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CHINA NEW ENERGY POWER GROUP LIMITED

中國新能源動力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1041)

REMOVAL OF CHIEF EXECUTIVE OFFICER

On 4 July 2012, China New Energy Power Group Limited (the “**Company**”) convened a Board meeting at which the board of Directors (the “**Board**”) resolved that Mr. Yeung Tsoi San (“**Mr. Yeung**”) be removed from the office as chief executive officer of the Company with effect from 4 July 2012 (“the Removal”).

REASONS FOR THE REMOVAL

Reference is made to the Company’s announcements dated 29 June 2011 and 1 May 2012 (“the Announcements”). Unless otherwise stated, capitalized terms used in this paragraph shall have the same meanings as those defined in the Announcements. Mr. Yeung was appointed as an executive Director and chief executive officer of the Company, both with effect from 29 June 2011, with a view to commencing the preparatory work concerning the Acquisition Completion and to take necessary steps to consolidate the business of the Target Group into the Group. As announced by the Company on 1 May 2012, the Acquisition Agreement lapsed.

Further, the Board considers that Mr. Yeung, who is chief executive officer and executive Director, has failed to report duties to the Company since the beginning of 2012 and, in particular, has failed to attend offices and any board and shareholders meetings held since the beginning of 2012.

As such, the Board therefore considers that it will not be in the best interest of the Company and its shareholders as a whole to allow Mr. Yeung to continue to act as chief executive officer, and has resolved to remove Mr. Yeung as the chief executive officer with effect from 4 July 2012.

The Board also considers that the removal of Mr. Yeung from his office as chief executive officer of the Company will not have any adverse effect on the operations of the Company.

By Order of the Board
China New Energy Power Group Limited
Yeung Kwok Yu
Executive Director

Hong Kong, 4 July 2012

As at the date of this announcement, the executive directors of the Company are Mr. Ip Cheng Kuong, Ms. Catherine Chen, Mr. Chiu Kong, Mr. Yeung Kwok Yu, Mr. Yeung Tsoi San, Mr. Kwan Kam Hung, Jimmy, Mr. Wah Wang Kei, Jackie and Mr. Chen Guang Lin; and the non-executive directors of the Company is Mr. Wu Zhuo Tong ;and the independent non-executive directors of the Company are Ms. Ma Yin Fan, Mr. Leung Hoi Ying and Mr. Yu Pan.