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China Print Power Group Limited
中國威力印刷集團有限公司

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 6828)

(Singapore Stock Code: B3C)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO A POSSIBLE ACQUISITION**

This announcement is made by China Print Power Group Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

**MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE
ACQUISITION**

The Board is pleased to announce that the Company entered into the non-legally binding MOU with the Prospective Vendor in relation to the Possible Acquisition on 2 July 2014.

The Target Group is principally engaged in the implementation of the use of natural gas projects in Haikou City, Hainan Province, PRC.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As the Possible Acquisition may or may not proceed, investors and Shareholders are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company as and when appropriate and required in accordance with the Listing Rules.

This announcement is made by China Print Power Group Limited pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION

On 2 July 2014 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company and the Prospective Vendor as the intended vendor entered into the MOU in relation to a Possible Acquisition.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Prospective Vendor is an Independent Third Party.

The MOU does not create legally binding obligations on the parties in relation to the Possible Acquisition but is legally binding as to the Exclusivity Period the payment and refund of the Earnest Money.

Pursuant to the MOU, the Prospective Vendor and the Purchaser anticipate that they will proceed with the Possible Acquisition in the following manner:–

Assets to be acquired

Pursuant to the MOU, the Purchaser shall acquire the Sale Shares in the Target from the Prospective Vendor.

Consideration

The amount of the consideration for the Sale Shares and the means and method of payment and satisfaction of the consideration shall be subject to further negotiation between the Prospective Vendor and the Purchaser and by referring to the valuation of the Target to be performed by an independent appraiser to be engaged by the Purchaser.

Exclusivity

The Prospective Vendor agrees that it shall not, and will cause its employees, agents and representatives and the officers of the Target not to, at any time during the Exclusivity Period commencing on the date of the MOU, solicit, initiate, or encourage submission of further proposals or offers from any person for the purchase of the Sale Shares. Further, the Prospective Vendor agrees that it shall not, and will cause its employees, agents and representatives and the officers of the Target not to, at any time during the Exclusivity Period solicit, initiate, or encourage submission of further proposals or offers from any person for the purchase of any other equity interest in the Target.

Earnest Money

In consideration of the Prospective Vendor agreeing to grant to the Purchaser the Exclusivity Period, the Purchaser agrees to pay to the Prospective Vendor the Earnest Money within 7 days from the date of the MOU. The Earnest Money shall be refunded and returned to the Purchaser in full within 7 days and without notice upon:–

- (a) the expiry of the Exclusivity Period or any extended period mutually agreed without consummation of the transactions contemplated under the MOU; or
- (b) the Purchaser serving a written notice on the Prospective Vendor to request the return of the Earnest Money and upon the Purchaser serving a notice on the Prospective Vendor to request for the refund of the Earnest Money, the Exclusivity Period granted by the Prospective Vendor to the Purchaser shall automatically lapse upon the receipt by the Purchaser of the refunded Earnest Money.

Due Diligence Review

The Prospective Vendor agrees and undertakes that during the Exclusivity Period the Purchaser and its legal and financial advisors, auditors and valuers will be given full and free assistance and access to inspect the Target Group's personnel, properties, contracts, books and records, and other documents and data, in each case on a reasonable notice. All costs regarding the due diligence review should be borne by the Purchaser.

Formal Agreement

It is intended that the Prospective Vendor and the Purchaser will proceed to the negotiation for a legally-binding formal agreement prior to the expiration of the Exclusivity Period or any extended period mutually agreed by the Prospective Vendor and the Purchaser provided that the Prospective Vendor shall procure Shenzhen Hong Wheelock, its indirect wholly owned subsidiary, to acquire at least 52% equity interest in Haikou Xin Yuan and complete the necessary shares transfer procedure within the Exclusivity Period.

INFORMATION ON THE TARGET GROUP

The Target Group is principally engaged in the implementation of the use of natural gas projects in Haikou City, Hainan Province, PRC (中國海南省海口市). Among the Target Group, Haikou Xin Yuan owns three natural gas filling stations in Haikou City and is carrying on the use of natural gas business.

Haikou Xin Yuan also through its five non-wholly owned subsidiaries own another four natural gas filling stations in Haikou City, all of these five non-wholly owned subsidiaries are carrying on the implementation and use of natural gas projects in Haikou City.

REASONS FOR ENTERING INTO THE MOU

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in the printing business and sales of paper and leather products. The Group is actively exploring for business opportunities in other sectors to diversify risk and broaden the sources of income of the Group. The Company considers that the Possible Acquisition if materialized will provide an opportunity for the Company to diversify and strengthen its business of servicing the natural gas distribution sector in PRC.

The Board wishes to emphasize that the Possible Acquisition is subject to, among others, the signing of a legally binding sale and purchase agreement, the terms and conditions of which are yet to be agreed between the Purchaser and the Prospective Vendor. As such, the Possible Acquisition may or may not proceed and as at the date of this announcement, no legally binding agreement in relation to the Proposed Acquisition has been entered into. Further announcement(s) will be made by the Company in accordance with the Listing Rules as and when appropriate. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Company”	China Print Power Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Earnest Money”	the sum of HK\$2 million
“Exclusivity Period”	during the twelve calendar months commencing on the date of the MOU and any extended period mutually agreed between the Prospective Vendor and the Purchaser.
“Group”	the Company and its subsidiaries
“Haikou Xin Yuan”	海口鑫元天然氣技術股份有限公司, a company incorporated in PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 2 July 2014 entered into between the Purchaser and the Prospective Vendor in relation to Possible Acquisition
“Possible Acquisition”	the possible acquisition of the sale and purchase of the Sale Shares by the Purchaser from the Prospective Vendor as contemplated under the MOU
“PRC”	People’s Republic of China
“Prospective Vendor”	吳玉生, the legal and beneficial owner of 100% equity interest in the Target, an independent third party

“Purchaser”	Goldlink Capital Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Sale Shares”	such number of shares in the Target representing more than 50% equity interest in the Target
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Hong Wheelock”	深圳宏德丰能源有限公司, a wholly owned foreign enterprise incorporated in the PRC and an indirect wholly owned subsidiary of the Prospective Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Well Organising Group Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of the Prospective Vendor
“Target Group”	Haikou Xin Yuan and its non-wholly owned subsidiaries comprising, 海口鑫元眾和天然氣加氣站有限公司, 海口鑫元信和天然氣加氣站有限公司, 海口鑫元友和天然氣加氣站有限公司, 海口鑫元明和天然氣加氣站有限公司 and 海南大眾天然氣開發利用有限公司, collectively
“%”	per cent

By Order of the Board
China Print Power Group Limited
Sze Chun Lee
Chief Executive Officer and Executive Director

Hong Kong, 2 July 2014

As at the date of this announcement, the executive directors of the Company are Mr. Sze Chun Lee, Mr. Chan Wai Ming, Mr. Lam Shek Kin, Ms. Chung Oi Ling, Stella and Mr. Hung Tao and Mr. Cheng Ming Kit; and the independent non-executive directors of the Company are Mr. Lim Siang Kai, Mr. Wee Piew and Ms. Wong Fei Tat.