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NEW SMART ENERGY GROUP LIMITED

駿新能源集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 91)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to continue to record a loss for the six months ended 30 June 2013.

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

This announcement is made by New Smart Energy Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Based on information currently available, the board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to continue to record a loss for the six months ended 30 June 2013. Such loss was mainly attributable to (i) a decline in the overall gross profit margin of the Group; (ii) an amortisation of production sharing contract; (iii) a loss on restructuring of convertible notes of the Company and (iv) the imputed interest incurred on the convertible notes of the Company though there is a fair value gain of the embedded derivative portion of the convertible notes of the Company.

The Company is in the process of finalizing the Group’s unaudited financial results for the six months ended 30 June 2013. The information contained in this announcement is only based on a preliminary assessment on the consolidated management accounts of the Group as at 30 June 2013 which will be subject to the final review procedures of the Company’s auditors. Details of the Group’s performance will be disclosed as and when the unaudited financial results for the six months ended 30 June 2013 are announced.

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

By order of the Board
New Smart Energy Group Limited
Albert Saychuan Cheok
Chairman

Hong Kong, 20 August 2013

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Wai Keung, Mr. Tam Tak Wah and Ms. Tsang Ching Man and the independent non-executive directors of the Company are Mr. Chan Tsz Kit, Mr. Chan Yim Por Bonnie, Mr. Albert Saychuan Cheok and Mr. Wang Li.