In the Writ of Summons, Minmetals is claiming for a total sum of US\$10,940,000 for the alleged outstanding amount under a repayment agreement dated 3 June 2015 between Minmetals and Novo Commodities and the accrued interests.

Novo Commodities has instructed its legal counsel in relation to the Legal Proceedings. Novo Commodities’ management intends to contest the allegations under the Writ of Summons vigorously.

As the Group is in the course of seeking legal advice and the final results of the Legal Proceedings are still uncertain given the early stage of the Legal Proceedings, the Board is currently unable to assess the consequences or effects of the Legal Proceedings on the Company’s future prospects.

Further announcement will be made as and when appropriate by the Company in respect of the Legal Proceedings.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company (the “**Shares**”).

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange and SGX-ST was halted from 9:00 a.m. on 21 March 2016 pending the release of this announcement. Application has been made by the Company to the Stock Exchange and SGX-ST for resumption of trading in Shares on the Stock Exchange and the SGX-ST with effect from 9:00 a.m. on 22 March 2016.

This announcement is made by the order of the Board. The Board collectively and individually accept responsibility for the accuracy of this announcement.

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

Hong Kong, 21 March 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.

* *For identification purposes only*