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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 of the Listing Rules.

Based on information currently available, the Board wishes to inform the shareholders of the Company and potential investors that further to those set out in the interim report of the Company relating to the Group's Interim Results, the annual results of the Group for the year ended 31 December 2009 is expected to be continually affected by the loss derived from the increase in the fair value of the derivative financial instrument embedded with the outstanding Convertible Note and amortization of production sharing contract, and further deteriorated from the Interim Results and affected by the impairment loss on natural gas operations in Chongqing; and the Group is therefore expected to record a significant loss for the year ended 31 December 2009 as compared to the audited results reported for the corresponding period in 2008.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities 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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Reference is made to the interim results of the Group for the six months ended 30 June 2009 (the “**Interim Results**”) and issued on 16 September 2009.

As set out in the Interim Results, the Group recorded a substantial loss for the six months ended 30 June 2009 which was primarily attributable to the loss derived from the increase in the fair value of the derivative financial instrument embedded with the outstanding convertible note of the Company (the “**Convertible Note**”).

Based on information currently available, the Board wishes to inform the shareholders of the Company and potential investors that the annual results of the Group for the year ended 31 December 2009 is expected to be continually affected by the loss derived from the increase in the fair value of the derivative financial instrument embedded with the outstanding Convertible Note and amortization of production sharing contract and further deteriorated from the Interim Results and affected by the impairment loss on natural gas operations in Chongqing; and the Group is therefore expected to record a significant loss for the year ended 31 December 2009 as compared to the audited results reported for the corresponding period in 2008. The Board also considers that as the loss and amortization mentioned above are non-cash items, such items will not have any impact on the operating cash flows of the Group.

The Company is in the process of finalizing the Group's annual results for the year ended 31 December 2009. The information contained in this announcement is only based on information currently available to the Company and the consolidated management accounts of the Group for the year ended 31 December 2009 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 final results for the financial year ended 31 December 2009 are announced.

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

By order of the Board
New Smart Energy Group Limited
Tong Nai Kan
Chairman

Hong Kong, 28 April 2010

As at the date of this announcement, the executive directors of the Company are Mr. Tong Nai Kan, Ms. Tsang Ching Man, Mr. Lo Tai In, Mr. Tam Tak Wah and Ms. Pang Yuen Shan, Christina and the independent non-executive directors of the Company are Mr. Chan Tsz Kit, Mr. Wang Li and Mr. Wong Kwok Hong Simon.