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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)

VERY SUBSTANTIAL DISPOSAL AND MAJOR ACQUISITION

The Disposal Agreement

After trading hours on 9 May 2013, Good Base, a wholly owned subsidiary of the Company, entered into the Disposal Agreement with Billion Sino, pursuant to which Good Base has conditionally agreed to sell, and Billion Sino has conditionally agreed to purchase, the Allywing Sale Share and the Allywing Sale Loan at the Disposal Consideration of RMB320,000,000 (equivalent to approximately HK\$400,000,000). The Allywing Sale Share represents the entire issued share capital of, and Good Base's entire interest in, Allywing, which is the registered owner of 60% of the entire equity interest in Xi'an Yuansheng which holds the Xi'an Project.

The Acquisition Agreement

After trading hours on 9 May 2013, Prance Fortune, a wholly owned subsidiary of the Company, entered into the Acquisition Agreement with Win Harbour, pursuant to which Win Harbour has conditionally agreed to procure to sell, and Prance Fortune (or a wholly owned subsidiary of the Company as it may direct) has conditionally agreed to purchase or procure to purchase, the entire equity interest in the Target Co at a consideration of RMB1,000,000 (equivalent to approximately HK\$1,250,000). Pursuant to the Pre-sale Agreement, the Target Co acquired the Guiyang Project, which comprises a 5-storey commercial building A27 of 中渝·第一城 (First City, Guiyang) Plot A, from GY Zhong Yu, at a consideration of RMB68,000,000 (equivalent to approximately HK\$85,000,000). Prance Fortune shall pay or procure to pay such amount to GY Zhong Yu or to the order of GY Zhong Yu before 31 December 2013.

Implications under the Listing Rules

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules. In addition, as one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal and the Acquisition are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. As no Shareholder has a materially different interest in the Disposal or the Acquisition, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Disposal and the Acquisition.

General

A circular containing, among other things, further details of the Disposal and the Acquisition and a notice convening the SGM to approve the Disposal and the Acquisition will be despatched to the Shareholders on or before 31 May 2013 in accordance with the Listing Rules.

Disposal Completion and Acquisition Completion are subject to certain conditions, including the obtaining of the approval of the Shareholders, and hence the Disposal and the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE DISPOSAL AGREEMENT

The Board is pleased to announce that after trading hours on 9 May 2013, Good Base, a wholly owned subsidiary of the Company, entered into the Disposal Agreement with Billion Sino, pursuant to which Good Base has conditionally agreed to sell, and Billion Sino has conditionally agreed to purchase, the Allywing Sale Share and the Allywing Sale Loan at the Disposal Consideration.

The principal terms of the Disposal Agreement are set out below:

Date

9 May 2013

Parties

Vendor: Good Base Investments Limited

Purchaser: Billion Sino Investments Limited.

Billion Sino is principally engaged in investment holding. It is a wholly owned subsidiary of C C Land, a company whose shares are listed on the main board of the Stock Exchange, and the core business of C C Land Group is property development and investment in Western China and treasury investment. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) other than the Disposal, there was no previous business or other relationship between Billion Sino and the Company or its connected persons nor was there any relationship between Billion Sino and the counterparties to the Company's previous acquisitions or disposals conducted in recent years; and (ii) Billion Sino, C C Land and its controlling shareholder(s) are third parties independent of the Company and its connected persons.

Assets to be disposed of

Pursuant to the Disposal Agreement, Good Base agreed to sell the Allywing Sale Share and the Allywing Sale Loan to Billion Sino free from any claims, charges, liens, encumbrances, equities or similar restriction of any kind.

The Allywing Sale Share represents the entire issued share capital of, and the entire interest of Good Base in, Allywing. Allywing is the registered owner of 60% of the entire equity interest in Xi'an Yuansheng which holds the Xi'an Project.

The Allywing Sale Loan represents the entire amount of the shareholder's loan owed by Allywing to Good Base as at Disposal Completion, which is interest-free and repayable on demand. For indicative purpose, the outstanding amount of the Allywing Sale Loan as at 31 March 2013 was approximately HK\$71,310,501.

Disposal Consideration

The Disposal Consideration in the aggregate sum of RMB320,000,000 (equivalent to approximately HK\$400,000,000) shall be satisfied by Billion Sino in the following manner:

- (a) a sum of RMB80,000,000 (equivalent to approximately HK\$100,000,000) shall be paid on or before the expiry of three days after Good Base has notified Billion Sino of the satisfaction of the conditions precedent (a) as set out below as refundable deposit and part payment of the Disposal Consideration ("**Disposal Deposit**");
- (b) a sum of RMB80,000,000 (equivalent to approximately HK\$100,000,000) shall be paid on or before the date falling 9 months after the date of Disposal Completion;
- (c) a sum of RMB80,000,000 (equivalent to approximately HK\$100,000,000) shall be paid on or before the date falling 12 months after the date of Disposal Completion; and
- (d) a sum of RMB80,000,000 (equivalent to approximately HK\$100,000,000) shall be paid on or before the date falling 18 months after the date of Disposal Completion.

The Disposal Consideration may be paid by Billion Sino in either Renminbi or Hong Kong dollars at the exchange rate being the average of the ask and bid exchange rate as quoted by the Bank of China (Hong Kong) at the close of business on the Business Day immediately preceding the date of payment for payment of the Disposal Deposit and at the close of business on the date of Disposal Completion for payments pursuant to (b) to (d) above.

The amount equal to the principal amount of the Allywing Sale Loan at Disposal Completion shall be attributable to consideration for the Allywing Sale Loan and the remainder of the said aggregate consideration shall be attributable to the Allywing Sale Share.

The Disposal Consideration has been based on normal commercial terms and determined after arm's length negotiations between Good Base and Billion Sino having taken into account a preliminary appraisal of the value of the Xi'an Project determined by the Independent Valuer based on comparison method which is in compliance with the requirements contained in the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors, the value of the Xi'an Project was approximately RMB548,000,000 as at 26 April 2013.

Condition Precedent

Disposal Completion shall be conditional upon the satisfaction (or waiver, as the case may be) of the following conditions precedent:

- (a) obtaining any required approval by the Shareholders approving (i) the Disposal Agreement and the performance of all the transactions contemplated thereunder by Good Base and (ii) the termination of the Management Agreement (if required) in accordance with the requirements of the Listing Rules;
- (b) obtaining any required approval by the shareholders of C C Land approving the Disposal Agreement and the performance of all the transactions contemplated thereunder by Billion Sino in accordance with the requirements of the Listing Rules (where applicable);
- (c) obtaining all necessary governmental and regulatory approvals or consents (or waivers) required by the parties to the Disposal Agreement or any of them for the consummation of the transactions contemplated therein pursuant to any applicable laws and all such approvals or consents (or waivers) not having been revoked or withdrawn;
- (d) obtaining all necessary third party approvals or consents (or waivers) required by Good Base for the consummation of the transactions contemplated therein (including those persons entitled to any pre-emption rights) and all such approvals or consents (or waivers) not having been revoked or withdrawn;
- (e) completing a due diligence review covering, among other things, the business, operations, legal and financial position of Allywing Group, the results of which being satisfactory to Billion Sino (acting reasonably);
- (f) Good Base having complied fully with its obligations in respect of, inter alia, the operation and affairs of Allywing Group from the date of the Disposal Agreement until the date of Disposal Completion;
- (g) no injunction, restraining order or other order or any other legal or regulatory restraint or prohibition having been issued or made by any court of competent jurisdiction or any other person which prevents the consummation of the transactions contemplated by the Disposal Agreement;
- (h) the warranties given under the Disposal Agreement being true and accurate in all material respects and not misleading in any material respects at Disposal Completion;
- (i) there being no material adverse change in respect of the financial position, business or property, results of operations, business prospects or assets of either Allywing or Xi'an Yuansheng;
- (j) the Xingchuang Agreement having become unconditional;

- (k) the Acquisition Agreement having become unconditional (other than the condition as set out in the Acquisition Agreement requiring that the Disposal Agreement having become unconditional); and
- (l) Good Base providing evidence to the reasonable satisfaction of Billion Sino that the Management Agreement has been terminated in accordance with its terms and that there are no claims subsisting against, amounts owing by or other obligations on Allywing pursuant to the Management Agreement.

Good Base and Billion Sino may by agreement waive any of the conditions precedent (in whole or in part) in paragraphs (e), (f), (h) to (l) above while the conditions precedent in paragraphs (a) to (d) and (g) above cannot be waived in any event. The Company currently does not intend to waive any of the above conditions.

In the event that any of the above conditions (other than conditions in paragraphs (j) and (k) above which may be satisfied simultaneously upon Disposal Completion) is not fulfilled or waived on or before 5:00 p.m. on 31 December 2013 or such other date as Good Base and Billion Sino may agree in writing, the Disposal Agreement shall terminate automatically and be of no further effect and no party shall have any claim against or liability to the other party save in respect of any antecedent breaches of the Disposal Agreement and Good Base shall refund the Disposal Deposit to Billion Sino within 3 Business Days.

Disposal Completion

The sale and purchase of the Allywing Sale Share and the assignment of the benefits and interests of the Allywing Sale Loan shall be completed simultaneously.

Disposal Completion shall fall on the fifth Business Day (or such other Business Day agreed in writing by the parties to the Disposal Agreement or deferred by the non-defaulting party pursuant to the relevant provisions of the Disposal Agreement) after the date on which the conditions set out above (except conditions precedent in paragraphs (j) and (k) above which may be satisfied simultaneously upon Disposal Completion) have been satisfied (or waived as the case may be).

Information of Allywing Group

Allywing is incorporated in the BVI on 12 April 2007 with limited liability. As at the date of this announcement, Allywing is an indirect wholly owned subsidiary of the Company as an investment holding company.

Xi'an Yuansheng is a company incorporated in the PRC with limited liability with a registered capital of RMB120,000,000 and is owned as to 60% by Allywing and as to 40% by Xingchuang. It is principally engaged in development and sale of real estate and property management and owns the land use and development rights of the Xi'an Land which is located at Caotan Nongchang Dong Qu, Weiyang District, Xi'an City, the PRC. The Xi'an Land covers a site area of approximately 134,357 square meters for residential use with a land use right of 70 years and a site area of approximately 19,739 square meters for commercial use with a land use right of 40 years.

According to the latest development plan of Xi'an Project, the Xi'an Land would be developed into a residential and commercial area comprising approximately 653,727 square meters which include 19 blocks of residential buildings and 2 blocks of commercial buildings. The Xi'an Project will be developed in several phases, of which, the major construction of the first phase with a gross floor area of approximately 114,005 square meters has commenced in the second quarter of 2012 while the pre-sale is expected to be commenced in September 2013. The capital expenditure for the Xi'an Project is expected to be RMB560 million. As at the date hereof, certificate for the use of state-owned land, the planning permit for construction use and approval for the phase 1 of the project have been obtained.

The unaudited financial results of the Allywing Group for the two years ended 31 December 2012 are respectively summarised as follows:

	Net loss before taxation and extraordinary items <i>HK\$'000</i>	Net loss after taxation and extraordinary items <i>HK\$'000</i>
For the year ended 31 December 2011	30,824	30,824
For the year ended 31 December 2012	11,871	11,871

As at 31 December 2012, the total assets and the net assets position of the Allywing Group were approximately HK\$617.49 million and HK\$477.44 million, respectively.

Subject to and upon Disposal Completion, Allywing shall cease to be a subsidiary of the Company, and the results of the Allywing Group shall no longer be consolidated in the Group's consolidated financial statements.

Financial effect of the Disposal

With reference to the unaudited financial information of the Allywing Group as at 31 December 2012, the Group would realize a book gain of approximately HK\$63.78 million from the Disposal. The book gain is computed by reference to, among other things, (a) the proceeds from the Disposal Consideration in the amount of RMB320,000,000 (equivalent to approximately HK\$400,000,000), and (b) the unaudited equity of the Allywing Group attributable to Good Base of approximately HK\$258.84 million. In calculating such book gain resulting from the Disposal, factors including the assignment of shareholder's loan of approximately HK\$70.88 million due from Allywing Group to Good Base and the estimated legal and professional fees for the Disposal and Acquisition have been taken into account. The actual book gain or loss derived from the Disposal would depend on the profit or loss of the Allywing Group up to the date of Disposal Completion.

Management Agreement

Allywing entered into the Management Agreement with Harvest Day Limited, a company which is owned as to 60% by a sister of Mr. Zhang Xi, the former joint chairman and executive Director who resigned with effect from 21 May 2012. Pursuant to the Management Agreement, Harvest Day Limited would provide management and consultancy services to Allywing in connection with the development of the Xi'an Land for an inclusive management fee of HK\$50,000,000 by 3 installments, of which, the first installment of HK\$23,000,000 was paid on 7 January 2011 according to terms and conditions of the Management Agreement. The Management Agreement commenced upon the approval of the Shareholders at a special general meeting of the Company held on 6 January 2011 and shall terminate upon issue of certificates of compliance confirming completion of all construction works in the Xi'an Project and settlement of accounts with all contracting parties and the payment of last installment of management fee by Allywing. As C C Land Group is principally engaged in property development, it is expected that, C C Land Group will be able to continue to develop the Xi'an Land by using its own property development and management expertise. Accordingly, it was agreed between Good Base and Billion Sino that the termination of the Management Agreement will constitute a condition under the Disposal Agreement.

Reasons for and benefits of the Disposal

The Group is principally engaged in trading of securities and development of properties. The Group has been planning and developing the Xi'an Project for a long period of time and the progress of which has been lagged behind the schedule. As disclosed in the circular of the Company dated 18 September 2012, the pre-sale for phase 1 of Xi'an Project was scheduled to commence in the first half of 2013 while the completion of the sale and purchase of the phase 1 properties was expected to take place in 2014. However, according to the latest development plan, the pre-sale of the first phase is targeted to commence in September 2013. In addition, the pre-sale of the first phase in September 2013 may not meet the Company's expectation having regard to the current property market in the development zone in Xi'an where the Xi'an Land is situated while the Group will still incur expenses in connection with the Xi'an Project prior to the pre-sale. Furthermore, the Group may require more time to communicate with the other shareholder of Xi'an Yuansheng in order to cooperate with them for the future development of the Xi'an Project if it remain as a shareholder of Xi'an Yuansheng. For these reasons, the Directors consider that the continuation of the business of Xi'an Yuansheng may not be in the best interests of the Company and its Shareholders as a whole, and the Group therefore intends to realise its investment in Xi'an Yuansheng so as to strengthen the financial position of the Group and to release the Group from the capital commitment in the Xi'an Project, as well as to broaden the capital base of the Group so as to acquire potential projects or investment opportunities when such opportunities arise.

The proceeds from the Disposal are intended to be applied as to (i) RMB69 million (equivalent to approximately HK\$86.25 million) to fund the Acquisition Consideration; and (ii) RMB251 million (equivalent to approximately HK\$313.75 million) for operating the Group's new investment in the Guiyang Project and existing businesses, future investment opportunities when such opportunities arise as well as general working capital of the Group. The Board believes that, through the Disposal, the Company will be able to allocate its resources more effectively in order to focus on its other business as well as developing the Guiyang Project.

Having taken into consideration of the above reasons for and benefits of the Disposal and (a) the opportunity to reallocate resources after the Disposal to the Guiyang Project may have better growth potential and (b) the potential gain from the Disposal as set out in the section headed “Financial Effects of the Disposal” above, the Directors are of the view that the Disposal and the terms of the Disposal Agreement (including the amount of the Disposal Consideration) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Business of the Remaining Group

Following the Disposal, the Remaining Group will continue to carry out its existing securities investment business with a view for the Group to gain reasonable returns through receiving dividends and capital appreciation from securities invested. The securities investment business is not the Group’s major business, and it is presently not expected or intended to be so in the near future.

In addition, the Remaining Group will take part in the property investment and management business. The Group intends to engage professional expertise to manage the property in order to obtain attractive returns for the Group.

Implication under the Listing Rules

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules. As no Shareholder has a materially different interest in the Disposal, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Disposal.

THE ACQUISITION AGREEMENT

The Board is pleased to announce that after trading hours on 9 May 2013, Prance Fortune, a wholly owned subsidiary of the Company, entered into the Acquisition Agreement with Win Harbour, pursuant to which Win Harbour has conditionally agreed to procure to sell, and Prance Fortune (or a wholly owned subsidiary of the Company as it may direct) has conditionally agreed to purchase or procure to purchase, the entire equity interest in Target Co at the Acquisition Consideration.

The principal terms of the Acquisition Agreement are set out below:

Date

9 May 2013

Parties

Vendor: Win Harbour Investments Limited

Purchaser: Prance Fortune Investments Limited.

Win Harbour is principally engaged in investment holding and is a 85% owned subsidiary of C C Land. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) other than the Acquisition, there was no previous business or other relationship between Win Harbour or GY Zhong Yu and the Company or its connected persons nor was there any relationship between Win Harbour or GY Zhong Yu and the counterparties to the Company's previous acquisitions or disposals conducted in recent years; and (ii) Win Harbour, C C Land and its controlling shareholder(s) are third parties independent of the Company and its connected persons.

Assets to be acquired

Pursuant to the Acquisition Agreement, Prance Fortune has conditionally agreed to purchase or procure to purchase the entire equity interest in the Target Co free from any claims, charges, liens, encumbrances, equities or similar restriction of any kind.

Consideration

The total Acquisition Consideration of RMB69,000,000 (or its Hong Kong dollars equivalent), represent the aggregate of (i) RMB1,000,000 (equivalent to approximately HK\$1,250,000) being the consideration for the total registered capital of the Target Co, which shall be satisfied in full by or on behalf of the Target Purchaser at Acquisition Completion and (ii) RMB68,000,000 (equivalent to approximately HK\$85,000,000) being the consideration to be paid under the Pre-sale Agreement. Pursuant to the Pre-sale Agreement, the Target Co acquired the Guiyang Project from GY Zhong Yu at the consideration of RMB68,000,000, which shall be payable before 31 December 2013. The Acquisition Consideration has been based on normal commercial terms and determined after arm's length negotiations between Win Harbour and Prance Fortune having taken into account (i) the total registered capital of the Target Co and (ii) a preliminary appraisal of the value of the Guiyang Project determined by the Independent Valuer based on comparison method which is in compliance with the requirements contained in the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors, the value of the Guiyang Project was approximately RMB68,000,000 as at 26 April 2013. The Acquisition Consideration will be settled in cash by applying the Disposal Deposit.

The Acquisition Consideration may be in either Renminbi or Hong Kong dollars at the exchange rate being the average of the ask and bid exchange rate as quoted by the Bank of China (Hong Kong) at the close of business on the Business Day immediately preceding the date of Acquisition Completion.

Condition Precedent

Acquisition Completion shall be conditional upon the satisfaction (or waiver, as the case may be) of the following conditions precedent:

- (a) obtaining any required approval by shareholders of C C Land approving the Acquisition Agreement and the performance of all the transactions contemplated thereunder by Win Harbour in accordance with the requirements of the Listing Rules (where applicable);
- (b) obtaining any required approval by the Shareholders approving the Acquisition Agreement and the performance of all the transactions contemplated thereunder by Prance Fortune in accordance with the requirements of the Listing Rules;
- (c) obtaining all necessary governmental and regulatory approvals or consents (or waivers) required by the parties to the Acquisition Agreement or any of them for the consummation of the transactions contemplated therein pursuant to any applicable laws and all such approvals or consents (or waivers) not having been revoked or withdrawn;
- (d) obtaining all necessary third party approvals or consents (or waivers) required by Win Harbour for the consummation of the transactions contemplated therein (including those persons entitled to any pre-emption rights) and all such approvals or consents (or waivers) not having been revoked or withdrawn;
- (e) completing a due diligence review covering, among other things, the business, operations, legal and financial position of the Target Co, the results of which being satisfactory to Prance Fortune (acting reasonably), including obtaining a PRC legal opinion by a PRC law firm acceptable to Prance Fortune as it may reasonably require;
- (f) Win Harbour having complied fully with its obligations in respect of, inter alia, the operation and affairs of the Target Co from the date of the Acquisition Agreement until the date of Acquisition Completion;
- (g) no injunction, restraining order or other order or any other legal or regulatory restraint or prohibition having been issued or made by any court of competent jurisdiction or any other person which prevents the consummation of the transactions contemplated by the Acquisition Agreement;
- (h) the warranties given under the Acquisition Agreement being true and accurate in all material respects and not misleading in any material respects at Acquisition Completion;
- (i) there being no material adverse change in respect of the financial position, business or property, results of operations, business prospects or assets of the Target Co;
- (j) the Xingchuang Agreement having become unconditional;
- (k) the Disposal Agreement having become unconditional (other than the condition as set out in the Disposal Agreement requiring that the Acquisition Agreement having become unconditional);
- (l) Good Base having received, or received pursuant to its order, RMB80,000,000 (or its Hong Kong dollars equivalent) as refundable deposit and part payment of the consideration under the Disposal Agreement; and

- (m) Prance Fortune having paid or procured to pay to GY Zhong Yu, or to the order of GY Zhong Yu, in full the amount due and payable by Target Co under the Pre-sale Agreement and delivery of vacant possession of the Guiyang Project to Target Co pursuant to the Pre-sale Agreement.

Prance Fortune and Win Harbour may by agreement waive any of the conditions precedent (in whole or in part) in paragraphs (e), (f), (h) to (k) above while the conditions precedent in paragraphs (a) to (d), (g), (l) and (m) above cannot be waived in any event. The Company currently does not intend to waive any of the above conditions.

In the event that any of the above conditions (other than conditions in paragraphs (j), (k) and (m) above which may be satisfied simultaneously upon Acquisition Completion) is not fulfilled or waived on or before 5:00 p.m. on 31 December 2013 or such other date as Win Harbour and Prance Fortune may agree in writing, the Acquisition Agreement shall terminate automatically and be of no further effect and no party shall have any claim against or liability to the other party save in respect of any antecedent breaches of the Acquisition Agreement.

Acquisition Completion

Acquisition Completion shall fall on the fifth Business Day (or such other Business Day agreed in writing by the parties to the Acquisition Agreement or deferred by the non-defaulting party pursuant to the relevant provisions of the Acquisition Agreement) after the date on which the conditions set out above (except conditions precedent in paragraphs (j), (k) and (m) above which may be satisfied simultaneously upon Acquisition Completion) have been satisfied (or waived as the case may be).

Information on the Target Co

The Target Co is incorporated in the PRC on 1 April 2013 with limited liability. As at the date of this announcement, the Target Co has registered and paid-up capital of RMB1 million and is wholly owned by GY Zhong Yu which is a 85%-owned subsidiary of C C Land.

The business scope of the Target Co includes investment consultancy, investment planning and investment in properties, property management and hotel management. Target Co entered into the Pre-sale Agreement with GY Zhong Yu for acquiring the Guiyang Project from GY Zhong Yu. Pursuant to the Pre-sale Agreement, Target Co shall pay to GY Zhong Yu a consideration of RMB68,000,000 in one lump sum before 31 December 2013 while GY Zhong Yu shall deliver the Guiyang Project to Target Co before 31 December 2013. Apart from the Pre-sale Agreement, Target Co has not entered into any other agreements nor carried on any other business activities since its establishment in April 2013. Currently, the Target Co has not acquired any interest in any property development other than the Guiyang Project.

The Guiyang Project comprises a 5-storey commercial building A27 of 中渝·第一城 (First City, Guiyang) Plot A being constructed and developed on the Guiyang Land which is located in Guanshanhu District, Guiyang, the PRC with a site area of approximately 365,193.8 square meters. The term for grant of the land use rights of Guiyang Land is 70 years and 40 years for residential and commercial use respectively. The Guiyang Project has already obtained the state-owned land use right certificate, construction land planning permit (建設用地規劃許可證), construction project planning permit (建設工程規劃許可證), construction project work permit (建設工程施工許可證) and property pre-sale permit (房屋預售許可證). Win Harbour undertakes to Prance Fortune that it shall provide all reasonable assistance to the Target Co in obtaining the real estate ownership

certificate of the Guiyang Project. As at the date of this announcement, the superstructure including the roof construction of the Guiyang Project has been completed while other construction works of the Guiyang Project are underway. According to the latest development schedule of Guiyang Project, it is expected that it may be completed and ready for delivery before end of July 2013. The actual delivery date will depend on the progress of the construction of the Guiyang Project, provided that GY Zhong Yu shall deliver the Guiyang Project to the Target Co before 31 December 2013 in accordance with the Pre-sale Agreement.

Financial Information of the Target Co

The unaudited net loss of the Target Co for the period from 1 April 2013 (date of incorporation) to 30 April 2013 (both before and after taxation) was approximately RMB936. The unaudited net assets of the Target Co as at 30 April 2013 was approximately RMB999,064.

Reasons for and benefit of the Acquisition

The Company has been dedicating its efforts to the development of its existing businesses and other high potential projects with a view to providing steady returns as well as fruitful growth for its Shareholders. The Directors consider that as compared to the Xi'an Project, the Guiyang Project will be 100% controlled by the Group and also requires smaller amount of capital outlay and allows the Group to participate in property investment and management business. In addition, the Guiyang Project is located in a new development district in the PRC where the local government encourages investment in city development and construction. Based on the above reasons, it is expected that the Acquisition would provide stable income to the Group and the Group may benefit from the future appreciation of the Guiyang Project in the long run.

The Directors believe that the Acquisition and the terms of the Acquisition Agreement (including the amount of the Acquisition Consideration) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Implication under the Listing Rules

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. As no Shareholder has a materially different interest in the Acquisition, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Acquisition.

GENERAL

A circular containing, among other things, further details of the Disposal and the Acquisition and a notice convening the SGM to approve the Disposal and the Acquisition will be despatched to the Shareholders on or before 31 May 2013 in accordance with the Listing Rules.

Disposal Completion and Acquisition Completion are subject to certain conditions, including the obtaining of the approval of the Shareholders, and hence the Disposal and the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Acquisition”	the acquisition of the entire equity interest in Target Co
“Acquisition Agreement”	the conditional agreement dated 9 May 2013 between Win Harbour and Prance Fortune in relation to the Acquisition
“Acquisition Completion”	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
“Acquisition Consideration”	the aggregate of (i) the consideration of RMB1,000,000 for the entire equity interest in the Target Co under the Acquisition Agreement and (ii) the consideration of RMB68,000,000 to be paid under the Pre-sale Agreement
“Allywing”	Allywing Investments Limited, a company incorporated in the BVI with limited liability, and a wholly owned subsidiary of the Company prior to Disposal Completion
“Allywing Group”	Allywing and Xi’an Yuansheng
“Allywing Sale Loan”	the entire amount of the shareholder’s loan owed by Allywing to Good Base as at Disposal Completion, and for indicative purpose, approximately HK\$71,310,501 as at 31 March 2013
“Allywing Sale Share”	1 ordinary share of US\$1.00 in the capital of Allywing, representing the entire issued share capital of Allywing as at the date of the Disposal Agreement and at Disposal Completion
“Billion Sino”	Billion Sino Investments Limited, a company incorporated in the BVI with limited liability, and a wholly owned subsidiary of C C Land
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“C C Land”	C C Land Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange, being the holding company of Billion Sino and Win Harbour
“C C Land Group”	C C Land and its subsidiaries

“Company”	China New Energy Power Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1041)
“connected person(s)”	has the meanings ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Allywing Sale Share and the Allywing Sale Loan by Good Base to Billion Sino pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the conditional sale and purchase agreement dated 9 May 2013 between Good Base and Billion Sino in relation to the Disposal
“Disposal Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Disposal Consideration”	the aggregate consideration of RMB320,000,000 for the Allywing Sale Share and the Allywing Sale Loan under the Disposal Agreement
“Good Base”	Good Base Investments Limited, a company incorporated in Hong Kong with limited liability, and a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guiyang Land”	a parcel of land located in Guanshanhu District, Guiyang City, Guizhou Province, the PRC (中國貴州省貴陽市觀山湖區) with a site area of approximately 365,193.8 square meters
“Guiyang Project”	the whole commercial building A27 of 中渝•第一城 (First City, Guiyang) Plot A being constructed and developed on the Guiyang Land
“GY Zhong Yu”	貴陽中渝置地房地產開發有限公司(Guiyang Zhong Yu Real Estate Development Company Limited*), a company incorporated in the PRC and indirectly wholly owned by Win Harbour
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Valuer”	an independent valuer who is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice, who is also on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Forum and has over 10 years’ experience in valuation of properties in Hong Kong, in Macau and in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Local Agreement”	a sale and purchase agreement to be entered into between GY Zhong Yu and the Target Purchaser relating to the transfer of the entire equity interest in the Target Co solely for the purpose of registration with the relevant authority in the PRC
“Management Agreement”	the agreement dated 29 November 2010 between Allywing and Harvest Day Limited in respect of provision of professional management and consultancy services by Harvest Day Limited to Allywing in relation to property development projects, particulars of which are set out in the announcement and the circular of the Company dated 29 November 2010 and 20 December 2010 respectively
“Prance Fortune”	Prance Fortune Investments Limited, a company incorporated in the BVI with limited liability, and a wholly owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Pre-sale Agreement”	the pre-sale agreement dated 1 April 2013 between Target Co and GY Zhong Yu for the purchase of the Guiyang Project by Target Co for a consideration of RMB68,000,000
“Remaining Group”	the Group immediately after Disposal Completion
“SGM”	the special general meeting of the Company to be convened and held to consider, inter alia, the Disposal Agreement, the Acquisition Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary shares of US\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Co”	貴陽鼎天投資諮詢有限公司(Guiyang Ding Tian Investment Consultancy Limited*), a company incorporated in the PRC with limited liability

“Target Purchaser”	a wholly owned subsidiary of the Company, being the purchaser under the Local Agreement
“Win Harbour”	Win Harbour Investments Limited, a company incorporated in the BVI with limited liability, and a 85% owned subsidiary of C C Land
“Xi’an Land”	two parcels of land located at Weiyang District, Xi’an City, the PRC (i) with a site area of approximately 134,357 square meters and (ii) with a site area of approximately 19,739 square meters respectively
“Xi’an Project”	the property development project known as 西安渭濱花園 (Xi’an Wei Bin Gardens) consisting of luxurious residential and commercial buildings being constructed on the Xi’an Land
“Xi’an Yuansheng”	西安遠聲實業有限公司(Xi’an Yuansheng Enterprises Limited*), a company incorporated in the PRC with limited liability, which is owned as to 60% by Allywing and as to 40% by Xingchuang
“Xingchuang”	西安星創置業有限公司(Xi’an Xingchuang Estate Limited*), a company incorporated in the PRC with limited liability, and is interested in 40% of the registered capital of Xi’an Yuansheng
“Xingchuang Agreement”	the agreement dated 9 May 2013 between 四川中渝置地有限公司 (CC Land Holdings (Sichuan) Limited*), a wholly owned subsidiary of C C Land, and the sole owner of Xingchuang in relation to the sale and purchase of the entire equity interest in Xingchuang
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

* For identification purpose only.

For the purpose of illustration only, the amount denominated in RMB has been translated into HK\$ at the exchange rate of RMB1.00 to HK\$1.25.

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

Hong Kong, 9 May 2013

As at the date of this announcement, the executive Directors are Mr. Ip Cheng Kuong, Mr. Yeung Kwok Yu, Ms. Catherine Chen, Mr. Chiu Kong, 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 are Ms. Ma Yin Fan, Mr. Leung Hoi Ying, Mr. Yu Pan and Mr. Lee Ming Tung.