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CHINA NEW ENERGY POWER GROUP LIMITED

中國新能源動力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1041)

COMPLETION OF PLACING OF THE CONVERTIBLE NOTES

The Board is pleased to announce that the completion of the placing of the Convertible Notes in the aggregate principal amount of HK\$120,000,000 took place on 29 November 2012.

Reference is made to the announcements of the Company dated 17 August 2012, 27 August 2012 and 12 October 2012 (the “**Announcements**”) and the circular of the Company dated 18 September 2012 (the “**Circular**”) in respect of, inter alia, the placing of convertible notes of the Company in an aggregate principal amount of HK\$120,000,000. Unless otherwise defined, terms used in this announcement shall have the same meaning as those defined in the Announcements and the Circular.

The placing of the Convertible Notes in an aggregate principal amount of HK\$120,000,000 was approved by the Shareholders at the SGM held on 11 October 2012. On 26 November 2012, the Listing Committee of the Stock Exchange has, upon application by the Company, granted, on a conditional basis, the listing of and permission to deal in a maximum of 1,000,000,000 Conversion Shares in an aggregate sum of HK\$120,000,000 at the initial conversion price of HK\$0.12 per Share (subject to adjustment). Accordingly, the conditions precedent in relation to the issue of the relevant Convertible Notes have been fulfilled. The Board is pleased to announce that the completion of the Placing took place on 29 November 2012. The Placing Agent has placed the Convertible Notes in an aggregate principal amount of HK\$120,000,000 to not less than six Placees. To the best knowledge, information and belief of the Directors, the Placees and their ultimate beneficial owners are independent of and not connected with the Company and the Directors, chief executive or substantial shareholders(s) of the Company or any of its subsidiaries or their respective associates.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company upon the abovementioned completion of the Placing are set out as below:

Shareholders	As at the date of this announcement		Upon full conversion of the Convertible Notes		Upon full conversion of the Convertible Notes and the Previous Convertible Notes ^(Note 1)	
	<i>No. of Shares held</i>	<i>Approximate shareholding percentage</i>	<i>No. of Shares held</i>	<i>Approximate shareholding percentage</i>	<i>No. of Shares held</i>	<i>Approximate shareholding percentage</i>
		%		%		%
Global Zone International Limited <i>(Note 2)</i>	74,280,000	3.90	74,280,000	2.56	74,280,000	2.33
So Chi Ming	250,000,000	13.12	250,000,000	8.60	250,000,000	7.85
Public Shareholders						
Noteholders <i>(Note 3)</i>	249,450	0.01	1,000,249,450	34.42	1,000,249,450	31.39
Holders of Previous Convertible Notes <i>(Note 4)</i>	-	-	-	-	280,373,831	8.80
Ng Leung Ho	150,000,000	7.87	150,000,000	5.16	150,000,000	4.71
Other public shareholders	1,431,543,800	75.10	1,431,543,800	49.26	1,431,543,800	44.92
	1,906,073,250	100.00	2,906,073,250	100.00	3,186,447,081	100.00

Notes:

1. “Previous Convertible Notes” refer to the 3 years convertible notes in the principal amount of HK\$800,000,000 issued by the Company due on 28 December 2012 with an adjusted conversion price of HK\$0.321 per Share (adjusted as a result of the Capital Reorganisation and the Placing) with effect from 11 October 2012, which has an outstanding principal amount of HK\$90,000,000 as at the date of this announcement.
2. Mr. Ip Cheng Kuong is an executive Director and the chairman of the Company. He is deemed to be interested in those Shares held by Global Zone International Limited, a company in which he is interested in 51% of its share capital pursuant to Part XV of the SFO.
3. The figures set out in this column are for illustrative purposes only. Pursuant to the terms of the Convertible Notes, no conversion shall be made by the Noteholder unless (i) the Noteholder provides, to the reasonable satisfaction of the Company, evidence that such Noteholder and parties acting in concert with it will not be beneficially interested in 30% or more of the then issued share capital and/or the voting rights of the Company; and (ii) the Company will be able to comply with the public float requirements under Rule 8.08 of the Listing Rules, immediately upon conversion.

4. The figures set out in this column are for illustrative purposes only. Pursuant to the terms of the Previous Convertible Notes, no conversion shall be made by the noteholder unless (i) the noteholder provides, to the reasonable satisfaction of the Company, evidence that such noteholder and parties acting in concert with it will not be beneficially interested in 30% or more of the then issued share capital and/or the voting rights of the Company; and (ii) the Company will be able to comply with the public float requirements under Rule 8.08 of the Listing Rules, immediately upon conversion.
5. The percentages as shown in the table above may not add up to 100% due to rounding.

By Order of the Board
China New Energy Power Group Limited
Yeung Kwok Yu
Executive Director

Hong Kong, 29 November 2012

As at the date of this announcement, the executive Directors are Mr. Ip Cheng Kuong, Ms. Catherine Chen, Mr. Chiu Kong, Mr. Yeung Kwok Yu, Mr. Kwan Kam Hung, Jimmy, Mr. Wah Wang Kei, Jackie and Mr. Chen Guang Lin; the non-executive Director is Mr. Wu Zhuo Tong ;and the independent non-executive Directors are Ms. Ma Yin Fan, Mr. Leung Hoi Ying and Mr. Yu Pan.