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CHINA NEW ENERGY POWER'S SHAREHOLDERS APPROVE TO EXTEND LONG STOP DATE OF LITHIUM ENERGY GROUP ACQUISITION

At a special general meeting ("SGM") held today, shareholders of China New Energy Power Group Limited ("CNEP" or "the Company", stock code: 1041) unanimously approved the extension of the long stop date of the acquisition of Lithium Energy Group Ltd to end of March 2012 due to volatility of the local stock market.

At today's SGM, the shareholders of CNEP have also approved the extension of the profit target fulfillment dates and the dates of subsequent payments for settling the consideration for the acquisition ("Acquisition") of Lithium Energy Group Ltd under the supplemental acquisition agreement in relation to the Acquisition. In addition, the CNEP shareholders have approved the extension of the validity period of the specific mandates to issue shares and convertible notes ("CN") of the Company for share placing and CN placing, obtaining the proceeds from such placing of not less than HK\$1 billion is one of the conditions precedent for the completion of the Acquisition.

On 30 September 2011, CNEP, the Vendor and the Vendor's Guarantors entered into a supplemental acquisition agreement to amend certain terms and conditions of previous acquisition agreement, pursuant to which the dates for fulfillment of the conditions precedent are to be further extended to 31 March 2012.

The guaranteed audited consolidated net profit of Lithium Energy Group Ltd for the five financial years remains to be not less than HK\$1.12 billion in total. However, in view of the delay in the completion timetable, the profit target fulfillment dates have been adjusted commencing from 1 January 2012 to 31 December 2016, with the profit target for the financial year ended 31 December 2012 amounting to not less than HK\$70 million.

"We are committed to establish a strong presence in the high-growth new energy vehicle sector. However, in view of volatility of the stock markets, the extension of subsequent fulfillment dates will allow the Company with the necessary flexibility to complete the convertible notes placing and the placing of CNEP shares, from which obtaining the proceeds of over HK\$1 billion is condition precedent for completion of the Acquisition." said Mr Zhang Xi, Joint Chairman of CNEP.

Lithium Energy Group Ltd is principally engaged in the research and manufacturing of lithium-ion battery; research and production of power motor and controller; and cooperation with strategic partners involving in manufacturing of automotive vehicles, and selling of these vehicles to customers. It possesses a team of experts and consultants comprising professors of reputable universities and has 14 registered patents for technologies relating to the development and design of its products.

In addition to Guangzhou, Shenzhen, Dalian, Shandong, Chongqing, Chengdu and Hong Kong, Lithium Energy Group Ltd plans to penetrate into markets including Ningxia and Sanya. It has entered into a memorandum of understanding with a corporation in Ningxia engaging in the business of automatic instruments and wind energy, to establish a joint venture engaged in research and development of rechargeable batteries technology and provide relevant maintenance services. Lithium Energy Group Ltd has also entered into a framework agreement to sell electric buses to a corporation in Sanya which is authorized by the government to operate electric buses in the city.

About China New Energy Power Group Limited (former name Fulbond Holdings Limited)

Listed on the main board of The Stock Exchange of Hong Kong Limited in 1996, the Company has been seeking to expand its business scope with strategic investment in segments with high-growth potential in recent years. In mid-2011, the Company acquired Lithium Energy Group Ltd, which has operation bases in Tangshan, Changchun and Zhuhai. In August 2011, the Company changed its name to China New Energy Power Group Limited to reflect its new future business direction and business strategies in the development of lithium-ion battery and electric vehicles.

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