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NEW CENTURY GROUP HONG KONG LIMITED

新世紀集團香港有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 234)

MEMORANDUM OF UNDERSTANDINGS

This announcement is made by New Century Group Hong Kong Limited (the “**Company**” which together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company that on 15 August 2011, a wholly owned subsidiary of the Company entered into a memorandum of understandings (the “**MOU**”) with a third party (the “**Potential Vendor**”) independent of and not connected with the Company and its connected persons (within the meaning of the Listing Rules) regarding a possible acquisition (the “**Possible Acquisition**”) of certain equity interests in a company (the “**Target Company**”, which together with its subsidiaries, the “**Target Group**”), which if materializes may constitute a notifiable transaction on the part of the Company under the Listing Rules. The Target Group is principally engaged in the business of the development, production and assembling of high power lithium iron electrical cell and pack, cell management system, protective circuit, charger and the electrical cell motor unit. Following the execution of the MOU, it is intended that the Group and the Potential Vendor will further discuss to explore the Possible Acquisition and may enter into a formal sales and purchase agreement within two months from the date of the MOU or the time period to be extended upon mutual consent by the parties to the MOU.

** For identification only*

Pursuant to the MOU, the Potential Vendor agrees that it will not within two months of the date of the MOU approach or enter into any discussions with any other prospective purchaser of or make available information concerning the Target Group to anyone other than as approved in writing by the Group. Each party shall bear its own costs and expenses incurred in connection with the MOU and all documents incidental or relating to the Possible Acquisition. Save for the aforesaid exclusivity period and provision for costs and expenses, and the confidentiality clause contained in the MOU, the MOU was entered into on a subject-to-contract basis and was non-legally binding.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. Accordingly, the Possible Acquisition may or may not proceed. In the event that the Possible Acquisition materializes, the Company will make further announcement in compliance with the Listing Rules as and when appropriate. Shareholders of the Company and potential investors are urged to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Wilson Ng
Chairman

Hong Kong, 15 August 2011

As at the date of this announcement, the Board comprises Mr. Wilson Ng (Chairman), Ms. Sio Ion Kuan (Deputy Chairman), Mr. Ng Wee Keat (Chief Executive Officer), Ms. Ng Siew Lang, Linda (Chief Operating Officer), Ms. Lilian Ng, Ms. Chen Ka Chee and Mr. Yu Wai Man as executive directors and Mr. Wong Kwok Tai, Mr. Kwan Kai Kin, Kenneth and Mr. Ho Yau Ming as independent non-executive directors.