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CHINA NEW ENERGY POWER GROUP LIMITED

中國新能源動力集團有限公司

(formerly known as Fulbond Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1041)

ANNOUNCEMENT FURTHER UPDATES ON THE VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION

The Board announces that the Purchaser failed to pay the final payment of HK\$25,000,000 on or before 18 October, 2011 in accordance with the Supplemental Deed. Accordingly, the Company is considering taking all necessary actions (including but not limiting to any legal actions etc.) to protect its rights under the Sale and Purchase Deed (as modified by the Supplemental Deed), the Promissory Note and the documents contemplated thereunder.

Reference are made to the announcement of China New Energy Power Group Limited (the “**Company**”) dated 9 December 2009, the circular of the Company dated 24 December 2009 (the “**Circular**”) and the announcement of the Company dated 19 July 2011, in relation to the very substantial disposal and connected transaction. Terms used herein shall have the same meanings as defined in the Circular unless defined otherwise.

Under the Sale and Purchase Deed, the balance of the Consideration in the sum of HK\$43,000,000 shall be paid within 18 months from the date of Completion and such date of payment may be extended by a further period 3 months after expiry of such 18 months, i.e. 18 July 2011, upon the mutual agreement between the Vendor and the Purchaser in writing.

On 19 July 2011, the Vendor, the Company, the Purchaser and the Purchaser’s Guarantor entered into the supplemental deed (the “**Supplemental Deed**”) to extend the payment date of the balance of the Consideration in the sum of HK\$43,000,000, pursuant to which, the sum of HK\$10,000,000, HK\$8,000,000 and HK\$25,000,000 (together with the aforesaid sum of HK\$8,000,000, collectively, the “**Outstanding Amount**”) shall be paid on or before 18 July 2011, 18 August 2011 and 18 October 2011 respectively and that the Purchaser shall be liable to pay the Vendor interest on the Outstanding Amount at the rate of 6% per annum calculated on a daily basis (based on a 365 days’ year period) from 19 July 2011 to the date of payment and that the Purchaser shall pay interest on a monthly basis on the business day immediately preceding the 18th day of each month.

Up to the date hereof, the Purchaser has paid the aggregate sum of HK\$18,000,000 together with the relevant interest accrued thereon in accordance with the Supplemental Deed. However, the Purchaser failed to pay the final payment of HK\$25,000,000 on or before 18 October, 2011. Accordingly, the Company is considering taking all necessary actions (including but not limiting to any legal actions etc.) to protect its rights under the Sale and Purchase Deed (as modified by the Supplemental Deed), the Promissory Note and the documents contemplated thereunder. Further announcement will be made to update the shareholders and investors of the Company as to the progress of this matter, as and when necessary.

By Order of the Board
China New Energy Power Group Limited
Zhang Xi
Joint Chairman

Hong Kong, 19 October 2011

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Xi, Mr. Ip Cheng Kuong, Ms. Catherine Chen, Mr. Chiu Kong, Mr. Yeung Kwok Yu, Mr. Fei Phillip, Mr. Yeung Tsoi San, Mr. Kwan Kam Hung, Jimmy, Mr. Wah Wang Kei, Jackie and Mr. Chen Guang Lin; and the independent non-executive directors of the Company are Ms. Ma Yin Fan, Mr. Leung Hoi Ying and Mr. Yu Pan.