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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)

VOLUNTARY ANNOUNCEMENT

INVESTMENTS IN PPS INTERNATIONAL (HOLDINGS) LIMITED

As at the date of this announcement, the Group is interested in an aggregate of 1,921,900,000 PPS Shares, representing approximately 12.81% of the PPS Shares in issue. According to the PPS Announcement dated 14 December 2015, the Group became the single largest shareholder of PPS. Trading in the PPS Shares had been suspended since 15 December 2015 pending the release of an announcement relating to updates on legal proceedings in the Cayman Islands. In the PPS Announcement dated 24 December 2015, PPS announced certain updates regarding the Legal Actions, including the PPS Petition, further details are set out below. The Company is in the course of obtaining legal advice regarding such updates.

The Board is closely monitoring the situation. Further announcement(s) will be made as and when appropriate in accordance with the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

INTEREST IN PPS

The Board announces that after various acquisitions, including participation in the PPS Open Offer as shareholders of PPS and the PPS Subscription, as at the date of this announcement, the Group is interested in an aggregate of 1,921,900,000 PPS Shares, representing approximately 12.81% of the PPS Shares in issue. According to the PPS Announcement dated 14 December 2015, the Group became the single largest shareholder of PPS. Trading in the PPS Shares had been suspended since 15 December 2015 pending the release of an announcement relating to updates on legal proceedings in the Cayman Islands.

According to the information contained in the announcements/circulars of PPS, the PPS Group is principally engaged in the provision of environmental services which include the provision of cleaning and related services for (i) public area and office cleaning services which involve cleaning of public areas, carpets, floors, toilets, changing rooms, lifts and escalators and emptying of garbage bins at commercial buildings, residential complexes, shopping arcades, hotels and their tenants and public transport facilities such as airport, ferries, ferry terminal, cargo and logistics centre and depots; (ii) overnight kitchen cleaning services mainly at private club and hotels; (iii) external wall and window cleaning services; (iv) stone floor maintenance and restoration services; (v) pest control and fumigation services; (vi) waste management and disposal solutions which mainly involve collection, transportation and disposal of household waste, construction waste and trade waste and sales of recyclable waste such as paper, metal and plastic waste collected during the operations; (vii) housekeeping services where the PPS Group provide housekeeping services to carry out professional daily housekeeping and cleaning services at local boutique hotels, hostels and serviced apartments; (viii) secure and confidential waste destruction for commercial clients; (ix) sanitation solution for yacht; and (x) cleaning and waste management solution for renovated apartment.

COMPLAINT LETTER FROM A PPS SHAREHOLDER

As disclosed in the PPS Announcement dated 9 December 2015, PPS received a letter from Harney Westwood & Riegels (“**Harney**”), a Cayman Islands lawyer, on 8 December 2015, expressing concerns on behalf of a PPS Shareholder (the “**Relevant PPS Shareholder**”), among other things, on a disclosure of interest form filed by the Company (“**DI Form**”) on 13 November 2015. The said DI Form indicated that the Company had acquired an interest in respect of 3,755,500,000 PPS Shares (“**Additional PPS Interest**”) and as a result, the Company had an interest in respect of a total of 4,466,500,000 PPS Shares. Harvey queried whether there had been any undisclosed arrangement between PPS and the Company or the PPS Open Offer Underwriter, and further stated that they had filed with the Cayman Islands courts on 7 December 2015 (i) a petition for the winding-up of PPS (the “**PPS Petition**”); (ii) a summons for the appointment of joint provisional liquidators over PPS; and (iii) an ex-parte summons for an injunction pending the determination of the PPS Petition, or further order of the Cayman Islands courts, to restrain PPS from taking any further steps in relation to, or continuing with, or implementing the Open Offer (collectively, the “**Legal Actions**”).

As provided in the PPS Announcement dated 9 December 2015, the Additional PPS Interest was due to the Group’s entitlements as shareholders (then holding 711,000,000 PPS Shares, and entitlements under the Open Offer amount to 355,500,000 PPS Shares) under the Open Offer and participation in the PPS Subscription. On 9 December 2015, the PPS Open Offer Underwriter informed the Group that the Group was required only to subscribe for 855,400,000 PPS Shares under the PPS Subscription. Accordingly, the Company filed a DI Form indicating, among other things, its interest in respect of 1,921,900,000 PPS Shares.

Other than the Group's shareholding in PPS, PPS is an Independent Third Party. According to the PPS Announcement dated 15 December 2015, trading in the PPS Shares had been suspended since 15 December 2015. In the PPS Announcement dated 24 December 2015, PPS announced, among others, the following:

- (1) On 14 December 2015, PPS was served with documents relating to the Legal Actions, issued from the Grand Court of the Cayman Islands (the "**Court**") in which the Relevant PPS Shareholder is the petitioner and applicant.
- (2) The Relevant PPS Shareholder alleged that, among others, (i) the PPS Open Offer was made for the improper purpose of diluting his shareholdings in PPS; and (ii) PPS together with the PPS Open Offer Underwriter, the Company and Kingston Securities Limited were acting in collusion to dilute his shareholdings.
- (3) A court hearing was fixed before the Court on 18 December 2015 and PPS attended the court hearing by its legal advisers in the Cayman Islands. The injunction application was withdrawn by the applicant prior to the said hearing. At the hearing the Court made the following orders, among others:
 - (i) the application for appointment of the joint provisional liquidators be adjourned generally;
 - (ii) a validation order be granted in respect of payments made into or out of the bank accounts of PPS in the ordinary course of business of PPS and dispositions of the property of PPS made in the ordinary course of its business for proper value between the date of presentation of the PPS Petition and the date of judgment on the PPS Petition or further order;
 - (iii) the PPS Petition be against PPS;
 - (iv) trading of shares in PPS shall remain suspended until further Court order;
 - (v) the proceeds of the PPS Open Offer be segregated and preserved until further Court order;
 - (vi) PPS shall not convene a meeting of the shareholders without the leave of the Court, save for the annual general meeting already convened which shall be only in respect of members on the share register prior to 5 November 2015; and
 - (vii) PPS may publicise the winding up petition as it chooses.
- (4) The parties had been discussing as to the wordings of the draft Court order and the formal order was yet to be finalized.
- (5) PPS is currently taking legal advice regarding the Court order and the case generally. PPS considers that the allegations made by the applicant and his grounds for the PPS Petition are unsustainable and will continue to contest the proceedings vigorously. PPS will publish announcements to update the shareholders of PPS of the progress of the legal proceedings as and when appropriate.

(6) In view of the validation order being granted by the Court, PPS is of the view that, save and except matters as set out in the Court order, the daily operation of PPS will not be adversely affected.

The Company is in the course of obtaining legal advice regarding the above.

GENERAL

The Group is principally engaged in the property business and investment in securities business in Hong Kong and PRC. The acquisition of interests in PPS by the Group under the PPS Open Offer as shareholders of PPS and the PPS Subscription have been conducted in the ordinary and usual course of business of the Group, and thus do not constitute a “transaction” of the Company under Chapter 14 of the Listing Rules. The interests in PPS held by the Group will be booked as the Group’s held-for-trading investments.

The Board is closely monitoring the situation. Further announcement(s) will be made as and when appropriate in accordance with the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“ Board ”	the board of Directors
“ Company ”	China New Energy Power Group Limited (中國新能源動力集團有限公司), a company incorporated in Bermuda with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange
“ connected person ”	has the meaning ascribed to it under the Listing Rules and the word “ connected ” shall be construed accordingly
“ Director(s) ”	the director(s) of the Company
“ GEM ”	the Growth Enterprise Market of the Stock Exchange
“ Group ”	collectively, the Company and its subsidiaries
“ Hong Kong ”	the Hong Kong Special Administrative Region of the PRC
“ Independent Third Party ”	party which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is independent of the Company and its connected persons

“Legal Actions”	has the meaning set out in the section headed “Complaint Letter from a PPS Shareholder” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PPS”	PPS International (Holdings) Limited (寶聯控股有限公司) (stock code: 8201), a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the GEM
“PPS Announcement(s)”	announcement(s) issued by PPS
“PPS Group”	collectively, PPS and its subsidiaries
“PPS Open Offer”	the issue by way of open offer to the qualifying shareholders of PPS on the basis of one (1) offer share for every two (2) then existing PPS shares as described in the prospectus issued by PPS dated 24 November 2015
“PPS Open Offer Underwriter”	Orient Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“PPS Petition”	has the meaning set out in the section headed “Complaint Letter from a PPS Shareholder” in this announcement
“PPS Share(s)”	ordinary share(s) of HK\$0.0001 each in the share capital of PPS as at the date of this announcement
“PPS Subscription”	the subscription agreement entered into between the PPS Open Offer Underwriter and the Group, pursuant to which the PPS Open Offer Underwriter might, at its absolute discretion, require the Company to subscribed for up to 3,400,000,000 PPS Shares, where were not taken up in the PPS Open Offer
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board of
China New Energy Power Group Limited
Hui Wai Man, Shirley
Company Secretary

Hong Kong, 24 December 2015

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Lam Kwok Hing Wilfred, JP. (Chairman), Mr. Wu Xiaolin (Chief Executive Officer), Mr. Shi Liangsheng and Mr. Wen Wenfeng; one Non-Executive Director, namely Mr. Lung Chee Ming George; and three Independent Non-Executive Directors, namely Mr. Zeng Zhaolin, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Tse Long.