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CHINA NENG XIAO TECHNOLOGY (GROUP) LIMITED

中國能效科技(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 8047)

**RESULTS OF THE OPEN OFFER OF 997,897,828 OFFER SHARES
AT HK\$0.025 PER SHARE
ON THE BASIS OF ONE OFFER SHARE
FOR EVERY TWO SHARES
HELD ON THE RECORD DATE
AND
ADJUSTMENTS TO THE SUBSCRIPTION PRICE
AND
NUMBER OF THE OUTSTANDING WARRANTS**

RESULTS OF THE OPEN OFFER

The Board announces that all of the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms.

At 4:00 p.m. on Friday, 25 January 2013, being the Latest Time for Acceptance, a total of 45 valid acceptances of Offer Shares were received for a total of 945,614,635 Offer Shares, representing approximately 94.76% of the total number of the Offer Shares available for subscription under the Open Offer.

* *For identification purposes only*

Accordingly, the Open Offer became unconditional at 4:00 p.m. on Wednesday, 30 January 2013. Based on the results of the Open Offer as set out above, the Open Offer was under-subscribed by 52,283,193 Offer Shares. In accordance with the terms of the Underwriting Agreement, the remaining 52,283,193 Offer Shares were underwritten and taken up by the Underwriter.

It is expected that the share certificates for the Offer Shares in respect of the valid acceptances of the Offer Shares under the Application Forms will be despatched to the Qualifying Shareholders by ordinary post on Monday, 4 February 2013 at their own risks.

Dealing in the Offer Shares is expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 5 February 2013.

ADJUSTMENTS TO THE SUBSCRIPTION PRICE AND NUMBER OF THE OUTSTANDING WARRANTS

Pursuant to the terms and conditions of the Warrants, the subscription price and number of the outstanding Warrants has been adjusted from HK\$0.591 per Share to HK\$0.448 per Share and 24,636,209 Warrants to 32,499,998 Warrants respectively as a result of the Open Offer. The said adjustment took effect retroactively on 10 January 2013.

Reference is made to the prospectus of China Neng Xiao Technology (Group) Limited (the “**Company**”) dated 11 January 2013 (the “**Prospectus**”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE OPEN OFFER

The Board announces that all of the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms.

At 4:00 p.m. on Friday, 25 January 2013, being the Latest Time for Acceptance, a total of 45 valid acceptances of Offer Shares were received for a total of 945,614,635 Offer Shares, representing approximately 94.76% of the total number of the Offer Shares available for subscription under the Open Offer.

Accordingly, the Open Offer became unconditional at 4:00 p.m. on Wednesday, 30 January 2013.

Underwriting arrangements

Based on the results of the Open Offer as set out above, the Open Offer was under-subscribed by 52,283,193 Offer Shares. In accordance with the terms of the Underwriting Agreement, the remaining 52,283,193 Offer Shares were underwritten and taken up by the Underwriter.

Despatch of share certificates and commencement of dealings in Offer Shares

It is expected that the share certificates for the Offer Shares in respect of the valid acceptances of the Offer Shares under the Application Forms will be despatched to the Qualifying Shareholders by ordinary post on Monday, 4 February 2013 at their own risks.

Dealing in the Offer Shares is expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 5 February 2013.

Change in shareholding structure of the Company

	Immediately prior to completion of the Open Offer		Immediately after completion of the Open Offer	
	Shares	% (approx.)	Shares	% (approx.)
Substantial Shareholders				
Mr. Lau	4,483,200	0.23	6,724,800	0.23
Starryland Profits Limited	346,404,682	17.36	519,607,023	17.36
Mrs. Lau	1,480,000	0.07	2,220,000	0.07
Party acting in concert with Mr. Lau	<u>3,954,932</u>	<u>0.20</u>	<u>5,875,732</u>	<u>0.20</u>
Subtotal	<u>356,322,814</u>	<u>17.86</u>	<u>534,427,555</u>	<u>17.86</u>
Brilliant Bloom Investments Limited	325,000,000	16.28	487,500,000	16.28
Public Shareholder	1,314,472,842	65.86	1,919,482,736	64.11
Underwriter	<u>–</u>	<u>0.00</u>	<u>52,283,193</u>	<u>1.75</u>
Total	<u>1,995,795,656</u>	<u>100.00</u>	<u>2,993,693,484</u>	<u>100.00</u>

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Save for the above adjustment, all the other terms and conditions of the Warrants remain unchanged. The above adjustment was computed by the Company in accordance with the terms and conditions of the Warrants and has been reviewed and confirmed by the Company's auditor.

By order of the Board
China Neng Xiao Technology (Group) Limited
Mr. Chan Francis Ping Kuen
Executive Director

Hong Kong, 1 February 2013

As at the date of this announcement, the executive Directors are Mr. Chan Francis Ping Kuen and Mr. Chan Hin Wing, James. The independent non-executive Directors are Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan and Mr. Cheung Chi Hwa, Justin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least 7 days from the date of its posting and the Company's website at www.nengxiao.com.hk.