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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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of China New Energy Power Group Limited (the “**Company**”) will be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 11 October 2012 at 11:00 a.m. or any adjournment(s) thereof, for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions of the Company:

SPECIAL RESOLUTIONS

1. **“THAT** subject to Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Reorganised Shares (as defined below) and the compliance with the relevant procedures and requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies Act 1981 of Bermuda (the “**Companies Act**”) to effect the Capital Reorganisation (as defined below), with effect from the business day (not being a Saturday) immediately following the date on which this resolution is passed:
 - (a) every four (4) existing shares of US\$0.001 each in the issued share capital of the Company be consolidated into one (1) consolidated share of par value of US\$0.004 (the “**Consolidated Share**”) (the “**Share Consolidation**”);
 - (b) subject to and forthwith upon the Share Consolidation becoming effective, the par value of each issued Consolidated Share be reduced from US\$0.004 to US\$0.001 (the “**Reorganised Shares**”) by cancellation of US\$0.003 of the paid-up capital of each issued Consolidated Share (the “**Capital Reduction**”);
 - (c) the entire amount standing to the credit of the share premium account of the Company as at 30 June 2012 be reduced and cancelled (the “**Share Premium Reduction**”);
 - (d) the credit arising from the Capital Reduction and the Share Premium Reduction in the books of the Company be credited to the contributed surplus account of the Company and be used to reduce the accumulated losses of the Company as at 30 June 2012, the remaining balance (if any) be applied by the directors of the Company (the “**Directors**”) in accordance with the bye-laws of the Company as amended from time to time and the Companies Act; and

- (e) the Directors be and are hereby authorised generally to take all necessary actions, to do all things and acts and sign all documents which they consider necessary, desirable, or expedient to implement and effect the Share Consolidation, the Capital Reduction and the Share Premium Reduction (collectively, the “**Capital Reorganisation**”).
2. “**THAT** the existing bye-laws of the Company be and are hereby amended by deleting the existing bye-law 92 in its entirety and substituting therefor the following new bye-law 92 of the Company:
- “92. Any Director may at any time by Notice in writing delivered to the office or at a meeting of the Directors appoint any person (including another Director) to be his alternate Director. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the person or body which appointed him and, subject thereto, the office of alternate Director shall continue until the next annual election of Directors or, if earlier, the date on which the relevant Director ceases to be a Director. Any removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Bye-laws shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.””

ORDINARY RESOLUTIONS

3. “**THAT**
- (a) the creation and issue by the Company of non-interest bearing convertible redeemable notes (the “**Convertible Notes**”) in the aggregate principal sum of HK\$120,000,000 due on the date falling upon the expiry of three years from the date on which the Convertible Notes are first issued, convertible into new shares in the capital of the Company on and subject to the terms and conditions (“**Conditions**”) contained in the placing agreement dated 16 August 2012 (as supplemented and amended by a supplemental agreement made between the Company and the placing agent on 27 August 2012) (“**Placing Agreement**”) (a

copy of which has been produced to this meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) between the Company and the placing agent, Kingston Securities Limited (as may be amended from time to time) in respect of, inter alia, the placing of the Convertible Notes be and is hereby generally and unconditionally approved in all respects;

- (b) the Placing Agreement and all the transactions contemplated thereunder and all other matters of and incidental thereto or in connection therewith be and are hereby generally and unconditionally approved, ratified and confirmed in all respects and the directors of the Company be and are hereby generally and specifically authorized to issue the Convertible Notes on and subject to the terms of the Placing Agreement (as may be amended from time to time) and the Conditions;
- (c) the directors of the Company be and are hereby generally and specifically authorized to issue the Convertible Notes approved to be issued under paragraph (a) of this resolution in the aggregate principal sum of HK\$120,000,000 and to allot and issue such number of new shares (“**Specific Mandate**”) as may be required to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes on and subject to the terms and conditions of the Placing Agreement (as may be amended from time to time) and the Conditions. The Specific Mandate is in addition to, and shall not prejudice nor revoke the existing general mandate granted to the directors of the Company by the shareholders of the Company at the annual general meeting of the Company held on 25 May 2012 or such other general or specific mandate(s) that may have been granted to the directors of the Company prior to the passing of this resolution;
- (d) any one director of the Company be and is hereby authorized to sign, seal, execute, perfect, deliver all such documents and to do all such things and acts as he may in his discretion consider necessary, expedient or desirable to effect (i) the transactions contemplated under the Placing Agreement (as may be amended from time to time) and the issue of the Convertible Notes and/or (ii) the amendment, variation or modification of the Placing Agreement (as may be amended from time to time) (including any amendment, variation or modification of the Conditions) upon such terms and conditions as the board of directors of the Company may think fit; and
- (e) in the event that completion of the issue of the Convertible Notes has not taken place in full by a date falling on the expiry of 4 calendar months after the passing of this resolution (the “**Expiry Date**”), the authorization and approval granted under this resolution shall be revoked and shall expire by the end of the Expiry Date provided that nothing shall affect the Placing Agreement, the Specific Mandate and the transactions contemplated thereunder that has taken place on or before the Expiry Date (including but not limited to the issue of the Convertible Notes under partial completion) and the transactions contemplated

to take place after the Expiry Date as a result thereof (including but not limited to the allotment and issue of the new shares as may be required to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes in issue on the Expiry Date), and the authorization and approval granted under this resolution in respect thereof shall remain valid and shall be in full force and effect in all respects accordingly.”

4. To re-elect Mr. Wu Zhuo Tong as director of the Company.

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

Hong Kong, 18 September 2012

*Head Office and principal place
of business in Hong Kong:*

Unit 2807, 28/F
The Center
99 Queen’s Road Central
Central
Hong Kong

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

1. A member of the Company entitled to attend and vote at the SGM convened by the notice of SGM is entitled to appoint one proxy or more proxies to attend and, on a poll, vote instead of him at the SGM. A proxy need not be a member of the Company.
2. To be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof.
3. In the case of joint holders of any share of the Company, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, then one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
4. Completion and return of this accompanying form of proxy will not preclude you from attending and voting at the SGM in person should you so wish.

As at the date of this notice, the executive directors of the Company are Mr. Ip Cheng Kuong, Ms. Catherine Chen, Mr. Chiu Kong, Mr. Yeung Kwok Yu, Mr. Kwan Kam Hung, Jimmy, Mr. Wah Wang Kei, Jackie and Mr. Chen Guang Lin; the non-executive director 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.