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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)**

### SUPPLEMENTAL AGREEMENT RELATING TO THE PROPOSED PLACING OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

#### Placing agent



**KINGSTON SECURITIES LIMITED**

Reference is made to the announcement of the Company made on 17 August 2012 regarding, among other things, the proposed Capital Reorganisation, Placing of Convertible Notes under Specific Mandate, amendments to the Bye-Laws and the resumption of trading in Shares of the Company (the “**Announcement**”). Capitalized terms used in this announcement shall have the same meaning as in the Announcement, unless otherwise defined herein.

#### **SUPPLEMENTAL AGREEMENT TO THE PLACING AGREEMENT**

The Board wishes to announce that, in order to enable the Company to proceed the Placing with more certainty in raising the intended amount of funding, the Company and the Placing Agent have agreed to enter into a supplemental agreement dated 27 August 2012 (after trading hours) (the “**Supplemental Agreement**”) to amend certain terms of the Placing Agreement and to proceed the Placing on a fully-underwritten basis. To effect the above changes, the following amendments have been made to the principal terms and conditions of the Placing Agreement:

- (a) the Company has agreed to appoint the Placing Agent as placing agent for the purpose of procuring, as agent of the Company, subscribers, or failing which, itself subscribing on a fully-underwritten basis, for the Convertible Notes, being the convertible redeemable notes, non-interest bearing to be issued by the Company under the Placing Agreement (as supplemented by the Supplemental Agreement) in the aggregate principal amount of HK\$120,000,000 due on the Maturity Date; and
- (b) that the placing commission of the Placing Agent has been increased from 1% to 2% of the amount equal to the aggregate principal amount of the Convertible Notes.

The above terms were arrived at arm's length negotiations between the Company and the Placing Agent and the Board considers that terms of the Supplemental Agreement are fair and reasonable and are in interests of the Company and Shareholders as a whole.

Save and except for the changes as aforesaid and other corresponding tidy up changes, all other terms and conditions of the Placing Agreement remain unchanged.

**Shareholders and potential investors should note that the Capital Reorganisation and the Placing are subject to conditions to be fulfilled and hence may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

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

Hong Kong, 27 August 2012

*As at the date of this announcement, the executive directors of the Company 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 of the Company is Mr. Wu Zhuo Tong; and the independent non-executive directors of the Company are Ms. Ma Yin Fan, Mr. Leung Hoi Ying and Mr. Yu Pan.*