



NOVO GROUP LTD.
新源控股有限公司

FOR IMMEDIATE RELEASE

Novo Signed Memorandum of Understanding with Xinghua People's Government

(Hong Kong, 12 April, 2012), Novo Group Ltd. ("Novo" or "the Group", SEHK:1048, SGX:MR8) is pleased to announce that on 2 April 2012, the Xinghua People's Government and Novo Group Ltd entered into a memorandum of understanding, pursuant to which the Group has agreed to undertake the construction and development of Phase 2 Electrolytic Tin Plate project (the "ETP project") in Xinghua, Jiangsu Province. The non-binding memorandum of understanding is intended as a general guide for both parties, the details of cooperation are subject to further negotiation between both parties upon the signing of contract.

Located in Xinghua, Jiangsu Province, the ETP project will mainly produce high quality tinplate for food and beverage packaging. The project has successfully received sum of US\$24,000,000 of term loan to support the development of the Group. Today the project is well on schedule. The Group has successfully obtained all relevant regulatory approvals, licenses and permits as required. The construction work of Phase 1A is in full swing and is due to be operational in the second half of 2012. It is expected to initially produce 150,000 tonnes of tinplate upon the completion of Phase 1 project.

The tinplate industry is benefiting from the rising demand for packaged foods due to the fast growth of China's consumption market and the demand of tinplate is particularly strong. In China, the per capita tinplate consumption is far lower than developed countries in Europe and Northern America, which indicates there is a huge potential market. Taking advantage of increasing demand from such a huge market, the Group is further developing Phase 2, building on the well progress of the Phase 1 development. It is expected the production capacity of tinplate can reach up to 300,000 tonnes.

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Yu Wing Keung, Dicky, the Chairman of Novo Group Ltd, commented, “The local government has endorsed full support for Novo’s development in Xinghua, the signing of the memorandum of understanding represents an intensifying cooperation between both parties and also represents a key step forward of the Group. Novo’s project is deemed as a pillar project in Xinghua, as our project not only demonstrates a benchmark model among the local manufacturing industries, creates economic opportunities and spurs the growth of jobs throughout the region, but also fosters the upgrading of the industrial value chain. To commit and deliver high quality product, a team of experts has been in place. Our technical team is comprised of the industry's leading technical experts, who have sustained track records of development and production of Electrolytic Tin Plate. With their exceptional background in product development along with technical expertise, we believe that this will significantly enhance our core competency. Upon the commencement of operations of Electrolytic Tin Plate (ETP) project in the near future, we believe that the Group will have a significant leap in performance.”

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About Novo Group Ltd. (<http://www.novogroupltd.com>)

Novo Group is a global steel trading, distribution, processing and manufacturing company that provides comprehensive services throughout the steel value chain. The Group has been listed on the Main Board of the Singapore Exchange Securities Trading Limited since 2008 and dual-listed on the Main Board of the Stock Exchange of Hong Kong Limited since 2010. Novo plays an active and vital role within the steel industry value chain on a long-term and recurring basis. With our capability to directly source and procure in bulk from major steel mills around the world, we are able to supply a diverse range of steel products to end-users, and at the same time, assist these mills in sourcing for iron ore and coal efficiently and cost effectively. We create value through our integrated support services that include processing, shipping and logistics, finance and insurance services, marketing and other related professional services. Led by an energetic team of professional and well experienced executives, Novo today has successfully expanded its footprints in various sectors of the steel value chain, from global trading to domestic distribution in the People's Republic of China (the "PRC"), Hong Kong and Macau, steel processing and Electrolytic Tinplate manufacturing in the PRC, iron ore and coal processing and warehousing in the PRC. Novo is headquartered in Hong Kong with subsidiaries and branch offices located at 9 different locations and with global presence across four continents in over 30 countries.

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